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PAPERS PRESENTED AT THE FIRST
ANNUAL CONFERENCE OF THE
BANGLADESH ECONOMIC
ASSOCIATION ON THE
FIRST FIVE YEAR PLAN

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EDITORS' NOTE

First Annual Conference of the Bangladesh Economic Association was held in an atmosphere of national disappointments and frustration. Faith in the capacity of the economists and their tools to shape the economic destiny of the nation was shaken. First Five Year Plan was made public only a few months before the Conference. Bangladesh Economic Association decided to make the plan their subject of discussion.

Papers presented in the Conference have been compiled in this volume. Issues raised in the Conference two years back still remain very much alive. The Conference provided the first opportunity to the economic professionals of Bangladesh to sit together to look at the nation's problems and exchange ideas. As such the presentations in the conference set the stage for future economic thinking in the country.

We regret the delay in the publication of this volume which was due to unavoidable circumstances. We sincerely hope that the Bangladesh Economic Association will be able to bring out this journal on a regular basis in coming years.

We are grateful to the Agriculture Development Council Inc. (ADC), New York for helping us with the publication of this volume.

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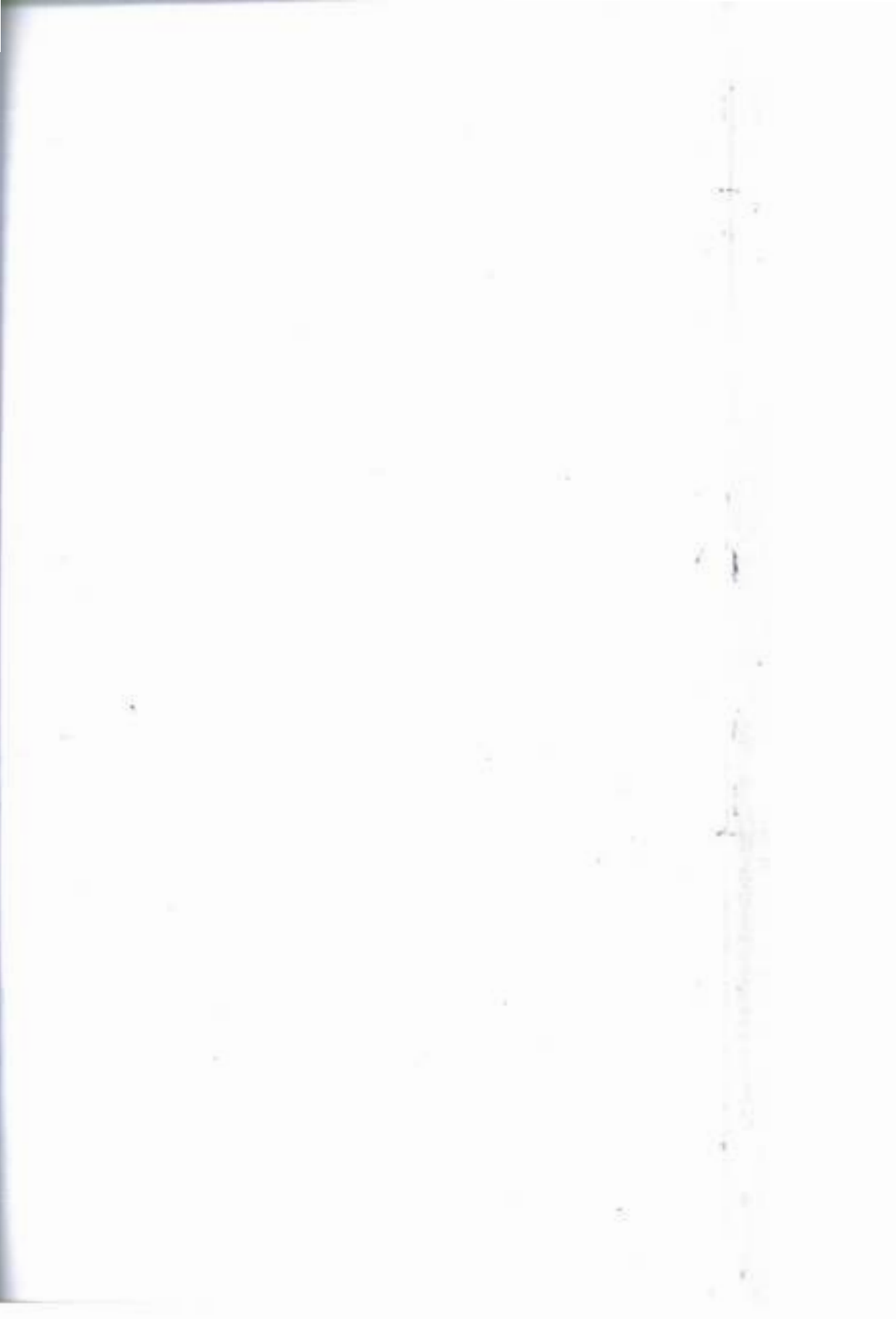
Conference 1974

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বাংলাদেশ অর্থনীতি সমিতির সভাপতি

ডঃ মাস্তহাক্কুল হক এর ডায়গ

মাননীয় রাষ্ট্রপতি, জনাব ডাইস-চ্যান্সেলর, বাংলাদেশ অর্থনীতি
সমিতির সভ্যবৃন্দ এবং সমাবেশ সূধী-মঞ্জলী

আপনারা আমার সলাম গ্রহণ করুন। আজ আমার পরম গৌরবের দিন। দীর্ঘ ছয় বৎসর অপেক্ষার পর এই দিনটি এসেছে। আপনারা হয়তো কেউ কেউ জানেন যে আমি ১৯৬৮ সালে করাচীতে Pakistan Economic Association-এর সভাপতি নির্বাচিত হয়েছিলাম। দেশের অস্বাভাবিক অবস্থার জন্য ১৯৭১ পূর্বত কোন সম্মেলনের আয়োজন করা সম্ভব হয়নি। কিন্তু আমি সভাপতি রয়েই গেলাম। তারপর চলল স্বাধীনতার সংগ্রাম। এ সংগ্রামের অবসানে এলো বাংলাদেশ। আমার সহকর্মীরা আবার আমাকে বাংলাদেশ অর্থনীতি সমিতির সভাপতি হিসাবে গ্রহণ করলেন। আমরা অনেক চেষ্টা করেও এতদিন সম্মেলনের আয়োজন করতে পারিনি! তার বিশেষ কারণ হোল যে, আমরা ভেবেছিলাম আমাদের প্রথম জাতীয় অর্থনীতি সম্মেলনে দেশের অর্থনৈতিক কাঠামো ও উন্নয়ন পরিকল্পনা নিয়ে বিশদ আলোচনা করব। সেটা এতদিন সম্ভব হয়নি। পাঁচশালা পরিকল্পনা প্রকাশের সঙ্গে সঙ্গেই আমরা আমাদের বার্ষিক সম্মেলনের আয়োজন করতে থাকি এবং আজ আমরা সেজন্যই এখানে সমবেত হয়েছি।

মাননীয় রাষ্ট্রপতি তাঁর মূল্যবান সময় ব্যয় করে যে আমাদের এই সম্মেলনের উদ্বোধন করেছেন সে জন্য তাঁকে আন্তরিক ধন্যবাদ। তাঁর সুচিন্তিত উদ্বোধনী ভাষণে তিনি যেসব মূল্যবান কথা বলেছেন, তা আমাদের সবাইকে উত্ত্বুদ্ধ করবে। আপনারা যারা আমাদের আমন্ত্রণে এখানে এসেছেন, আমাদের আন্তরিক সম্ভাষণ গ্রহণ করুন। বঙ্গ রাষ্ট্রের প্রতিনিধি যারা এসেছেন তাদের নিকট আমরা কৃতজ্ঞ।

ঢাকা বিশ্ববিদ্যালয়ের কাছে বাংলাদেশ অর্থনীতি সমিতি বিশেষভাবে কৃতজ্ঞ। ঢাকান্তে সম্মেলন করার আমন্ত্রণ ঢাকা বিশ্ববিদ্যালয়ের পক্ষ থেকেই এসেছিল এবং আমরা তা পরম আনন্দে গ্রহণ করেছি। বিশ্ববিদ্যালয় সম্মেলনের জন্ত সুবাবস্থা করেছেন, ডাইস চ্যান্সেলর সাহেব নিজে ব্যক্তিগতভাবে যে উদ্বোধন ও উৎসাহ নিয়ে এই সম্মেলনের সাফল্যের জন্য সমস্ত ব্যবস্থা করেছেন, সে

জন্য বাংলাদেশ অর্থনীতি সমিতির পক্ষ থেকে আমি তাঁর প্রতি কৃতজ্ঞতা জ্ঞাপন করছি। পাকিস্তান আমলে ঢাকা বিশ্ববিদ্যালয়ের অর্থনীতি বিভাগ অর্থনীতি শিক্ষায়, আলোচনায় ও বিশ্লেষণের ক্ষেত্রে যে শীর্ষস্থানে অধিষ্ঠিত ছিল, আমি আশা পোষন করি যে বাংলাদেশেও তার সে স্থান অটুট থাকবে।

অর্থনীতি সমিতির বার্ষিক সম্মেলনে সমিতির সভাপতির একটা কর্তব্য হোল, যাদের সাচাচা, সহায়ুভূক্তি ও সহায়তায় সম্মেলন করা সম্ভব হোল, তাঁদের প্রতি ধন্যবাদ জ্ঞাপন করা; কিন্তু এটাই তার একমাত্র কর্তব্য নয়। সমিতির সভাপতি সমসাময়িক কোন একটা অর্থনৈতিক সমস্যা নিয়েও কিছু বলে থাকেন। এটা একটা রেওয়াজে পরিণত হয়েছে। তবে তিনি কি বিষয়ে বলবেন সেটা নিজেই বিচার করেন। তিনি ইচ্ছা করলে বিশ্বব্যাপী মুদ্রাস্ফীতির ফলে যে গুরুতর সমস্যার সৃষ্টি হয়েছে তা নিয়ে আলোচনা করতে পারেন, আন্তর্জাতিক মুদ্রা বিনিময়ে স্থিতিহীনতার জন্য ভাসমান মুদ্রা বিনিময় পদ্ধতির সৃষ্টির ফলে যে হাবুডুবু খাওয়া হচ্ছে তা নিয়েও আলোচনা করতে পারেন, অথবা নিজের দেশের অর্থনৈতিক পরিস্থিতিও তার দৃষ্টি আকর্ষণ করতে পারে। আমার মনে হয় আজ সভাপতির পক্ষে যথাযোগ্য কাজ হবে, দেশের রাজনৈতিক, সামাজিক ও নৈতিক পরিস্থিতিতে যে পঁচসালা পরিকল্পনা চালু করা হোল তা নির্ভীক সত্যাত্মীয় মন দিয়ে বিশ্লেষণ করা। কারণ কোন উন্নয়ন পরিকল্পনাই কার্যকরী করা সম্ভব নয় যদি পরিবেশ উপযুক্ত না হয়।

আজ আমার পরম আনন্দের বিষয় যে আমি আপনাদের সঙ্গে সম্ভবতঃ শেষবারের জন্য মোলাকাত করতে আসতে পেরেছি। দিন কয়েক আগেও আমি এটা ভাবিনি যে আমি এই সম্মেলনে উপস্থিত হতে পারব। দেখতেই পাচ্ছেন আমি অতিশয় রুগ্ন। আমার জীবন প্রদীপের শিখা আজ নিবু নিবু। তাই যাবার আগে আমার বুদ্ধি, বিবেচনা ও বিবেক দিয়ে যা উপলব্ধি করছি, তার কিছুটা বলে যেতে চাই। যদি আমি নির্দোষের মত কিছু বলি, আপনারা আমাকে ক্ষমা করবেন।

“চিন্তা যেথা ভয়খুঁয়া উচ্চ যেথা শির

বুদ্ধি যেথা মুক্ত—

এই নীতি অনুসরণ করেই ঢাকা বিশ্ববিদ্যালয়ের অর্থনীতিবিদরা দীর্ঘকাল যাবৎ পাকিস্তানী শাসকদের সঙ্গে লড়াই করেছিলেন। ১৯৫৩ সনে শুরু করা সংগ্রাম ১৯৭০ সনে পিছন কিরে দেখলে এ সংগ্রাম বার্থ হয়নি মনে হবে। প্রবল প্রতাপাবিত আইয়ুব খানের পক্ষেও তাঁদের উপেক্ষা করা সম্ভব হয়নি। কিন্তু দুঃখের সঙ্গে বলতে হয় গত দুই বছরের মধ্যে কোন বেসরকারী অর্থনীতিবিদ

সাধারণের অবগতির জন্য, বাংলাদেশের অর্থনৈতিক কাঠামো ও পরিকল্পনা কি হওয়া উচিত এবং সরকার যে নীতি গ্রহণ করেছেন তার পরিণতি কোথায়, সে সম্বন্ধে কোন কথাই বলেননি। অথচ আমরা প্রতিদিন তীব্র বেগে এগিয়ে চলেছি রাসাতলে। আমাদের অর্থনীতিবিদরা, যাদের সুনাম পশ্চিম জগতেও আছে, তারা কি আজ বুদ্ধিহীন, সাহসহীন, ও রুদ্ধবাক হয়ে গেছেন? আজ যদি তারা তাদের কর্তব্যে অবহেলা করেন ভবিষ্যৎ তাদের ক্ষমা করবেনা।

দুই বছর আগে যখন পরিকল্পনা কমিশন শুধুমাত্র অর্থনীতিবিদদের নিয়ে গঠিত হোল, তখন আমি পরিকল্পনা কমিশনের পণ্ডিতদের বলেছিলাম, যদি আজকের বাংলাদেশের রাজনৈতিক, সামাজিক ও নৈতিক পরিস্থিতি বিবেচনা করা হয়, এটা নিশ্চিত মনে হয় যে অগ্রগতির পরিকল্পনা অর্থনীতিবিদের কাজ নয়। এটা মেহাতাই Social Engineering এর ব্যাপার। যারা পরিসংখ্যার উপর নির্ভর করে, অংক কষে পরিকল্পনা করতে চান তাদের সে পরিসংখ্যার সত্যতা সম্বন্ধে নিশ্চিত হওয়া উচিত। শুধু তাই নয়, যা সবচেয়ে প্রয়োজনীয় তা হোল মানুষের— অর্থাৎ যাদের জন্য পরিকল্পনা করা হচ্ছে—তাদের সম্ভাব্য আচরণ সম্বন্ধেও ধারণা থাকা। প্রথম কাজ হোল সমাজকে উন্নয়নকামী ও উন্নয়নপন্থী করে গড়ে তোলা। সেটা অর্থনীতিবিদদের কাজ নয়। তাদের কাজে নামার আগে অনেকগুলো বিষয় বিবেচনা করতে হবে। এই ধরন, আপনি উঠুন সঁাতার। আপনি সঁাতারিয়ে ইংলিশ চ্যানেল পার হতে চান। পানিতে নামার আগে আপনাকে কি কি বিষয়ে নিশ্চিত হতে হবে, সেটা আপনি নিশ্চয়ই জানেন। পানির তাপমাত্রা কি, ঢেউয়ের উচ্চতা কি, ঘ্রোতের গতি কোন দিকে ও কতটুকু, বাতাস কোন দিক থেকে বইছে, এবং কি গতিতে বইছে—এই ধরনের বিচার করলে বাংলাদেশে কোন পরিকল্পনাই করা সম্ভব নয়। আমাদের দেশীর জিনিষের মূল্য কিভাবে উঠানামা করবে, কত উঠতে উঠবে, বিদেশী উৎপাদন-দ্রব্য এবং আনুষঙ্গিক ভোগ্যপণ্যের মূল্যের মাত্রা কি হবে, দেখা যাচ্ছে পরিকল্পনা কমিশন এসব বিষয়ে কিছুই জানতেননা। পরিকল্পনা কমিশন যদি মোটামুটি ভাবে বাহাস্বরের দ্রব্যমূল্যের মাত্রার উপর ভিত্তি করে থাকেন, তাহলে দেখতে পাচ্ছেন, ৭০এর মাকাংকি—অর্থাৎ যখন পাঁচসালী পরিকল্পনা চালু করবেন—তখন সে মূল্যমাত্রার সঙ্গে আগেকার মূল্যমাত্রার কয়েকগুণ প্রভেদ।

মনে হচ্ছে একটা ব্যাপারে পরিকল্পনা কমিশন একেবারে চোখ বুঁজে ছিলেন, কিন্তু তাদের বোঝা উচিত ছিল যে চোখ বুঁজে থাকলে জিনিষের অস্তিত্ব বিলোপ হয়না, শুধুমাত্র নিজেকেই বোকা বানানো হয়। সে ব্যাপারটা হোল

যুক্তির আগে বাদের হাতের সঞ্চিত সম্পদ উৎপাদনের মাধ্যমে কর্মসংস্থান এবং রোজগার অর্জনে ব্যবহৃত হোক, এখন তা লুটেরাদের দখলে রয়েছে। এই যে সম্পদ হস্তান্তরিত হোল এবং একধরনের অবাধ শোষণের ফলে দেশের সম্পদের বহুলাংশে যে অহরহ এক শ্রেণীর হাতে পুঞ্জিভূত হচ্ছে, তার অনেকটাই চোরাপথে আসা বিদেশী ড্রব্যো, আয়েশ ড্রব্যো এবং বিদেশে স্থানান্তরিত করা হয়েছে। অর্থাৎ তা একেবারেই হাতছাড়া হয়ে গেছে। এখন তাদের হাতে যা রয়েছে, সেটা উন্নয়ন কাজে ব্যবহার করার উপায় কি? এখন প্ল্যানিং কমিশনের দৃষ্টি আকর্ষণ করেছে পুঁজি বিনিয়োগের জন্ত স্থানীয় মুদ্রার প্রচণ্ড ঘাটতি।

তবু ধরা যাক এই বিনিয়োগযোগ্য মুদ্রা আমাদের হাতে রয়েছে। কিন্তু তা বিনিয়োগের জন্ত যে ধরনের *incentive* প্রয়োজন, সে সম্বন্ধে পরিকল্পনা কমিশন কি কোন পথ নির্দেশ দিয়েছেন? এ পর্যন্ত বাংলাদেশ সরকার যা করেছেন তা সম্পূর্ণরূপে সঞ্চয় ও বিনিয়োগ বিরোধী। স্বাধীনতার পূর্বে যে সব স্বল্প আয় ব্যক্তির তাদের অতি কষ্টে সঞ্চিত অর্থ বাংলাদেশের শিল্পের মূলধন যোগাতে শিল্প প্রতিষ্ঠানের *Share* কিনেছেন, NIT এর মাধ্যমে বিনিয়োগ করেছেন অথবা সরকারকে উন্নয়ন কাজে ঋণ দিয়েছেন, তারা আজ নিঃস্ব। এর মধ্যে যারা অবসর গ্রহণ করেছেন বা বিধবা হয়েছেন, তাদের ভবিষ্যৎ অন্নসংস্থানের ব্যবস্থাও ছিল। তারা হিসেব করেছিলেন যে বছরের সংসার চালানোর অর্থ এই বিনিয়োগ থেকে আসবে। আজ প্রায় চার বছর ধরে তারা তা থেকে এক পয়সাও পাননি। তাদের সংসার কি ভাবে চলেছে, সে সম্বন্ধে সরকার কি কোন বিবেচনা করেছেন? অথচ এ ধরনের লোকের কাছ থেকেই সঞ্চয় এসে থাকে। সরকার জনসাধারণ যে সব শিল্পে *Share* কিনেছেন, সে সব শিল্প রাষ্ট্রায়ত্ত্ব করেছেন সোশ্যালিজমের খাতিরে এবং তাতে করে এদের সম্পদ বাজেয়াপ্ত করেছেন। সোশ্যালিজম চালু করলে তো *dividend* দেয়া চলেনা! আর *dividend* দেবেই বা কোথেকে? এসব শিল্প তো প্রায় সব-গুলোই নিজেদের আয়ে নিজেদের অস্তিত্ব রক্ষা করতে পারছেন। বাংলার সবচেয়ে গুরুত্বপূর্ণ শিল্প পাট। বেশ কয়েক কোটি টাকা নাকি লাগবে তাকে বাঁচা করতে।

সরকারের সিদ্ধান্ত অনুযায়ী একান্তরুরের ২৫শে মার্চ থেকে ১৬ই ডিসেম্বর পর্যন্ত কোন সুদ সঞ্চয় কারীরা পাবেনা। এবং এই সময়ের মধ্যে কেন সঞ্চয়পত্র ও NIT-এর টাকাও ফেরত পাবেনা। যুক্তি হোল, হানাদার সরকারের খেদমতে এসব অর্থ ব্যবহৃত হয়েছে। কি চমৎকার যুক্তি! এ সময়ের মধ্যে যে সব টাকা সরকারী পোষ্টাল সেভিংস ব্যাংকে ছিল তার সুদ কিন্তু দেয়া হয়েছে এবং এ সময় যে টাকা জমা হয়েছে, তাও বাজেয়াপ্ত করা হয়নি। আপনারা সকলেই জানেন NIT'র টাকা সরকারের হাতে দেয়া হয়নি, এটা একটা বিনিয়োগকারী

ট্রাষ্টের হাতে দেয়া হয়েছে। এটাও আপনারা সকলে জানেন যে বাংলাদেশের লোকেরা বত টাকায় NIT কিনেছেন তার চেয়ে বেশী বাংলাদেশের শিল্পেই এই ট্রাষ্ট বিনিয়োগ করেছে। অনেকে হয়তো জানেন না যে, ডিফেন্স সেভিং সার্টিফিকেটের টাকা প্রতিরক্ষার জন্য নয় এবং তা হতেও পারেনা। নিরাপত্তা ব্যবস্থা অনিশ্চিত Public contribution-এর উপর নির্ভর করেনা। এই অর্থ উন্নয়ন কাজেই ব্যবহৃত হয়।

সরকারী সিদ্ধান্তের ব্যক্তিহীনতার চরম দৃষ্টান্ত হোল যে ১৬ই ডিসেম্বর পর্যন্ত যে সব সরকারী কর্মচারী হুম্মাদার সরকারের সেবা করেছেন, তাদের ডিসেম্বরের বেতন পুরোপুরি আদায় করা হয়েছে। এ সব সম্বন্ধে যদি পরিকল্পনা কমিশন ভেবে থাকেন যে সঙ্কটের পথ অব্যাহত, তা হলে তারা নিজেদের বোকা বানাচ্ছেন। এ কথা অবশ্য খলা দাবীকার যে সকল প্রকার সুযোগ সুবিধা দিলেও মধ্যবিত্ত সম্প্রদায়ের পক্ষে বর্তমান ত্রুণামূল্য পরিস্থিতিতে সঞ্চয় অসম্ভব। বর্তমানে অনেকেই Capital consume করে বেঁচে আছেন। এবং এ পরিস্থিতি থেকে কবে নিস্তার পাবেন তার কোন নিশ্চয়তা নেই। পরিকল্পনা কমিশন পাঁচ বছরের ক্ষমতা যে অভ্যন্তরীণ সঙ্কটের অংক দিয়েছেন, আমার বিবেচনায় তা নেহাতই অবাঞ্ছনীয়। সরকারী রাজস্বের উদ্ধৃত্ত আমি কল্পনাই করতে পারিনা। তাহাড়া রাষ্ট্রায়ত্ত্ব শিল্পগুলোকে সোশ্যালিজমের নামে বাঁচিয়ে রাখতে হলে অনেক রাজস্ব তাতে চালাতে হবে। যদিও তাদের তৈরী ত্রুবোর দাম গগনচুম্বী। আমরা আমাদের অর্থনীতিকে যুক্তবিশ্বস্ত বললেও ১৬ই ডিসেম্বর পর্যন্ত আমাদের সমস্ত ফ্যাক্টরীগুলো অটুট ছিলো। ফ্যাক্টরীর থেকে যে সব জিনিষ উৎপাদিত হয়েছে সেটা ১৬ই ডিসেম্বরের পর। সমস্ত যন্ত্রপাতি অক্ষত থাকলেও উৎপাদন অব্যাহত রয়নি, তার কারণ এসব ম্যানেজ করার লোক ছিলনা এবং যে কাঁচামালের প্রয়োজন তা আনারও কোন ব্যবস্থা ছিলনা। শ্রমিকদের নতুন ধংসাত্মক মনোবৃত্তির কথা নাই বললাম। আমাদের নেতারা শ্রমিকদের পাকিস্তান যুগে বারবার বলেছেন “তোমাদের ছুখুর্দশার একমাত্র কারণ হোল শোষণ।” সেটা আজ বুঝে যাচ্ছে তাদেরই উপর। আমাদের সবচেয়ে মারাত্মক ক্ষতি হয়েছিল যোগাযোগের ক্ষেত্রে। সবকিছু ঠিকঠাক থাকলেও বিধ্বস্ত যোগাযোগ উৎপাদন ক্ষমতার উচ্ছ্বাস ও বস্টন ব্যবস্থা সুচারু করার পথে চরম বিঘ্ন ছিল। তারপর পাকিস্তান থেকে আমাদের Industrial কাঁচা মাল ও বহুবিধ ভোগ্য পণ্য আসতো তা, সম্পূর্ণ বিচ্ছিন্ন হয়ে গেল। এসব আমরা বেশী টাকায় কিনতাম। এখন সব বিদেশী মুদ্রায় উঁচু এবং ক্রমবর্ধমান দরে কিনতে হচ্ছে। সে বৈদেশিক মুদ্রা কোথায়।

আরেকটা মহাগুরুত্বপূর্ণ ব্যাপার হোল শিক্ষা ব্যবস্থার চরম দুর্গতি। এ দুবছরে ছাত্র প্রতিষ্ঠানগুলি তাদের নানা আকস্মিকপূর্ণ নশ্বেলন ও সমাবেশে কোটি টাকার উপর খরচ করেছে বলে আমার ধারণা। এবং এ সময়ে শিক্ষা প্রতিষ্ঠান-

শুলোতে এবং পরীক্ষা কেসে যা ঘটেছে, তা দেখে আমার দৃঢ় ধারণা হচ্ছে যে ঐক্য শিক্ষার সম্পূর্ণ বিচ্ছেদ ঘটেছে। এর প্রতিকার কি? অথচ আমরা প্রতিদিন শুনছি আমাদের সোনার বাংলা গড়তে হবে। কারা গড়বে বলুন? সোনার বাংলা নিশ্চই গড়া হয়েছে কিছু সংখ্যক লোকের জন্ত। এবং এই ছিল সোনার বাংলার চিরস্থায়ী ব্যবস্থা।

আমাদের রাজনৈতিক নেতারা শুধু আজ নয় আদিকাল থেকে অহরাস্তি বলে বেড়াচ্ছে “টাকার জন্ত কোন চিন্তা করতে হবেনা।” সেটা যে কত বড় অসত্য, পরিকল্পনা কমিশনের আন্তঃস্তরীয় ও বহিরজগতের টাকার অভাবে নূতন করে পরিকল্পনার লক্ষ্য, Priority ও বরাদ্দের যে পরিবর্তনের প্রয়োজন হয়েছে তাতেই প্রমানিত হয়েছে। গত দেড় বছরে যে পরিমাণ অর্থ আমরা উৎসবে ব্যয় করেছি তার অংক নেহাত কম নয়। পৃথিবীর সবচেয়ে গরীব দেশ বাংলাদেশের পক্ষে এ ধরনের আচরণ পাপ। গত দুবছরের কার্য কলাপ দেখে কোন ব্যক্তির যদি ধারণা হয় যে বাংলাদেশে আর যা কিছুই অভাব হোকনা কেন, অর্থের অভাব নেই, তা অন্যায় হবেনা, শান শওকতের জন্ত যে পরিমাণ অর্থ ব্যয় হয়েছে, সেটাও একই পর্দারে পড়ে।

অথচ পরম লজ্জার বিষয় যে এটা ঘটেছিল এমন সময় যে সময় সমস্ত দেশকে বাঁচিয়ে রাখবার জন্ত বিশ্ববাসী ১৬০০ কোটি টাকার ঋণ ও জব্যাসামগ্রী এ দেশে বিতরণ করেছে।

এখন থেকে আর ঋণরাতী ঋণ পানির আশা কম। এ বছরে পনের লাখ টন ঋণ ঘাটতির কথা শোনা যাচ্ছে সেটা শুধু গম কিনে পূরণ করতে গেলেই প্রায় সবটা অর্জিত বৈদেশিক মুদ্রাই খরচ হয়ে যাবে; আর ঘাটতি পূরণের জন্ত অর্ধেক গম ও অর্ধেক চাল কিনতে গেলে অর্জিত বৈদেশিক মুদ্রায় কুলোবেনা। পাট থেকে যে পরিমাণ বৈদেশিক মুদ্রা আমদানীর আশা ছিল এখন আর তা হচ্ছেনা। এইতো আমাদের আন্তঃস্তরীয় আর অর্জিত বৈদেশিক মুদ্রার ছবি। পাঁচসাল পরিকল্পনার জন্ত পরিকল্পনা কমিশন বিপুলভাবে বৈদেশিক সাহায্যের উপর নির্ভর করছেন। অথচ সেটা আসবার কোন উপায়তো দেখা যাচ্ছেনা। পাঁচসাল পরিকল্পনার প্রথম বছর তো প্রায় শেষ হয়ে এলো, কিন্তু দেখা যাচ্ছে যে আগেকার পাইপলাইনে যা ছিল তার চেয়ে বেশী বিশেষ কিছু সাহায্য আপেনি। আর তাছাড়া galloping মুদ্রাঙ্কিতীর ফলে এ প্রয়োজনীয় অর্থের পরিমাণ কততে হাঁড়াবে তা পরিকল্পনা কমিশন জানেনা। অন্ততঃ সেটা তারা তাদের পরিকল্পনার দলিলে চিন্তা করেননি। আন্তর্জাতিক মুদ্রাঙ্কিতী ও hyper-galloping আন্তঃস্তরীয় মুদ্রাঙ্কিতীর দাপটে কোন উন্নয়ন পরিকল্পনাই সম্ভব নয়। সুতরাং যেখানে পরিকল্পনা কমিশন প্রথম বছরে কি ঘটবে না ঘটবে সে সম্বন্ধে বিশেষ কিছু জানতেননা, সেখানে

ভারা পাঁচ বছরের মহাপরিকল্পনা রচনা করেছেন। এটা বিরাট ও সময়ের অণচয়। বাংলাদেশে বার্ষিক উন্নয়ন পরিকল্পনার (ADP) বাইরে চিন্তা করা বর্তমান পরিস্থিতিতে বাতুলতা মাত্র।

তারপর আভ্যন্তরীণ অর্থের ঘাটতি হয়েছে। এখানে সরকার এ যাবৎ মোট ছাপিয়ে তার অর্থের চাহিদা পূরণ করেছেন। মোট circulation বৃদ্ধির পরিমাণের তুলনায় উৎপাদন বৃদ্ধি নিতাসুই স্বল্প। ফলে ছ ছ করে অর্থমূল্য বেড়ে যাচ্ছে। তাছাড়া সবচেয়ে মারাত্মক কারণ হোল সরকার আশ্রিত কিছু সংখ্যক লোকের হাতে ব্যবস্থা বানিজ্যের একচেটিয়া নিয়ন্ত্রণ-ভার জ্ঞপ্ত করার এই গোষ্ঠী অস্ত্রোপাসের মত সমস্ত দেশের অর্থনীতিকে নিজেদের কবলে এনে শোষণ করে যাচ্ছে। বহুত গত দু'বছরের সমাজকে শোষণহীন করার নামে বাংলাদেশে যে লুণ্ঠন চলেছে, তার নজীর ইতিহাসে নেই। অল্প কিছুদিনের মধ্যে দেশের সম্পদের এক বৃহৎ অংশ এমন সব শক্তির হাতে গিয়ে পৌঁছেছে, এবং আজও ক্রমাগত যাচ্ছে, যারা দেশের অর্থনৈতিক ভিত্তি মজবুত করার কাজে কোনদিন আকনিয়োগ করেনি। দু'বছর আগে যারা ছিল নিরন্ন আজ তারা লক্ষপতি। দুর্নীতি সমাজের রাজ্য রক্তে প্রবেশ করেছে। রাজনৈতিক নেতারা শত লক্ষ বার দুর্নীতি উচ্ছেদ করার দৃঢ় প্রতিজ্ঞা জনসাধারণকে জ্ঞাপন করেছেন। দুর্নীতি যাদের ব্যবসা তারাও এই কোরাসে যোগ দিয়েছেন। অথচ দুর্নীতি উত্তার'স্তর বে'ড়ই চলেছে। এট শোচনীয় পরিস্থিতির অবসান ঘটতেই হবে। কিন্তুবে ঘটতে হবে সমাজের চিন্তাশীল বাজির তা বিবেচনা করবেন। আমরা দেখতে পাচ্ছি আমাদের সরকার এ যাবৎ এ ব্যাপারে সম্পূর্ণ ব্যর্থ হয়েছেন। এ ধরণের ব্যাপারে পরম শক্তের রাষ্ট্রীয় নেতার প্রভাব কার্যকরী হয়ে থাকে। কিন্তু শেখ মুজিবুর রহমানের আকুল আবেদনও সম্পূর্ণরূপে উপেক্ষিত হচ্ছে।

পরিকল্পনা কমিশন তাদের পঞ্চবার্ষিক পরিকল্পনার প্রথম অধ্যায়ে (Social and Political Perspective of Planned Development) বাংলাদেশের শাসনতন্ত্রের চারটি স্তর নিয়ে আলোচনা করেছেন। আপাতঃ দৃষ্টিতে মনে হয় যে, তারা ভেবেছেন তাদের পরিকল্পনা এই চারটি স্তর যে নির্দেশ দিচ্ছে তার উপর ভিত্তি করেই হবে। গণতন্ত্র হোল প্রথম স্তর। অর্থাৎ আমাদের সমাজ ব্যবস্থা রাষ্ট্র ব্যবস্থা ও অর্থনৈতিক ব্যবস্থা হবে গণতান্ত্রিক। গণতন্ত্র যে কি, সেটা বোকা ভাব। শাসকভেদে গণতান্ত্রিক নীতিঃ পরিবর্তন ঘটতে দেখেছি মুখে গণতন্ত্র কাছে স্বৈরাচাৰ এটাট হোল সুবেজের এদিকের দেশ-গুলোর গণতন্ত্রের রূপ। আজ গণতন্ত্রের স্তর প্রাণ দিতে রাজী, কাল তারা কমতার আসলে স্বৈরাচারী হয়ে দাঁড়ায়। আমাদের শাসনতন্ত্রে গণতন্ত্রকে ছাটাই করা হয়েছিল। তারপর পাশ হলা স্পেশাল প্যায়ার্স এন্ট্রি। এর

Provisions আপনাদের জানা আছে। এরপরও আমরা বলি আমরা গণতান্ত্রিক দেশ। যার এক মাত্র কারণ, "আমাদের ভোট দেবার অধিকার আছে। ব্যক্তি স্বাধীনতার অস্তাব অর্থনৈতিক উন্নতির অন্তরায় হতে পারে, যেমন পারে জানমালের নিরাপত্তার অভাব। কিন্তু সে কথা থাক।

এরপরে আসে জাতীয়তাবাদ। ও নিয়ে আলোচনা না করাই ভালো, কারণ ব্যাপারটা জটিল, এবং পন্থিকজ্ঞনার সঙ্গে সরাসরি কোন যোগ আছে বলে আমি মনে করিনা। তৃতীয় স্তর **Secularism**। আমার বিবেচনার আমাদের রাষ্ট্র **Secular** নয়, ধর্মনিরপেক্ষ। **Secular** অর্থে ধর্ম উপেক্ষিত বোঝায়। ধর্মনিরপেক্ষতা ছাড়া আমি মনে করি শুধুমাত্র "আইনের চোখে সবাই সমান" এ কথাই বোঝায়। সামাজিক ও অর্থনৈতিক প্রগতির ক্ষেত্রে **equality before eye of law**-এর গুরুত্ব যথেষ্ট।

সবচেয়ে গুরুত্বপূর্ণ স্তর হোল সমাজতন্ত্র। অর্থাৎ বাংলাদেশের অর্থনৈতিক কাঠামো সমাজতান্ত্রিক হবে। সোশ্যালিজমের নিশ্চয় একটা অর্থ আছে : এটা কি, কিভাবে আসে, এবং কিভাবে রক্ষা করতে হয়। যারা সোশ্যালিজমের ধ্বনি উঠিয়ে গলা ফাটাচ্ছেন, মাইক্রোফোন অচল করে দিচ্ছেন, তারা কি সবাই জানেন, কি সত্যকে তারা বলছেন? "**Socialism is a must**"—কিন্তু এই সোশ্যালিজম কি? বাংলাদেশের শতকরা আশিজন জমির অধিকারী কৃষক। তাদেরকে সোশ্যালিজমের প্রকৃত অর্থ বাখা করে তা গ্রহণ করার দাবী জানালে আমার বিশ্বাস, চাতের কান্ডে নিয়ে ছাড়া করে আসবে। অথচ "আমরা সমাজতন্ত্র চাই", এটা বলে বেড়ানো হচ্ছে। আমি এসব কথা বলছি। তাই বলে আপনারা ভাববেন না আমি সোশ্যালিজমের বিরুদ্ধে। সোশ্যালিজমের আসার একটা নির্দিষ্ট পথ রয়েছে এবং সমাজতান্ত্রিক দেশগুলো তাকে সামাজিক সিপ্লব বলে থাকে। যারা ওয়েলফেয়ার স্টেটকে সোশ্যালিষ্ট স্টেট বলে থাকেন তারা জানেন এই ওয়েলফেয়ার স্টেটের ধারণা এবং কার্যক্রম শুধুমাত্র উন্নত দেশগুলোতেই রয়েছে। কারণ জনসাধারণের মঙ্গলের জন্য যে সম্পদের প্রয়োজন সেটা শুধু সম্পদ উৎপাদনকারী দেশগুলোই যোগাতে পারে।

সোশ্যালিজমের ধারণা সাধারণ মানুষের মঙ্গলের জন্যই কিছু সংখ্যক চিন্তাশীল ব্যক্তির মনে এসেছিল। কার্ল মার্ক্স-এর **Historical Analysis**-এর একটা বৈজ্ঞানিক ভিত্তিও যুগিয়েছে। অথচ মার্ক্সের নির্ধারিত পথে সোশ্যালিজম আসেনি এটা এল প্রথম রাশিয়ার যেখানে একটা সমাজতান্ত্রিক গোষ্ঠী বছদিন থেকে গড়ে উঠেছিলো এবং জার শাসনের আমলে অশেষ নির্ধাতনও ভোগ করেছিল। সেই স্বল্পসংখ্যক সমাজতন্ত্রপ্রাণ ব্যক্তির লেনিনের নেতৃত্বে প্রথম মহাযুদ্ধে রাশিয়ায় যে বিপ্লব ঘটে সে সুযোগ নিয়ে প্রলোভিতকৃতের এক-

নায়কত্ব সৃষ্টি করে। সে আজ প্রায় বাট বৎসর আগের কথা। একনায়কত্বের অবসান এখনও ঘটেনি, যদিও সাধারণ মানুষের জীবনযাত্রা আগের থেকে অনেক সহজ হয়েছে। পূর্ব ইউরোপে গত মহাযুদ্ধের অবসানের সুযোগে সোশ্যালিস্ট দলগুলো রাশিয়ার সামরিক শক্তির সাহায্যে সোশ্যালিস্ট একনায়কত্ব কায়েম করে। ১৯৪৯ সালে মাও সে তুং বহুদিনের নির্ধাতন ও সাধনার পরে সমাজতন্ত্র প্রতিষ্ঠা করেন চীনে। এই সব দেশগুলোতে গণতন্ত্র বলতে আমরা যা বুঝি তা নেই। দেশের সবকাজ কমুনিষ্ট পার্টির নির্দেশেই চলেছে। এবং এসব দেশের কমুনিষ্ট পার্টির সদস্য সংখ্যা দেশের জনসংখ্যার তুলনায় অতি নগণ্য। আবার সবদেশে সোশ্যালিজম বলতে ঠিক এক কথা বোঝানো। দেশভেদে পরিবেশ ভেদে সমাজতন্ত্রের রূপ বদলেছে। কিন্তু কোন দেশে সমাজতন্ত্র সামাজিক বিপ্লব ছাড়া এবং কমুনিষ্ট পার্টির একনায়কত্ব ছাড়া প্রতিষ্ঠিত হয়নি। বাংলাদেশে কি তা ঘটেছে? ক্ষমতাসীন আওয়ামী লীগ কি সোশ্যালিস্ট দল? সোশ্যালিজম কি এটা কি ঠিক বোঝেন? এদের যে পার্টি কাড়ার রয়েছে, তাদের কার্যকলাপ নিতান্তই সমাজতন্ত্র বিরোধী। অথচ আওয়ামীলীগ কেন যে “সোশ্যালিজম চাই” বলল, সেটা আমি কিছুতেই বুঝতে পারিনি। এটা কি শ্রমসন? এটা কি শ্রমকর্মী? না প্রহেলিকা?

আমাদের শাসনতন্ত্রে আছে আমাদের সমাজতন্ত্র হবে গণতান্ত্রিক সমাজতন্ত্র। এ ধরনের অর্থনৈতিক কাঠামো পশ্চিম ইউরোপের কয়েকটি দেশে রয়েছে, যেমন যুক্তরাজ্য, সুইডেন, নরওয়ে, ডেনমার্ক ইত্যাদি দেশ। Socialist Democratic Party অথবা Labour Party নাম দিয়ে তারা সমাজতান্ত্রিক সমাজব্যবস্থার কিছু কিছু ব্যবস্থা নিজেদের দেশের সামাজিক ও অর্থনৈতিক কাঠামোতে প্রবর্তন করেছেন। শিল্প রাষ্ট্রায়ত্তকরণ একটা বিশেষ নীতি হলেও অঙ্কের মত প্রয়োগ করা হয়না। এটা আমাদের বোঝা উচিত শিল্পায়িত দেশে শিল্প রাষ্ট্রায়ত্ত করা কোন কঠিন কাজ নয়। শিক্ষা, বাসস্থান, স্বাস্থ্যসেবা ইত্যাদি ব্যাপারে জনসাধারণের জন্য বিশেষ ব্যবস্থা রয়েছে। ভাড়া ভাড়া বেকারত্ব ও বার্ধক্যের জন্য ভাতার ব্যবস্থাও রয়েছে। সমাজতান্ত্রিক দেশগুলো কিন্তু এ ব্যবস্থাকে সমাজতন্ত্র বলবেনা। এটা বস্তুত ওয়েলফেয়ার স্টেটের Programme এবং গেক্সটাই এটা এখনো টিকে আছে, যদিও সবসময়ই Socialist Democratic Party বা Labour Party এসব দেশের নির্বাচনে জয়ী হয়নি। সমাজতান্ত্রিক দেশগুলো কিন্তু নির্বাচনের সুঁকি নিয়ে দেশের অর্থনীতির নিয়ন্ত্রণভার নির্ধারিত প্রতিনিধিদের হাতে অর্পণ করতে রাজী নয়। সে নিয়ন্ত্রণভার থাকবে কমুনিষ্ট পার্টির উপর। সেখানে dictatorship of the proletariat এর নামে পার্টিই সবকিছু করছে।

একটা মজার কথা বলি ; হালে যুক্তরাজ্যে ল্যাণ্ড রিকর্মেটর আন্দোলন চলছে অর্থনীতিবিদদের মহলে। ক্যালডর সমেত ক্যামব্রিজের কিছু অর্থনীতিবিদ সুপারিশ করেছেন য সরকার সমস্ত Freehold গুলোকে ৯৯ বছরের leasehold করে আইন প্রণয়ন করুন। এর ফলে জমির মূল্য নিয়ে Speculation কিছুটা রোধ করা সম্ভব হবে। এই প্রস্তাবের সমালোচনা একটি বাক্যে করা হয়েছে "It should also be stipulated that the Labour Govt which will pass this law will remain in office for these 99 years." তা সত্ত্বেও যে সব সোশ্যাল ওয়েলফেয়ার ব্যবস্থা গ্রহণ করা হয় Socialist democratic Partyর বিরোধী দল ক্ষমতার এলেও তা পাল্টে যায়না। কারণ তারা সমাজে একটা গুরুতর সংঘর্ষ এড়াতে চায়।

বাংলাদেশের অবস্থা কি তাই? আমরা আমাদের জনশক্তির জন্য কর্মসংস্থান করতে পারছিনা, কর্মসংস্থানের বৃদ্ধির জন্য অধসর গ্রহণের সময় কমিয়ে দিতে চাই। আমরা আমাদের সকল সম্পদ সমভাবে বন্টন করে বছরে মাথাপিছু পাই মাত্র সত্তর ডলার। আমাদের সম্পদ যদি না বাড়ে, আমাদের স্বাচ্ছন্দ্য ক্রিভাবে বাড়বে তা আমি বুঝতে পারিনা সুতরাং আমি এ কথা স্পষ্টভাবে বলতে চাই যে আমাদের শাসক গোষ্ঠী যেমন সমাজতন্ত্র প্রতিষ্ঠায় সম্পূর্ণ অযোগ্য তেমন আমাদের পরিবেশও সম্পূর্ণ অনোপযুক্ত। উপযুক্ত পরিবেশে সমাজতন্ত্র প্রবর্তন সম্ভব হয় একমাত্র সোশ্যালিস্ট পার্টি দ্বারা। লুটতরাজ যেমন বাধ্যতামূলক চলছে, তার সঙ্গে সঙ্গে সমাজতন্ত্রের দাবী ও "শোষণহীন সমাজব্যবস্থার" শপথও সমান সমান চলছে। এখানে বলে রাখি, সেদিন কিউবার ফিডেল কাস্ট্রো বলেছেন যে কিউবায় এখনো Marxism এর সময় আসেনি।

পরিকল্পনা কমিশন সমাজতন্ত্রের ব্যাপারে একটা ক্লাশরুম লেকচার দিয়েছেন কিন্তু এটা কাকে দিয়েছেন, বোকাভার। দেশের শাসনতন্ত্র অস্থায়ী পরিকল্পনা কমিশনের Socialist Planning করা উচিত ছিল, তারা তা করেননি। Socialist planning করতে হলে সোশ্যালিজম কি তা বলতে হবে এবং বাংলাদেশের সোশ্যালিজম কেমন হবে, তাও বলতে হবে।

পাচ বছরে কতখানি করা যায় তাও নির্ধারিত করতে হবে। পরিকল্পনা কমিশন এর কিছুই করেননি তাদের শিক্ষার প্রোগ্রাম গভীরগতিক এবং অন্যান্য সেক্টরের কার্যক্রম বিশ্লেষণ করলে দেখতে পাওয়া যায় যে এটা পাকিস্তানের চতুর্থ পঞ্চ-বার্ষিকী পরিকল্পনার আরেক রূপ। বাংলাদেশের সোশ্যালিজম কি আমরা তা জানিনা, অথচ সোশ্যালিজম সোশ্যালিজম বলে আমরা গণ্য ফাটা ছু ; আমাদের মন্ত্রীরা ছোটছোট ছেলেবেয়েদের পুরস্কার বিতরণী সভাতেও সোশ্যালিজম কায়মের উদাত্ত আহ্বান জানাচ্ছেন। সবচেয়ে মজার কথা সেদিন (বিরোধী দলীয় নয়) পড়লাম অর্থমন্ত্রী সোশ্যালিজম কি সে সত্বে যেন আলোচনা

করা না হয় সে অনুরোধ জানিয়েছেন। কারণটা কিন্তু বোঝা গেলনা; পত্রিকার তা বলা হয়নি। হতে পারে সরকারের ভরফ থেকে বাংলাদেশের সমাজতন্ত্রের একটা রূপ রেখা আমরা শিগগীরই পাবো। এবং আমরা এটাও আশা করি, শোষণহীন সমাজের একটা সংজ্ঞা সরকারের পক্ষ থেকে দেওয়া হবে। এখনতো শুধু প্লোগান হিবোবেই দেয়া হচ্ছে।

আরেকটা প্লোগান সম্বন্ধে দুই একটা কথা বলে আমি আমার বক্তব্য শেষ করব। সেটা হল 'মুজিববাদ'। আমরা যারা সোশ্যালিজম সম্বন্ধে কিছু জ্ঞান সঞ্চয় করেছি একথা জানি যে Socialist হুনিয়ার Marxism, Leninism, Maoism এমনকি Titoism শব্দ ব্যবহার করা হয়। সোশ্যালিজম প্রতিষ্ঠা ও চালু রাখার ব্যাপারে এই শব্দের প্রত্যেকটির একটা অর্থ রয়েছে। এই সবের অর্থ বিভিন্ন বলে প্রয়োগের ক্ষেত্রে বিভেদেরও সৃষ্টি হয়েছে। এই পরিপ্রেক্ষিতে মুজিববাদ, কি পরিকল্পনা কমিশন আমাদের জানাননি। পরিকল্পনা কমিশন 'মুজিববাদ' শব্দটি উপেক্ষা করে চুপ থাকতে পারেননা। প্রত্যেক বড় বড় রাজনৈতিক সমাবেশ প্রধানমন্ত্রীর রাজনৈতিক সচিব এই প্লোগানটি দিয়ে থাকেন। আমি টেলিভিশন স্ক্রিন সামনে বসে বহুবার দেখেছি। কোন মন্ত্রী যে শতবার "মুজিববাদে আমাদের মুক্তি" এই প্লোগানটি উচ্চারণ করেননি, আমি জানিনা। সুতরাং 'মুজিববাদ' যদি বাংলাদেশের সোশ্যালিজমের রূপরেখা হয়, পরিকল্পনা কমিশনের উচিত ছিল সেটা বিশদ ভাবে আলোচনা করা। আমরা আমাদের দারুণ দুঃস্থতার মধ্যে "মুজিববাদে আমাদের মুক্তি" এবং "আমরা সোনার বাংলা প্রতিষ্ঠা করব" এই বিভ্রান্তকর প্লোগান শুনে শুনে মূঢ়, হতবাক হয়ে যাচ্ছি।

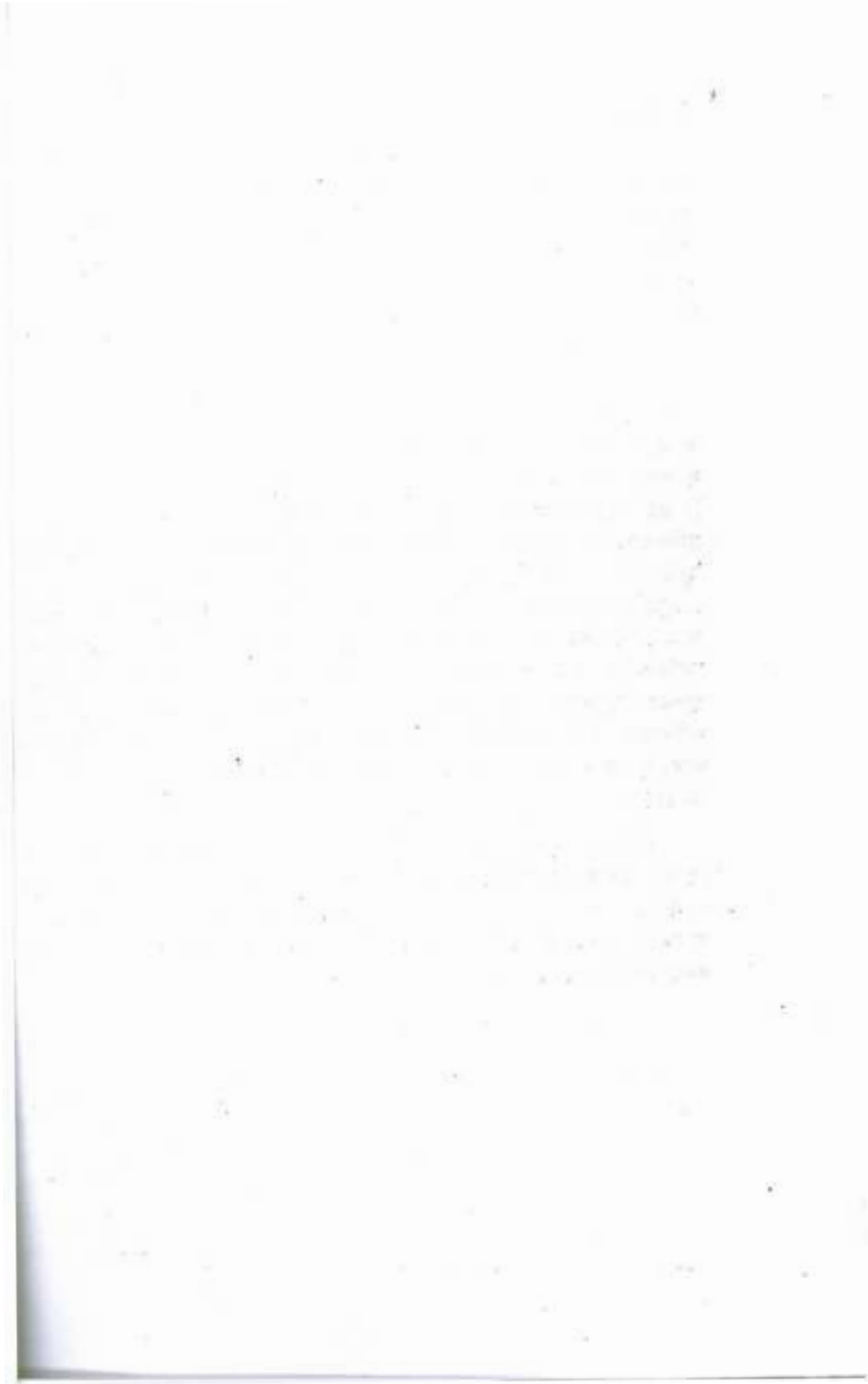
আমার চেয়ে বহু জ্ঞানী ব্যক্তি এ সমাবেশে রয়েছেন। আমার মনে এতোদিন যে সব ভোলপাড় করছিল, পীড়া দিচ্ছিল তার কিছুটা আপনাদের সামনে পেশ করলাম। আমি বিশ্বাস করি বেশের ভবিষ্যৎ আপনাদের হাতে। আপনারা আপনাদের নিজদের রক্ষা করবেন, নিজের দেশ-দেশবাসীদের রক্ষা করবেন এই ভরসা নিয়ে আপনাদের থেকে বিদায় নিচ্ছি।

আনসালামু আলায়কুম ওয়া রাহমাতুল্লাহ্,

ডঃ মাহাবুবুল হক

সভাপতি

বাংলাদেশ অর্থনীতি সমিতি



Reflections on The Social And Political Perspectives of Bangladeshi Planners

Shapan Adnan*

1. That matters related to society, politics and their historical attributes should find a place in a plan for economic development may appear at first sight to be both puzzling and spurious. That these should form the very first contention of the plan and the broad framework for the succeeding contents may well seem quite unintelligible. But the planners of Bangladesh are to be commended for their stated acknowledgement of essential realities: 'A plan is not merely a technical and an economic document but also a socio-political document. It must be able to enthuse, mobilise and motivate people. It must provide a vision and perspective for the nation'.¹

2. This attempt to 'provide a vision and a perspective for the nation' is, needless to say, fraught with the dangers of misconstruing the real nature and structure of complex social, historical and political process. This is particularly so because firstly, the attempt has no precedent in the short tradition of planning in this country, and secondly, because in the words of a distinguished scholar, social science research and thinking in this country, though limited in extent, is characterized essentially by analytical mediocrity and by its detachment from social reality.² One of the contentions of this paper is that ignorance or insufficient awareness in the matters may be not only misleading, it may even lead to incredulous statements on the part of a body of distinguished scholars.³

3. The statement of social and political perspectives of planned development are laid out as follows:⁴

- (i) Firstly, constitutional principles and commitments are stated with some attempts at an explanation of their meanings.
- (ii) Secondly, general preconditions for 'socialist development' are derived either from the above or by induction from (unnamed) historical experiences.

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- (iii) Thirdly, an evaluation of the 'objective conditions' prevailing in Bangladesh is made.
- (iv) Fourthly, the socio-political 'assumptions' of the plan are derived from a syllogistic interaction of the information in (ii) and (iii).

4. It is clear from the above that the validity of the "socio-political assumptions' are dependent on the accuracy of the initial premises as well as the validity of the logical processes of derivation. The areas of enquiry and critical discussion in this paper therefore centre around this two antecedent and more fundamental issues. Detailed critique of each of the numerous 'socio-political assumptions' are thus avoided.

5. The primary premises are concerned with the statement of constitutional principles (or objectives) which are to be either maintained or attained or both. Of these, democracy, nationalism and secularism have relatively small but specific economic contents. Socialism on the other hand has substantial economic content in so far as its attainment implies the coming into being of an economic system with certain very specific attributes. Indeed the chapter under discussion is predominantly concerned with the attainment of 'socialist development' and as such, this forms the main thrust of the arguments as well as the ensuing criticisms. We may begin by an evaluation of the economic contents of these four principles (and objectives) as laid down by the planners.

6. The statement on democracy is remarkable for its repetitiousness and lack of content. The constitutional rights of self-government, assembly etc, point towards the existence of any edifying world of paper legislation. These have their economic counterparts in the right to private property, the right to enter into exploitative relationships on the basis of such property or its consequent power or both. That the system of government is on the line of a parliamentary democracy is indicated; it remains for us to point out that among the various possible types of democracies, this may be regarded as being in the category of the bourgeois democracy. This identification is important because it implies that the bourgeoisie alone or in league with its allies (including feudal elements) are dominant in the control of the machineries of state. Given the general continuation of this particular order, the maximum degree of socialist transformation possible is indicated by the category of the social democracy rather than the socialist state. This is merely a definitional statement so that subsequent assessments remain unambiguous. This parlance seems consistent also with some portions of the plan document itself, e. g., in para 1.5 where social demo-

cratic governments are implied as being the appropriate reference group for the government of Bangladesh.

7. The economic content of the principle of nationalism is barely touched upon. National integrity is inviolable ; a reasonable corollary seems to be that regional parochialism on the lines of the past are now likely to be frowned upon. The paramount significance of maintaining economic independence, i. e., of not relapsing to the state of a captive economy vis-a-vis other powerful and stronger economies, is perhaps only hinted at in the remark that, 'We cannot shift the burden of our development on to others'. A more explicit statement of policy and intent would have done bare justice to the recent sufferings of this hapless nation.

8. The paragraph on secularism is remarkably banal. It is a pity that it should have inspired little more than elementary rhetoric from our planners. For the fact is, whether economists like it or not, the growth of secularism is a significant process in the context of industrialisation, modernisation and economic change. In the industrially advanced countries economic and social transformation has been accompanied by the emergence of universalistic values associated with the merit and the level of attainment of the individual as against particularistic values associated with his ascriptive attributes of birth, religion and social origin. This change was propelled not so much by any ethical or humanistic impulses as by the operational necessities of a rational capitalism, as is seen in the West and in Japan. Such an interpretation of constitutional objectives of secularism would be consistent with the withdrawal of religion from the matters of state to the realm of the individual and the family group. Alternatively, secularism could be interpreted as the coexistence of various religious and even communal forces, where the state concerns itself with seeing that the prerogatives of no one creed becomes oppressive for others. A more apt term for such a state would be multi-religious. The two interpretations point to two different trends in economic and social transformation, and it is obvious that the critical distinction has to be made and the objective of secularism clarified for practical purposes. Should the constitutional statement be insufficiently elaborate, it is imperative upon our planners, as the chosen interpreters and guides of the implementation of the constitutional commitment, to clearly state what, in their considered opinion, it should mean. Mere evasion of the issue indicates an inability to deal with the complexities and confusions of the matter, or an unwillingness to do so. That the consequences, in either

case, may be misleading and even downright irresponsible is illustrated here in terms of one particularly significant theme.

9. The para on secularism (1.3) ends on this note of glib optimism; 'Our struggle for emancipation has highlighted our homogeneity and our struggle against poverty will only strengthen it' Let us start from the historical contention that Bengal has always had and continues to have a heterogeneous and plural society segmented not only by broad religious beliefs but also by ethnic origin, languages, sects, castes, quasi-castes as well as by class relationships originating in the processes of economic production, having exploitative character. Let us also be candid enough to acknowledge that most of the conflicts between social groups based on religion, language, ethnic differences, regional location or class in recent times were essentially rooted, explicitly, or implicitly, in disagreement over the distribution of economic income, economic assets, and the consequent power thereof. The historical affinity of this society to produce conflict groups divided on communal cleavages is amply illustrated by the emergence and conflict between the Hindu and the Muslim *Bhadralok* elite; the rise to numerical preponderance of Muslim *Jotedars* in the first half of this century and its relationship to the Pakistan movement; and in the operation of vested interests in the enactment of the East Bengal State Acquisition Act of 1950.⁸ The origins of the Bangladeshi movement itself lies in an elite conflict among East Pakistani Muslims leading to the collapse of 'Islamic Solidarity' within the erstwhile polity of Pakistan — a fact, if lost sight of, may tempt one to visualize the recent emergence of secularistic values as an act of positive volition. Given such historical progeny and social bases, the prospects of secularism in the near future, depends critically on the way political and economic interests, represented by various communal or class groups, choose to utilize the vast reservoir of religious, cultural, regional and ethnic emotionalism that still continues to be a stark social reality today. That the tradition of utilization has been unscrupulous and ruthless needs no historical demonstration. In view of its euphoristic optimism, (indicated above), the Planning Commission would have done well to have again given some explanations as to why things might now have changed for the better. The ritualistic reference to the War of Liberation is hackneyed beyond the limits of use and abuse, providing neither sufficient evidence nor sufficient guarantee of transformation of national character.

10. The para on socialism (1.4) has tangibly only this to say of it: 'In Bangladesh today it remains a vision and a dream!' Eloquent as the remark may be, socialism means different things to different people, and the Planning Commission attempts to have the best of all worlds by making the perfect non-statement. To press the point home, consider the list of possible variants among socialists: Utopians, Social Democrats, Fabians, Labourites, national socialists, socialists believing in armed struggle, socialists bypassing armed struggle, and socialists who have their intellectual moorings in the writings of Marx, Engels, and Lenin. The 50 years of socialist movements in the South Asian subcontinent have thrown up an equally baffling plethora of socialist signboards. Indeed, as in Europe a few generations ago, 'all roads lead to socialism', and the necessity of choice throws up the diabolical maxim that, 'some socialisms are more socialistic than others', (paraphrasing Orwell). Given this background of confusion and incredulity, the broad masses of people, essentially 'non-urban', 'non-elite', and almost 'non-entities' could at the very least have expected a formulation of the precise objects and contents of socialism from the planners of distinction. With equal incredulity, the Planning Commission could succeed in writing a Five Year Plan on the subject of attaining socialism without rigorously defining the term once in its social, historical and political context.

11. Some provisions in the Constitution are available however to redeem this inexplicable void. In the absence of a rigorous exposition of the objectives and mechanisms of socialism in our particular historical context, the elaboration of the Constitutional Commitment in para 1.5 provides two important clues as to the manner of Planning Commission thinking on the subject. These concern the particular features and the model of institutional functions deemed necessary by the commission 'for the building of a socialist society'.

12. Invoking the Constitution, the necessary features of a socialist society are listed as follows :

- (i) an exploitation-free society,
- (ii) emancipation of the toiling masses from all forces of exploitation,
- (iii) every citizen enjoys the right to work ;
- (iv) all citizens are assured of equal opportunity so that the society is effectively egalitarian ;

(v) enjoyment of unearned income is discouraged ;

(vi) private ownership of means of production is limited by law,

As to the location of the socialist society in the spectrum of social evolution, the Commission says, 'However we have to look beyond the goals and achievements of the welfare state if exploitation is to be eliminated and egalitarianism realized in the manner of a truly socialist society'.

13. A few things emerge from the above. First of all, the motley collection of attributes, if attained, is expected to allow Bangladesh to become a 'socialist' or a social democratic society, even though the structural interrelationships between them is far from clear. Secondly, in the absence of definitions of terms such as exploitation, freedom from exploitation, unearned income and an explanation of why and to what extent private property needs to be limited by law, it is quite conceivable that a sizeable number of socio-political and socio-economic configurations of society will fulfill the above criteria, in which case the inevitable, if irreverent, question of distinguishing the 'truly socialist society' from the others becomes obdurately unanswerable. Thirdly, the whole approach of synthesizing or concocting a 'socialism' by an eclectic blend of select attributes, without a rigorous infrastructure of social and historical understanding begs skepticism by its inherent arbitrariness. Fourthly, even if the selected attributes could be rigorously justified, the 'sum total' of such attributes or symptoms or consequences would not necessarily be equivalent to the concept of socialism itself, (one is reminded here of a celebrated argument in ethics on the question of what is good, in which too, the notion of the naturalistic fallacy was inserted precisely to make the same point).

Fifthly, even though we are told that 'the truly socialist society' lies somewhere beyond the welfare state, its precise location even in ideational terms, or the question as to whether the welfare state inevitably lies on the time path of the process of attaining socialism, remain uncertain.

14. As for the mechanism of institutional functions for attaining socialism, this is explicitly technocratic. The various operational units are : a party which will gain the leadership and confidence of people, a whole generation of amazingly gifted cadres (belonging to the political party) who will rouse and motivate the people, a bureaucracy who will be encouraged to become dedicated agents of plan implementation, and a 'brains trust' Planning Commission at the centre which will provide the staff-work

for the political decision makers. There are no references to social classes of historical repute such as the national bourgeoisie or the proletariat who figure prominently in the literature of socialism. In fact, with the single exception of the somewhat mythical cadres, anyone who cares to look up a Five Year Plan of Pakistani vintage will find the other institutional units and their operational styles remarkably similar. We are therefore expected to believe that the same technocratic approach and ossified institutional structures which bred an inefficient capitalism and a stagnant agriculture in Pakistan times will now deliver the goods when socialism is concerned. This remarkable act of faith would have been somewhat less credulous had it been substantiated with evidence to the effect that the deficiencies and systematic biases of the past as far as the machineries of planning and implementation were concerned had been or were on the way to being remedied. No such evidence exists.⁷

15. A few evaluatory remarks are apt here and will help the subsequent discussion. The Planning Commission's socialism is an eclectic hybrid, built up of synthesized attributes, without any well-stated historical time-path and lacking any criterion to distinguish societies which are under a leadership genuinely committed to socialism, from societies which are not. This creates obvious operational problems which have been skillfully avoided by a model-building technocratic approach which has adeptly distilled off most of the political and historical content of the debate on socialism.

16. In the next steps of the plan document, 'pre-conditions for socialist development' are discussed. Inferences are based on the Planning Commission's Socialism (P. C. S.) described above. The unsatisfactory nature of the P.C.S. has also been indicated, and for the purposes of discussion we shall contrast this with the content of Marxist Socialism (M.S.) with its roots in the disturbing and incisive works of Karl Marx. This seems unavoidable, since given the wide range of meaning possible, no critical discussion and evaluation of any work concerned with socialism is possible without reference to some acknowledged standard and in this respect, as well as in terms of contemporary relevance, the claims of M. S. are indisputable. Our purpose will be merely expository; no judgement on a preference between P. C. S. and M. S. other than on grounds of rational consistency is intended.

17. The Plan suggests that the removal of the capitalist system of income distribution, of the private ownership of the means of production

and of the precapitalist mercantile or feudal forms of production relations is a necessary precondition for socialist development. The actual programme of socialist transformation is expected to be determined by the 'objective conditions' prevailing in the society and the economy. It is suggested that the society will have to be prepared for these basic changes, particularly in land ownership relations. Stress is laid upon increasing productivity and growth of productive forces, and it is indicated that, 'a traditional form of society generates values and habits that are antagonistic to the norms of productive works, manual labour and working discipline.' Indeed the overwhelming preoccupation of the P. C. S. seems to be to indicate as preconditions of 'socialist development' the necessity of transforming a society with traditional values to a production oriented society where work, discipline and savings are the basic tenets of economic activity. All this is asserted in the general background of slackening production, indifferent management and growing labour dissatisfaction. The call for shared austerity, mobilization of economic surplus forms another intertwining theme.

18. The preconditions for socialist development outlined above are so clearly in line with the basis of rational capitalism, say as propounded by Max Weber, that one could neatly substitute the word 'capitalism' for 'socialism' (and the respective derivatives) without creating any incongruities in the context whatsoever. This is not surprising given that socialism, as conceived by Marx, is a dialectical step from capitalism, both retaining and inverting some attributes of the latter. Put another way, the growth of rational universalistic values, the stress on production and the increment of material wealth, the eulogization of work, thrift and investment are attributes in which the two systems correspond, while in respect of the class origins of the owners of the modes of production and holders of political power, they fundamentally differ. In the context under discussion the attributes of differences (in terms of say the class character of the leadership) are not even mentioned, while the values and attributes which are common are proclaimed and recommended. While this may create the illusion that the adoption of these values will enhance prospects of socialism, it can be persuasively argued that in a situation where the working class is not in power and in command of the 'transition' period, the endproduct is more likely to be an indigenous capitalism. The way to both systems overlap for a substantial part, e.g. in the antagonism towards a feudal or a traditional society, but eventually there is a cross-road where the paths divide. Our economy

is perhaps yet to reach this point of bifurcation, and given such logical misdirectives it may well take the wrong turn.

19. The other precondition for socialist development, as outlined in the plan is the necessity of building a rank of political cadres dedicated to the realization of the P.C.S. Apart from the issue of the viability of the mobilization of such cadres, there are fundamental questions as to their effective roles and what they may achieve. The plan plainly asserts that we are a society in transition towards socialism without any attempts at justification. The viability of such cadres is conditional on the validity of this premise, given the Planning Commission's institutional model for attaining socialism. Barring this issue, the whole argument hinges on the assumption that there is a process of extended education, distinct from active politicization, which can be an input into the socialist transformation of society, and that this education can be imparted to the broad masses by such cadres, even though the society itself may be in a stage where the objective conditions are far removed from socialism (and perhaps even antagonistic) and the degree of commitment to it is even more insubstantial. Given that the structural paths of capitalism and socialism overlap to a substantial extent, whether such an 'educational' attempt based on exhortation and a call to the emulation of personal sacrifices will succeed or misfire will depend on the balance of objective conditions. The singular irony would of course be if the stated precondition for 'socialist development' were to turn out to be eminently successful preconditions of an indigenous agriculture-based capitalism. An equally intriguing issue is raised by the celebrated query of 'who will educate the educators.' The postulated cadres are indeed heroic beings almost unprecedented in the annals of this country and no one need denigrate their performance, were they to exist. An optimistic Planning Commission may speak for itself when it contends that, "The liberation war has thrown up a whole generation of young men willing to dedicate themselves to the transformation of society. Leadership and organization can mobilise their talent and energies towards productive ends'. While one would agree with the substance of the earlier sentence, the latter assertion conveniently forgets the weariness and disillusionment which has overtaken the populace at large and the cynical violence and the indifferent contempt of a youth who have lived to see their respected mentors go through hypocritical recantations of their earlier beliefs; a background more prone to generate potential delinquents and social misfits rather than sacrificing revolutionaries.

20. The paper has dealt at length with some of the fundamental presumptions and axiomatic assumptions (or principles) of the social and political perspectives of the plan. The central contention has been that most of the concepts involved have been either loosely defined or not defined at all and as a result what has assumed the form of broad guidelines are more arbitrary than rational in nature. Some, like secularism and socialism, have been treated with an intellectual carelessness, and perhaps an inadvertent sophistry, unworthy of a body of the stature of the Planning Commission. This is all the more striking given the dire circumstances of the vast majority of the people and the impending socio-economic crises born of the incapability of the social and economic system to cope with the pressures of population and poverty. However, as a consequence of this, the wrong type of operational approach and an unsatisfactory direction of historical change has been adopted by the planners. With such conceptualization and analytical frameworks, the information amassed, evaluated and the policies recommended are all likely to inherit the irrelevance of the original presumptions and over simplifications. This is a second major contention of the paper, and explains (alongwith the constraints of time and space) why no attempt has been made to evaluate the plan statements on the 'objective conditions' and the detailed 'socio-political' assumptions. In a sense we are questioning the very objectivity of the 'Objective Conditions' so termed, since in our view the wrong questions springing from the wrong assumptions have been asked. The specific nature of our disagreement in each instance has been indicated earlier and constitutes the bulk of this paper.

21. A few concluding remarks are perhaps not out of place. The statement in the plan document on the social and political perspectives presents an appearance of lucidity which hides remarkable looseness in phrasing and the methodology of definitions. Such an absence of intellectual foundations and rigour is to say the least more than disturbing given the grave responsibilities with which our planners are endowed. Whether this is the consequence of the urban-elitist bias as many scholars contend remains to be convincingly demonstrated. Our tentative opinion would be that the work under review is more than a mere product of cerebral workmanship. The planners are more or less aware of social and political realities, and their style of writing reflects a command of the language, jargon and rhetoric of the literature of socialistic struggle.

Consequently the ambiguities, looseness, and logical distortions indicated above appear all the more disturbing. This constitutes a residual paradox to which the author, at this moment, has no answers.

Footnotes

1. Planning Commission, The First Five Year Plan, Ch.I, Section 1.14.
2. Ralph Nicholas, Social Science Research in Bangladesh, Ford Foundation.
3. Vide the discussion on secularism later paras 8 and 9.
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Conditions of Commitment To A Plan

By

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1. 'Commitment' may be taken to mean a 'determined dedication' to a cause-to live, work and if necessary die, for the cause. It implies (a) an understanding of the basic fundamentals of the cause, (b) a mental determination to serve the cause, and (c) physically doing things for the cause, and not doing things against the cause. Commitment to a plan would, therefore, mean an understanding of, a dedication to, and taking actions for the plan-both as a philosophy of development, and as an action programme. The 'philosophical' part of the plan would cover such matters as (a) identification of the sociopolitical perspectives, (b) determination of objectives and strategies, and (c) selection of an appropriate model for development. The 'action' part would include (a) mobilisation of resources, (b) drawing up of projects and schemes, and (c) implementation, with all its implications. The essential attribute of a plan is its 'integrated' character, all its parts must integrally fit into a logically consistent and coordinated whole; its parts are meaningful only as parts of the whole, not as such. Commitment to a plan should, therefore, mean a total commitment to all that is contained in a plan, and not merely to some of its features and provisions.

2. It is almost axiomatic to say that no plan can succeed unless there is total commitment behind it, on the part of everybody concerned and involved, the planner himself, the administration, the political leadership, and the people. But how do we get and ensure such commitment? Can we get this commitment merely for the asking, or do we have to plan and work for it? The following paragraphs will try to pose some of the problems involved.

3. Is the planner himself committed to the plan? A silly question perhaps, but not always unreal. The Planning Commission consists of experts who may look at the same things in different ways; experts who find it more difficult (than non-experts) to accept points of views of other experts. The planning experts have to work on a consensus among

themselves, as distinguished from unanimity ; they have to commit themselves to what is agreed on both individually and collectively. Further, they should have a sense of involvement in the implementation of the plan ; their stay in the planning Commission should be long enough to enable them some review of the progress of the plan on the ground.

4. It is the Administration which is charged with the responsibility of implementing the plan ; therefore, the Administration has to be fully converted into a willing horse, who will not only go to water but also drink it. This is true of the entire Administration, although the Ministry of Finance and other 'Economic' Ministries have more to do, for implementing the plan. Ministries of Home, Law and Defence have to provide the required 'social' 'environment' conducive to all national activities, including development activities, for which the Economic Ministries are directly responsible. The total commitment of the entire Administration is absolutely essential for the success of any plan ; every Ministry must do, at all costs, all that is required to be done in its own sphere, for implementing the plan. Every Ministry is assigned its share of responsibilities for the plan-what has to be done, what must not be done, and what 'counterpart' policies are to be adopted. The success of a plan wholly depends on the fulfillment of all these responsibilities, in full and not in part.

5. Take, for instance, the Ministry of Finance ; the plan estimates resources available and mobilisable, domestic resources are to come from revenue surplus, internal savings and some amount of deficit financing. The plan not only estimates these, but also lays down in details how additional revenues are to be raised, how non-development expenditure is to be 'contained', how internal savings are to be promoted, and so on. If the Ministry of Finance fails, to any extent, in any of these measures, plan implementation suffers. Again, the plan requires banks and financing institutions to lend specified amounts for development in different sectors ; if this amounts are not lent in full, whatever the reason, plan implementation suffers. There are millions of such instances ranging over the entire administration. Some such lapses in doing the needful may be understandable for a five-year plan ; after all, estimates for five years may not be all realistic, but what about an Annual Development Programme ? But for a war, flood or cyclone, we should be able to have firm estimates ; and estimates realistically made can be fulfilled, if there is determined will,

6. Initial estimates of resources by the Planning Commission and the Ministry of Finance are always different; such differences are usually resolved in series of meetings between the two, and finally at the level of the National Economic Council and the Cabinet and a final estimate emerges. Commitment to the plan of the Ministry of Finance means, quite simply but unambiguously, that the Ministry will have no mental reservations about these final estimates, and will turn the estimates into realities by taking all necessary steps as laid down in the plan. Similarly, the lending agencies will lend specified amounts assigned to each, to different sectors as envisaged and in the manner prescribed in the plan. They must not question the wisdom of the plan or of its estimates at this stage, after it has been finally approved by the Cabinet; but must devise ways and means to fulfil the targets in their own respective spheres. This appears to be the crux of the problem of administrative commitment to the plan—some mental reservation, and some reluctance to take all necessary steps.

7. That the administrator is not plan-oriented may provide only part of the answer to this problem; but a significant part may arise from the administrator's feeling of being rather neglected, and not adequately involved in the process of planning. Such feeling may be entirely wrong, but if he has such feeling, it can do a tremendous harm to our cause. To remove such a feeling real or imaginary from the mind of the body administrative, would require maximum ingenuity of the Planning Commission in dealing with what is essentially a human problem.

8. The planner's job is really unenviable; he is 'new' to government, and his work appears to interfere with that of every administrator already settled in government. The latter has a life-time experience in doing things, and thinks that he knows all the 'tricks' of his trade, including the new magic of development. And most important, it is he who will have to do the work on the ground. If he has any mental reservation or reluctance, then we had it. Therefore, we must remove all possible causes of such a possible attitude on his part. He must be effectively involved in all stages of the process of plan making, through various Committees on which he can work with a feeling of due importance. Of course, the planner will have a more sensible idea about say agricultural development than Secretary Agriculture; the problem precisely is for the planner to conduct himself and his affairs

in such a manner that Secretary Agriculture 'on his own' suggests what the planner has really in mind. A sensible idea may be difficult to sell, but not impossible with sustained efforts. We sometimes say that Secretary Agriculture cannot always place Agriculture in the proper perspective of the entire economy; are we sure that the planner can always place Planning in the proper perspective of the entire government?

9. The planning exercise should be done so that every Administrator (Ministry) feels that it is his plan; he must not only be involved right from the beginning, but he must also have the feeling that it is his work, and the planner has come to help, and not to hamper, his efforts. Even when the inevitable cut has to be made in his proposals, it must be done in such manner as if he is himself making the cut on his own wisdom, and nothing is being forced down his throat. This is a near-impossible job, but not wholly impossible with understanding on both sides, the planner's task is extremely difficult - he must be able to carry the entire administration with him in the process of plan formulation. Only then will the administrator feel that he is Committed to the plan, and to all that has to be done by him for its implementation. Thus formulated, reflecting the combined wisdom of the planner and the administrator, a plan and its counterpart policies will be better understood by the latter; he must then take all necessary steps for full implementation of the plan in his own area; if his existing 'rules of business' do not permit this, the rules should be changed and not the plan targets.

10. Planning is essentially a political process; the economic exercise of 'model-building' has to be done within the framework of politically identified and determined objectives, politically mobilisable resources, and politically viable implementation. Political leaders of a government, therefore, must understand the full implications of planning and of a plan—the proper role of planning in the totality of government's work, and the specific provisions of a particular plan. Most political leaders, at most times, are both more and less plan oriented than the administrators—more, because they know the hopes and aspiration of the people (concretised in objectives and targets of a Plan), and less, because they have commitments made to their constituencies, which may deviate from plan discipline. Political leaders are, therefore, most enthusiastic about planning as such, but at the same time, may prove to be more vulnerable to pressures and influences, which may induce

them to deviate from plan provisions, and may even run counter to a plan. A planner will have to work for reducing this latter possibility to a minimum, mostly by making full use of the opportunity provided by the former, namely, the politician's knowledge of, and commitment to, the hopes and aspirations of the people.

11. The formal attempt to ensure the success of such work is made by appointing the Head of the Government—President or Prime Minister as Chairman of the Planning Commission, and all 'economic' ministers as members of the National Economic Council. But this is only a first step; a good deal of 'real' efforts have to be made to sell the 'real' meaning of a plan to the Prime Minister and the National Economic Council. It is a mistake to presume their conscious understanding and commitment. Obviously, the Prime minister is too busy; nothing would make him happier than to leave all matters of planning to the experts of the Planning Commission. Apparently, a Planning Commission may also feel happy at such arrangements, at being able to do or undo things as they please; but it does not take long to discover that this has been wrong, because they had too many things to do or undo, many of which were supposed to be done by other Ministries. A big difficulty arises—the alienation of other ministries with long experience in executing development activities, an extremely undesirable situation for the success of any Planning Commission. It must not be forgotten that basically and essentially, the Planning Commission is not an executing Ministry, but a recommending Commission; its recommendations on economic matters planned development, economic policies, actions to be taken etc.—are accepted by the NEC and the Cabinet, and are implemented by the executing ministries. A clear delimitation of responsibilities of both is a must, for avoiding confusion and misunderstanding that may otherwise prevail.

12. The Planning Commission should not accept responsibilities that do not belong to it, and should have greater responsibilities in matters related to planned development. It will be suicidal if the Deputy Chairman, Planning Commission has no knowledge of, and say in, the formulation of the National Budget, which is the principal instrument of implementing the Annual Development Plan. As a matter of fact, all economic policy papers for consideration of the cabinet should be jointly prepared—by the Ministry and the Planning Commission. The first drafts of such papers should be made individually by the Ministry and the Planning Commission, which should then be finalised in one or

more joint meetings of both and finally at the NEC. Any unilateral action in such matters should be avoided at all costs.

13. In order to ensure full commitment of the political leadership, the National Economic Council should be involved in plan formulation at all stages. The very first stage in the planning process is the determination of the objectives of a plan; this must be done by the NEC itself, of course after considering the recommendations of the Planning Commission. Then, at every other stage—e. g. fixation of targets and priorities, estimates and allocation of resources, drawing up of projects and schemes, formulation of Annual Plans—the NEC should be effectively associated and involved; it is they who should finalise these and make recommendations to the cabinet; their decisions should not be confined merely to the approval of schemes, but should more importantly, be extended to these fundamentals of plan formulation. And this must be done during the process, not at the end, when all these have been finalised by the Planning Commission,

14. The NEC may feel that these complicated and sophisticated matters are for the experts to deal with; the planning experts may feel that it is both unnecessary and futile to try to sell to NEC the complexities of, say, accounting prices or model building or consistencies. The fact of the matter is, however, otherwise; it is absolutely essential for the NEC to understand, get involved in, and take decisions on these; without this the planning experts cannot do their jobs properly. And a Planning Commission must do its 'extension' work, and be able to sell its expertise to the real users the decision makers in the NEC. Thus involved, the NEC will have greater awareness of, and concern for, planning matters, and will develop a more conscious sense of commitment to the plan—what is sought to be done and how, what policies have to be adopted, and what sacrifices have to be made by whom. If these are NEC's conscious decisions, after proper briefing, the possibility of any deviation from the plan is likely to be reduced significantly.

15. Planning is for making human life 'fuller' richer and more resourceful—in terms of all experiences more and better, food, clothing shelter, employment etc., as also higher cultural experiences. All plans, therefore, seek people's participation and commitment for better knowledge of what they want, for persuading them that it is their plan for their benefit, and for better implementation. Chances will be better for people's commitment to undergo the sufferings implied in the plan,

if they know the broad features of the plan and participate in its formulation. But how to ensure this knowledge and participation? Part of this job may be done in public meetings, of formally and legally constituted People's Councils, which have to be made integral parts of the whole planning machinery. As a matter of fact, the People's Councils should, as of right and not by sufferance, take initiative in the process, and the first broad ideas may be mooted by them; on this sophistication and refinement are added at the subsequent stages of plan-making. The question is how much will the people understand? The answer is: a good deal of the broad features of the National Plan, and almost all details of local plans, if we can do our extension job properly, namely, present our plan to them in their language and in a way that they understand. It is a supreme test of the planner's capacity to sell the plan; people must be made to understand, whichever the way and whatever the cost; otherwise plan implementation is bound to suffer very significantly.

16. There is a small section of the people—the so-called intelligentsia—who would not only understand the plan much more easily than the masses of the people or their Councils, but may help in a big way in securing people's participation. The intelligentsia already have their formally constituted bodies—universities, research institutes, professional associations, college teachers associations, chambers of commerce and trade, bar associations, students's unions etc. It will be a distinct advantage if their considered views are sought, if specific issues in planning are placed before them, if specific assignments are given to them. Even if all of them do not respond, some of them will; experience shows that such association of outside opinion has always been of advantage to the planner.

17. A planner's interest are many and multifarious; his sources of inspiration have also to be many and multifarious; plan-making must be 'decentralised' and 'popularised' to the maximum extent. Then, once a draft plan is made, it should be thrown open to a national debate, including a debate in parliament; let all manner of people talk on the plan; there will surely be some sensible suggestions coming up. The draft plan can then be finalised incorporating any new ideas that might have come—by the Planning Commission, the NEC and the Cabinet. Even a finally approved plan remains flexible, it is the Annual Plan which assumes some rigidity, due to budget provisions being made for its financing. This inherent flexibility of the plan makes it ideally suitable for

inviting outside participation in the process, getting as many people as possible involved, and thus mentally committed to the plan. If this is not done, people's interests in the plan can at best be indifferent and un-involved, and at worst hostile and antagonistic.

13. Practical commitment to the plan, namely, to do all that is necessary for implementing the plan, involves more and better work for everybody, more taxes to be paid by those who can, and drastic cut-down of unnecessary and ostentatious expenditure at all levels—personal, social, institutional and governmental. Poverty may not be shared immediately, but austerity must be shared here and now at all levels, as nearly equally as possible, and demonstrably so. A national exhibition should be held every year to demonstrate what sacrifices are being made by those who have (either of their own or from govt.)—how many luxury cars are surrendered, how many car-owners start riding bicycles, how many luxury house-owners move to utility flats, how many luxury smokers turn to utility smoking, how many weddings serve only sherbat, and so on and so forth. By themselves, each one of these sacrifices will probably look small; all together they are not; and what is most important is the salutary effect such demonstration would have on the people—their confidence in what we say, and their own urge to make whatever little sacrifice they can. People have never failed the leaders, it is leaders, who have failed the people. Leaders must lead in sacrifice too; leaders everywhere—in politics and government, in business and commerce, in universities and colleges, in towns and villages. If this essential first step is taken, seriously and earnestly, only then other steps will follow which may show us some light in our efforts to remove existing darkness and confusion.

Socialist Planning In Parliamentary Democracy

By

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1. Planning is a conscious and deliberate exercise in harnessing all resources available to a nation, for producing more and better goods and services. Its aim is to usher in a fuller, richer and more resourceful life for all people, by widening the horizon of their experiences in all fields-material and non-material. The planning process may roughly be divided into the following stages :

- (a) Determination of Objectives,
- (b) Concretisation of Objectives into specific Targets,
- (c) Estimate of Resources - human, material and financial.
- (d) Fixation of Priorities/Allocation of Resources,
- (e) Drawing up of Projects and Schemes,
- (f) Implementation in phases - Annual Development Programmes.

2. Planning implies an overall National (and international) perspective of what needs to be done, and what can be done; and requires a central viewing of the problems and possibilities. Such an exercise can be done at its best in a socialist society which (a) abolishes private property and brings about social ownership of means of production, and (b) is committed to exploitation-free production relations and equitable distribution of what is produced. Planning thus finds its natural home in socialism; the central planning authority is in a position to take the required overall view of the situation, and can take up its functions and responsibilities with authority, confidence and effectiveness. We may regard such planning as socialist planning.

3. Democracy is classically defined as a "government of the people, by the people, for the people", not only in fact, but also in law. People are supreme, and government is subservient to them - owing its existence to them, and justifying that existence on performance of good acts for them. In parliamentary democracy, peoples' supreme authority is exercised through the general election of the national parliament at

frequent intervals. Government is accountable to parliament for its actions, and thus to the people. All laws are made by parliament; government's action and decisions are subject to approval and review by parliament. There are more than one political party in the country and in parliament; government is formed by a majority of members (one or more parties); and there is an opposition to keep the government 'on its toes' all the time.

4. Parliamentary democracy and free enterprise capitalist economy have grown together; however, it was soon realised that individual liberty, guaranteed under democracy, could not be allowed to mean a licence to destroy the liberty of others, or to benefit at the cost of others. Thus began the history of social legislation—Poor Laws, Factory Laws, Labour Laws, Social Security measures, Land Reforms, New Deal measures, etc. All these were motivated by considerations of the common good, as distinguished from individual good, at any cost. A government of the people had to prevent certain evils of unbridled individual freedom, as also to promote some positive action towards peoples' welfare. This latter, in particular, motivated a democratic government to evolve policies to encourage productive activities by free entrepreneurs in fields considered desirable, and discourage activities considered undesirable, by the government. Such economic policy-making was isolated to begin with but as time went on, attempts at coordination and integration of economic policies were intensified; economic ministries sat and worked together, under the auspices of the Ministry of Finance which was growing more and more powerful. Aggressive efforts at integrated policy-making helped some democracies to guide, and even to goad, the private sector to undertake desirable activities.

5. But the private sector would not go in for certain activities under any circumstances; activities in which initial investment was too big, gestation period too long, and/or price of product liable to be fixed by government—public utilities or infra-structural facilities. Therefore, government had to come in directly for some of these activities, but their scope was extremely limited, purely incidental, and merely designed to pave the way for the growth of the private sector in productive activities. The public sector began to, take a shape, giving birth to what is now known as a mixed economy. Three clear trends may be identified in the development of mixed economies:

- (a) The respective roles of public and private sectors were the results of a purely pragmatic approach, under which the public

sector was forced to do what the private sector would not look at.

- (b) The private sector was given responsibility for all directly productive activities, and the public sector was required to produce infra-structural facilities for helping, inducing supporting and sustaining the private sector.
- (c) Both public and private sectors were given well-defined jurisdictions—the public sector producing infra-structural facilities and also certain 'strategic' and 'critical' goods and services continued to be produced by the private sector.

6. Planning appears to have taken a decisive step at this stage of the growth of the mixed economy; although means of production are all privately owned, certain critical inputs for development are not; these inputs have to be allocated to different uses—either directly by rationing, or indirectly through price differentials. The public sector programme has to be 'planned' in a fairly detailed manner: targets to be fixed, resources mobilised and allocated on determined priorities' and projects and schemes drawn up and implemented. Overall objectives—flying or floating so long—have to be determined for the entire economy, including both public and private sectors. Total resources have to be estimated, mobilised and ear-marked for public and private sectors. Conscious decision has to be taken on what the public sector will 'disinvest', and what it will hold on to, as a lasting and permanent responsibility. An appropriate 'policy-mix' has to be formulated, designed to ensure the fulfillment of the respective roles of public and private sectors.

7. Difficulties of planning in a mixed economy do not take long to manifest themselves—planning utilisation of privately owned resources, estimating human capabilities in the private sector, adopting policies and waiting for the private decision-makers to react. Planning implies action rather than reaction, and thrives best under circumstances of full knowledge of where we stand. Socialism may guarantee this full knowledge in three respects;

- (a) social ownership of means of production/resources, which enables appropriate priorities and allocations,
- (b) social determination of production targets and exploitation free production relations, which is an unambiguous objective, and

- (c) provision of a powerful central authority, which would serve as an effective agency for an overall view, planning, and review, of the development of the entire economy.

8. Social ownership of the means of production and social determination of production targets should, however, be distinguished from mere state ownership or nationalisation, and mere governmental decisions on allocation of resources and determination of production targets. Such a central authority's planning functions should be so performed as to effectively involve not only other agencies of government, but also the people. Socialist State has to evolve formal institutional arrangements, through which people are effectively involved in the whole process of decision making. In fact, decision making is initiated and processed through people's councils, communes or committees in factories and farms, the last stage in the process being the formalisation and finalisation of decisions by government as such. The people's councils are legal, formal bodies created by the constitution, and exercise tremendous influence on mobilising social opinion on all matters, including those relating to planning decision. All decisions are made jointly by government (through executive and legislative organs) and the people (through elected councils, communes, cooperatives etc.) each working as complementary and supplementary to the other. Such a system works best under one political party (dictatorship?); classical socialists regard this as the highest and noblest form of democracy—socialists democracy, in which people not only vote and elect their representatives once in five years, but also participate regularly in all matters of administration.

9. Classical democrats, however, insist that one party rule is undemocratic, that democracy is rule by consensus and not by unanimity, and (perhaps also) that in a parliamentary democracy, parliament itself will reflect the hopes and aspirations of the people. There is no reason, therefore, to think that a parliamentary democracy should not be able to bring about socialism. People in their own interests will vote for a socialist system—social ownership of means of production, exploitation free production relations, and equitable distribution of what is produced.

10. Surely, parliamentary democracy can commit itself to socialism; but difficulties may crop up in the way of fulfilling this commitment. With multiple parties, commitment to socialism may vary from 'partial' to 'total' with powerful class interests, consensus may be difficult to

attain, and even when attained, may not be for exploitation-free production; relations even if powerful classes are destroyed in a planned manner, 'classless' peasant society may not vote for abolition of private property in land, the operation of local councils or communes may suffer from lack of consensus. The answer to these difficulties will lie in a consensus among the political parties themselves—itself a difficult task, but not impossible with imaginative leadership. Many democracies have such political consensus on foreign affairs; why should it be impossible to arrive at a consensus on such a vital matter of state principle as socialism? Such consensus is a must; consensus should be on the phasing of the socialist programme, which itself has to depend on the availability and mobilisability of required manpower resources, above everything else. With such an agreement, political parties will still have plenty to fight about, as to how, each one of them promises to 'deliver the goods' of maximising production and equalising distribution. Thus conceived, a parliamentary democracy may not face insurmountable difficulties in introducing social ownership of means of production, social determination of production targets and social dispensation of the fruits of production. The theory of the 'free vote' may even work as a psychological incentive to people to 'live and die' for socialism.

11. The problem that remains true in all systems of planning, and appears uppermost in planning under democracy, is how to ensure people's participation in the process. How much of the process can really be understood, and participated in, by the people? Will the people understand the complexities of objectives and targets and resources and priorities and allocations and feasibilities? People are everywhere illiterate, compared to the planning experts; therefore this looks like being an impossible problem, namely, to bring home to the illiterate masses the complexities of resource allocation or accounting prices, for instance, or the feasibility of a bridge on the river Jamuna. Primarily, this is an extension problem, and an extension worker—the planner in this case—succeeds only to the extent he is able to bring his expertise, home to the users. And secondly, what do we really want the people to understand—all the detailed calculations of accounting prices or model-building? Or, the basic fundamentals of the planning problem in respect of objectives, target, priorities and allocations? Even fundamentals of accounting prices or feasibilities should not be difficult to 'sell' to a man of commonsense; and people have plenty of common sense, let us not doubt that!

12. People's understanding of these fundamentals will depend largely on how early in the whole process we involve them, and in what manner. Part of the job can be done in public meetings, but a more important part has to be done in regular meetings of formally constituted local councils and committees. These bodies should be involved right from the beginning of the process, and should take the initiative, as of right and not by sufferance. Experience will probably tell us that sometimes they can throw up very valuable ideas indeed. Even without new ideas, such integral participation will make the plan the people's plan, which can then be implemented better.

13. There can be a small private sector under socialism, with its concomitant of market forces; but such private sector activities will be extremely limited, and primarily for purpose of recreation and relaxation, so to say, having no impact on the main stream of economic activities, which are socialised. In parliamentary democracy, which seeks to establish socialism through stages, the private sector and market forces may occupy a larger component of economic activities—both in quantity and quality. This poses a danger of the possible continuation of exploitation in the private sector, as also of the growth of powerful vested interests, which may hamper progressive realisation of the programme of socialisation. Therefore, a parliamentary democracy will have to clearly define its goal, and plan its private sector activities with pre-determined objectives of avoiding exploitation, promoting greater and greater egalitarianism, and paving the way for eventual liquidation of the private sector.

Social And Political Perspective of The Five-Year Plan

By

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The sovereign republic of Bangladesh was born out of a grim liberation war imposed on the people of Bangladesh by the West Pakistani military clique. It was a war against the massive verdict of the people of Bangladesh as democratically expressed in the elections of 1970. Democratic polity was repugnant to the then West Pakistani military-industrial-bureaucratic clique because it would end their domination over Bangladesh. They went into the war to keep the people of Bangladesh under the political, economic, administrative, cultural and military bondage of the West Pakistani ruling clique. The people were killed by the naked use of brute force, by bayonets, machine guns, tanks, artillery, aircraft, navy and other modern sophisticated weapons. Even women were subjected to the most savage and inhuman treatment. Never before in human history did the brutal massacre of a civilian population by an organised armed force occur on this scale. The whole nation was involved in it. All the progressive forces latent in the society had thrown themselves into the liberation struggle under the leadership of Sheikh Mujibur Rahman to drive out the colonial aggressors, to drive out the West Pakistan military personnel to liberate the nation, to win back independence and freedom of our motherland, to be the masters of our own destiny, to give our people a decent standard of living and happiness, and to restore the cultural and spiritual values of our people. Such was the deepest aspiration of the people of Bangladesh. This was the motto of our liberation struggle. Our goal of complete and total independence was irrevocable. Every one knew it.

We in Bangladesh sometimes show a tendency to commend ourselves merely for the abstract goodness of our asserted purposes, without regard to whether our purposes have been fulfilled. We very often indulge in talks on democracy and "Scientific" socialism, but do we realise that mere talks leads us no where? It is sometimes said in extenuation of deficiencies in our real political life that after all, Bangladesh as a state is just 2 years and four months old. It is a fact. But do we realise that the circumstances of politics at home

and abroad, permit no people to claim such exemptions from responsibility as might be appropriate to a child? A nation can earn the respect due to maturity by itself acting maturely. We in Bangladesh have an unflinching capacity for producing scapegoats - this itself a sign of persistent colonial character in a juridically independent people. In Bangladesh there appears a "they" - never a "we" to blame for whatever is wrong. Bureaucrats and populace blame each other. Politicians blame each other. Politicians and officers blame each other. In a situation like this discovery and confession are the first essential steps in the correction of faults. By mature, honest and candid self-appraisal and self-examination in place of self-praise and self-glorification we can best progress in earning the esteem coveted.

To set our problems in their proper perspective, it is well to begin with some of the characteristics of the past from which Bangladesh emerged as a sovereign republic.

For many centuries before partition in 1947 the type of Government our people lived under was imposed by the right of conquest, it lacked the ingredient of consent. The British rule which, let us acknowledge, taught us administrative integrity, constitutional procedure and proprieties, was one of the phases in this long tradition. The traditions, usages, and premises of self-government were lacking.

The Government and popular aspiration turned on each other as counterforces. The rulers inevitably regarded their power as something to be exercised despite the will of the governed. The ruled looked upon the government as something set against their own interests and purposes. In this situation the government had authority only in a narrow sense of being able to compel compliance but not in the deeper moral meaning of having the faculty to elicit consent, to lead and to bind in conscience. In such a situation law was what the rulers ordained. It could not partake the character of the rule of law as a concept of the rulers being amenable to a set of purposes and restrained by limits established by the consent and will of those subject to their authority.

The inherent weakness of the colonial government lies in the alienation between administration and popular aspiration. Administration carried on without a sense of accountability to popular aspirations is deprived of imagination; at best it tends to be sterile; at worst it becomes oppressive. The evocation of general political aspirations without due regard for actual operating requirements and limits of government results too

often in producing giddiness and demagoguery. Political communication is deprived of hard realism, and result is very often the politics of agitation, procession, and utopia. The essence of a sound government requires a continual dialogue between actuality and aspiration, between administrative authority and political leadership.

But the same tradition of rule of authority and not of law persisted in the then Pakistan from 1947 to 1971, and the same kind of alienation in reality between the ruler and the ruled, continued unabated. They showed little concern for the Government to be built on the freely given consent of the people. It was manifest in the crude attempt to replace the Bengali language, the mother tongue of the people of Bangladesh by Urdu. Bengal revolted. The rulers had to yield. But their idea and attitude was clear.

The assaults on democracy - democratic values and democratic procedures - were many. The crude and rude destruction of the political framework in Pakistan and the imposition of outright military dictatorship in 1957 were the crowing points in the grievous attacks on democracy. The military dictatorship did not have any basis in legitimacy. It was preceded by a number of deliberate and calculated attacks on democracy. The destructive and nagging feud between the legislature and the executive was a clear demonstration of the continuation of the viceregal tradition of British India in Pakistan, and in this, the supreme power was vested in the executive. The legislative authority which existed on assignment by the British Parliament was superimposed on a powerful executive and bureaucracy. In 1947 the power of parliament was devolved on a Constituent Assembly which was indirectly elected. Out of this experience grew a quarrel over supremacy between the executive and the legislature. It was dormant in the days of Muhammad Ali Jinnah and Liaquat Ali Khan. It raised its ugly and menacing head during the regime over which Gulam Mohammad and Iskander Mirza presided. Each scorned politics and political process, except his own ruthless kind. Each was possessive of an executive ascendancy, regarded with repugnance the very idea of a parliamentary experiment in Pakistan and preferred a presidential government without realising its nature. Both of them had neither any touch with, nor any faith in, the masses. Politics as a business of producing consensus was beyond them - something, fearful and strange. The focus was not on the growth of institutions but on a disgraceful quarrel over preferment. It led to a baleful series

of plot and counterplot of the executive against the legislature and vice versa, culminating in the forcible destruction of the first Constituent Assembly in 1954. The system of government in Pakistan was rooted in an executive and bureaucratic scorn of political process. The bureaucrats distrusted politicians.

The removal of the late Suhrawardy from the position of Prime Ministership of the then Pakistan while denying him a trial of strength and confidence in the legislature drove the last fatal nail into the coffin of democracy in Pakistan.

The failure of the legislative principle in Pakistan had been too obvious to be denied. With it the idea of constitutional government and of democratic processes came into disrepute.

The relationship between what was then called West Pakistan and East Pakistan was based on an unnatural and fragile foundation. It was aggravated by obvious factors—the language barrier and the geography. Socially dissimilar there was no recollection of common history and concord to bind them. Even religion was used for exploitation. At the seat of the central government, Bangalis had scanty representation. They had no worthy place in the army. The Civil Service at the upper levels was West Pakistani show. Animosities between the then provinces—West and East—aggravated by the Government created economic disparity worsened the bad relationships between the organs of Government, and vice versa, and in this situation the creative possibilities of political life were missed altogether. All efforts for reconciliation ended in a miserable fiasco.

Such was the setting in brief in which Bangladesh had to fight for its honour and its freedom. We fought for freedom. We won our independence, Bangladesh is free. Independence gives us the power and the right to strive to amount to something worthwhile—not just the opportunity to drift into ineffectuality and frustration. We now must concentrate on a re-examination, re-assessment and analysis of our problems so that we can understand the goals of our independence—political and social. We must undertake self-examination and self-analysis. We must now ask ourselves : are we clear, are we honest and candid about our political and social objectives? We must have a clear conception of the social order that we want to evolve in Bangladesh, We must have a vivid and

clear picture of the polity for which we fought and which we want to establish in Bangladesh. Our entire economic planning, may, the national planning must derive its guiding principle from the aims of the social and political order that we want to establish, and also the nature of the civilisation that we hope to build. Unless we know whither we are tending, we cannot decide what we should do and how we should do it. Societies like men need a clear purpose to keep them stable in a world of bewildering change.

The basic outline of the socio-political philosophy which should govern all our institutions, economic and political as well as educational, are indicated in the preamble to our constitution. It reads :-

"We, the people of Bangladesh, having proclaimed our independence on the 26th day of March, 1971 and through a historical struggle for national liberation established the independent, sovereign people's Republic of Bangladesh ;

Pledging that the high ideals of nationalism, socialism, democracy and secularism, which inspired our heroic people to dedicate themselves to, and our brave martyrs to sacrifice their lives in, the national liberation struggle, shall be the fundamental principles of the constitution ;

Further pledging that it shall be a fundamental aim of the state to realise through the democratic process a socialist society, free from exploitation - a society in which the rule of law, fundamental human rights and freedom, equality and justice, political, economic and social, will be secured for all the citizens.

Our social and political ideals are democracy, socialism, secularism and nationalism. We are engaged in a quest for democracy through the realisation of justice, liberty, equality and fraternity. We are committed to the realisation of a socialist society, free from exploitation, - through the democratic process. In other words, we are committed to socialism through consent.

I propose to discuss all these objectives one by one.

SOCIAL PERSPECTIVE

We have reached a point in history which clearly implies a process of transition from the old order to a new social and economic order in which the state is called upon to bring about a large measure of equality than ever before between its citizen—fair shares for all. You may call it a welfare state or social service state or simply socialism. The essence of socialism resides in the manner in which production is organised, in the purposes which inspire the public control and planning of economy. You cannot plan for inequalities now-a-days. It must become the main purpose of economic policy to eliminate them. This is the political connection between planning and socialism. Socialism - let us face the fact honestly and squarely also implies that the private ownership of the major and key factors and instruments of production should be brought under public ownership. With them should go, too the class structure of society with all the privileges it has annexed to the system of ownership it has maintained. This is the ultimate ideal to be achieved through a democratic process.

The two basic problems which confront our society to-day are the problem of a planned economy and the problem of the right development and use of our human resources. These problems are basic in the sense that their solution is a condition of survival. These problems might conceivably be solved by other than democratic means; but the task of mass democracy to which we are committed,—the egalitarian democracy, to the planning and public control of economic process - is to meet known and recognised needs by methods that are compatible with democracy, and to do it in time. We need a strong state exercising new, remedial and constructive functions. To reconcile democracy with planning for socialism, we must admit, is an extremely difficult and complex task. But it is the only course which may yet, if internecine war is to be avoided, enable democracy to survive.

The socialist pattern of society is not to be regarded as something fixed or rigid. It is not rooted in any doctrine of dogma. Each country has to develop it according to its own genius, traditions, experiences and social realities. Economic and social policy has to be shaped from time to time in the light of historical circumstances. It is neither necessary nor desirable that the economy should become a

monolithic organisation offering little play for experimentation as to forms or as to modes of functioning. Private and public sectors may co-exist as they have been in many socialist countries at least in the initial stages. The private sector has to play its role within the framework of the comprehensive plan accepted by the community. Private enterprise, free pricing, private management are all devices to further what are truly social ends; they can only be justified in terms of social results. Again, the expansion of public sector should not mean centralisation of decision-making and exercise of control. The aim should be to secure an appropriate devolution of functions and to ensure to public enterprises the fullest freedom to operate within a framework of broad directives. There is considerable scope for experimentation in the structure and management of public enterprises. What is important is a clear sense of direction, a consistent respect for certain basic values and a readiness to adapt institutions and organisations and their rules of conduct in the light of experience. The formulation of planning un-washed by the wave of hard and practical experiences of seasoned administrators may be largely devoid of realism. The goals of a democratic socialist order are clear. It should ensure both freedom and equality for all. The national economy should be so directed that the periodic crises which are inherent in laissez faire systems should be avoided. The main goal is that full employment should be secured for all who are able to work and that in a free society. The goal should be to secure a national minimum standard below which no man or woman should be allowed to fall. Our natural and material resources and national manpower must be applied to the production of things and goods that are most needed, rather than of those things which can be sold at the highest profit. Service, not private profit, is the goal of socialist economic order. The state should so plan and direct our international trade that our very limited and scarce resources are used to bring in these overseas supplies of which we are most in need, and on the most favourable terms.

POLITICAL PERSPECTIVE

We are committed to a democratic polity. It is enshrined in our constitution. It is our duty to analyse, understand and translate the democratic values and methods into actual deeds.

Democracy, whether it is viewed as a frame of government or as a way of choosing our rulers or a fundamental political method of arriving at decisions on all major issues or as a regime of civilian rule through representative institution and public liberties, or a way of society with justice and liberty for all or as a way of life in which each individual is entitled to participate freely in the values of the society—implies that people are the source of all power and that sovereignty inheres in the people.

A parliamentary democracy that we have chosen for our country implies the responsibility of the executive to the legislature. The Government is to go out of office when a vote of no confidence is passed against it in the legislature or through defeat in a regular election. All branches of the Government are to work within the framework of a constitution. The conduct of the executive leadership, of the army and the police, as well as of the judiciary, is limited and confined by constitutional, conventional, and legal limitations.

Democratic values are many and include the relative optimism about human nature rejecting the Hobbesian characterisation of man as "nasty, brutish, short and hollow"; state and government are not ends in themselves but means to an end; a profound faith in the sanctity of human personality; the right to resist an oppressive and unethical government through constitutionally sanctioned methods; freedom of thought which means not merely freedom for thought with which we agree but freedom for the thought we dislike or even hate; the supremacy of the civilian authority over the army; freedom of conscience which signifies freedom to pursue one's own religion, and this is called secularism involving not the negation of religion and its absence but implying the neutrality of the state in religious matter.

DEMOCRATIC INSTITUTIONS AND PROCEDURES

Democratic values cannot be translated into reality except through democratic institutions. They are so fundamental to the successful operation of democracy that they are often identified with democracy itself.

The democratic institutions and processes are complex and many and include the following ;

- (a) Direct election on the basis of universal adult franchise. The election must be full, free, fair, unfettered and direct. The right to franchise is basic to liberty and a citizen excluded from it is unfree.
- (b) Political parties are essential to the successful working of representative democracy. Whether parties are good or bad, no democratic system has, upto now, found a satisfactory substitute for them. The satisfactory working of political parties presupposes that there must be broad consensus among the overwhelming majority of people on what Cromwell called "fundamentals," so fundamental that the even thought of conflict enter into the minds except of an insignificant minority. It also depends on the parallelogram of economic forces in a society and their relations to its political structure. Did not Madison observe that "property is the source of faction?"
- (c) Parliamentary democracy implies a government by the majority with the willing consent of the minority. "Parliamentary government, as it is understood in the United Kingdom, works by the interaction of four essential factors: the principle of majority rule; the willingness of the minority for time being to accept the decision of the majority; the existence of great political parties divided by broad issues of policy, rather than by sectional interest; finally the existence of a mobile body of political opinion, owing no permanent allegiance to any party and therefore able, by its instinctive reaction against extravagant movements on one side or the other, to keep the vessel on an even keel "observed the Joint Select of Parliament on Indian Constitutional Reform" (session 1933-34; 1934 H.2) (1 part; paper 11, P.11). Our political parties which were in essence political movements prior to the independence of Bangladesh need to be well organised to work in a parliamentary setting. It cannot be done over-night and will grow gradually if the main political forces agree to work through democratic canons. The abolition of the separate communal electoral system and the acceptance of the secular democratic goal will pave the way for the decadence of communal antagonism and the evils of the caste system. The self-contained and exclusive character of the minorities is likely to disappear over years. This may lead to the growth of a body of political opinion which may be described as mobile,

- (d) The practice and acceptance of the opposition. It requires a fairly coherent and responsible opposition to the ruling party within the rules of parliamentary game. A responsible opposition capable of assessing, examining and criticising the majority's measures with objectivity, precision, and accuracy on the basis of detailed and realistic information and the performance of the ruling party, is a necessity. A government can learn more from the criticism of its opponents than from the uncritical eulogy of its supporters. Neither the party in power nor the opposition should use the language of weapon, indulge in vague generalities, and personal vilification. Threats of the "gherow" movement, the burning of properties and many such things are vitiating the atmosphere. These should yield to reasoned analysis of the situation and soundly conceived cogent arguments and debates. We are yet to be free from this virus. There must be respect and toleration for each other. Both the party in power and the opposition must earn this by their deeds. The opposition should be sufficiently coherent to control or to isolate extremists who do not wish to work within the constitutional system. The opposition must be able to resist the temptations of conspiracy and subversion, and the governing party must, likewise, avoid that the opposition is, in itself, a step in the direction of subversion. Both the ruling party and the parties must agree not to persecute each other. The Government must not run to suppress the criticism of things as they are but should invite their examination. But the party in power and the party or parties in opposition must accept the fundamental premises of a parliamentary democracy. Herein lies the justification of the phrase "Her Majesty's opposition is no idle phrase". The existence of the opposition is the criterion by which a democracy is differentiated from totalitarian and authoritarian dictatorship. Democracy may be defined by the toleration of the opposition.
- (e) The independence of the judiciary. The excellence of a country's system of government is known by the independence of its judiciary. The judiciary is the task-master of the executive. The main business of the judiciary is the impartial interpretation of law as between government and citizen, or between classes of citizens who dispute with one another,

There should be a respected judiciary, independent both subjectively and objectively, of the legislature, of the executive and of the civil service, and immune from political pressure confident of its capacities and sensitive to its responsibilities. There should be a legal profession which has a certain degree of professional pride and which is accessible to all classes of society.

(f) **Rule of Law.** The rule of law must obtain and must be recognised to obtain. The essence of the rule of law is governmentary law. The government is the creation of a fundamental law which is made neither by the legislature nor by the executive but by special body consisting of the representatives of the people, called the Constituent Assembly. Neither the executive nor the legislature can change the fundamental law as it likes. It needs a special procedure to which access is difficult. When a government derives its very existence from such a fundamental law, when it is required to be run in accordance with the principle and procedure enunciated therein, and when it is subjected to, and limited by, that law, it may be called a constitutional government, and this means the rule of law as opposed to the rule of authority. Rule of law thus implies the absence of arbitrariness on the part of the executive; equality before law and equal protection of law; the subjection of the rulers and the ruled to the same law, and the recognition of personal rights to be backed by legal provisions for enforcement.

(g) **Adequate machinery of authority.** It also requires a competent civil service well enough trained to execute the measures taken by the Government. "There are, in the cabinet system of government three principal factors in the parliamentary equation: Ministers, Members of Parliament, and civil servants. They comprise the essential elements, representative or bureaucratic and they are indispensable to one another. They are partners in a common enterprise—the endless adventure of governing men. Unless the terms of the partnership are understood and accepted by all the partners the enterprise may not succeed" writes Professor Robson. In theory, ministers decide policy

and the civil servants implement their decisions. This is strictly true from a constitutional point of view but in reality this is a conventional half-truth. Ministers seldom have the knowledge, and sometimes not the skill, to formulate policy unaided. They rely on their senior officials for advice and still more for knowledge of the basic facts and figures on which policy must be based. They have a right to expect that the civil servant will do their utmost to make proposals which reflect, or at least be compatible with, the political philosophy and the programme of the party in power.

A Minister should always consult his senior officials before deciding an important matter of policy, though he is not under a legal or constitutional obligation to do so. One compelling consideration is that if he blunders, the ministry, as well as he personally, will suffer a loss of reputation. The officer on his side has a right to forward what Lord Bridges calls "the departmental philosophy." It is, indeed his duty to give his minister the quintessence of departmental experience on those large issues of policy which he must decide and thus to "let the waves of practical philosophy wash against ideas put forward by his ministerial master." The civil servant is entitled to advise, to warn, to encourage and to explain but no more. If an officer thinks a proposal by his minister is misconceived, it is his duty to say so and why. He should be permitted to express his opinion without fear or favour, honestly, objectively, irrespective of whether the advice thus tendered may accord or not with minister's initial view. The presentation to the minister of relevant facts, the ascertainment and marshalling of which may call into play the whole organisation of the department, demands of the officer greatest care. The presentation of inferences from the facts equally demands from him all the wisdom and all the detachment he can command. But to discourage honest official advice, on national or local issues, as Lord Morrison says, is both foolish and harmful. But once the policy is determined it is the unquestioned and unquestionable duty of the officer to implement it with precisely the same good will whether he agrees with it or not. It is also the duty of the officer to take consequential decisions which flow from a decision on policy, to draw attention to difficulties, which are arising or are likely to arise through the execution of policy and generally to see that the process of governmental is carried on in conformity with the policy laid down. The civil

servant must not allow his personal prejudices or his political bias to suppress or distort policies or to denigrate courses of action which are administratively practicable although leading to ends he considers undesirable. If he feels very strongly opposed to a course of action which the government has decided, he should ask for transfer to another ministry. This will rarely occur.

An officer has no right to be unhelpful, unconstructive, and negative. He should not be indifferent to the political convictions or party pressures which affect the minister he serves. As an officer he may not share them at all, he should nevertheless be aware of their existence and make due allowance for them in his work. But officers who are more yes-men plying up to the minister in the hope of advancement are just as dangerous as obstinate and obstructive women. Both types are bad. Ministers should be aware of it. Again an unholy alliance between a Minister and an officer is fatal to the working of parliamentary government.

There is sound rule which requires the members of the National Assembly to communicate with the Minister in charge of a Ministry and not to make a direct approach to his officials, except with his knowledge and permission. The dangers of too close a relationship between the members of the National Assembly and officers might be considerable. An officer might be deflected by the political influence of one M. P. or a group of M. Ps. He might be made to feel that his own future depends to some extent on the favour or disfavour in which he stands with the members of the legislature. A Minister's authority might be undermined by legislative support for a particular decision. Above all, the status of ministers in the National Assembly will be lowered if M. Ps. can get what they want by going behind their backs to officers. There are such instances in our country. The Minister, members of the National Assembly, and officers should be aware of these and must not allow such a thing to happen.

One hears very often waves of criticisms levelled publicly against the bureaucracy by the politicians, ministers, political workers and other's. But the civil servant is not given the opportunity to answer these. This is unethical in a parliamentary government. Many things may go wrong. Wrong advice may be given. Malafide mistakes may be committed knowingly. Minister's orders may not be carried out and his instructions may be flouted. But the over all responsibility for any thing that goes

wrong in the Ministry and also for the misdeeds of his officials in their official capacity, is that of Minister. He should take appropriate action. The officer must not be exposed to public criticism. Lord Morrison's observations in this connection deserve close attention by all concerned. He said, "Somebody must be held responsible to Parliament and the public. It has to be Minister, for it is he, and neither Parliament nor the public, who has official control over his civil servants. One of the fundamentals of our system of government is that some Ministers of the Crown is responsible to Parliament and through Parliament to the public, for every act of the Executive. This the corner-stone of our system of parliamentary government. There may, however, be an occasion on which so serious a mistake has been made that the Minister must explain the circumstances and processes which resulted in the mistake, particularly if it involves an issue of civil liberty or individual rights. Now and again the House demands to know the name of the officer responsible for the occurrence. The proper answer for the minister is that if the House wants anybody's head it must be his head as the responsible Minister and that it must leave him to deal with the officer concerned in the Department."

It may be true that there are many a black sheep among the officers as there are in all other walks of life. The ordinary law of the country is adequate to deal with them. The officers are also human beings and as such may legitimately demand necessary security for their career, without this security you cannot expect them to work honestly, fearlessly, boldly, imaginatively and with audacity. It undermines their morale. That is absolutely bad for the country. The success of the plan for development depends very greatly on how they are allowed to work. We must distinguish between a bonafide and a malafide mistake. On any showing in my humble judgement President's order No. 9 by which a civil servant can be removed and dismissed without any reason amounts to a clear violation of the fundamental canon of natural justice. It demoralises them and undermines their authority, and they are perpetually hunted by the spectre of insecurity. It kills the capacity for continuous initiative and prevents them from taking any risk. I would urge upon the Government to repeal it without any waste of time.

Again, I would like to draw the attention of all to the observations made by Lord Morrison on the relationship between the Ministers and Civil Servants. He said, "The relationship between the Minister and

the Civil Servants should be and usually is that of colleagues working together in a team, co-operative partners seeking to advance the public interest and the efficiency of the Department. The Minister should not be an isolated autocrat, giving orders without hearing or considering arguments for alternative courses, nor, on the other hand, should the civil servants be able to treat him as mere cipher. The partnership should be alive and virile, and rival ideas and opinions should be fairly considered and the relationship of all should be one of mutual respect on the understanding, of course, that the Minister's decision is final and must be loyally and helpfully carried out, and that he requires efficient and energetic service".

The relationship between the Minister and the officer is a matter of personal equation. If a Minister is a man of considerable social standing and of incorrigible integrity, he is bound to earn the respect of his officers. An honest and competent Civil Servant equally will earn the respect of his minister. Usually the officers like a minister who is firm and knows his own mind. I am firmly of the view that politics and politician must overcome their hostility to administration and administrators. Administration and administrators must unlearn their scorn of politics and politicians. Only this way a partnership between them can be based on mutual trust and confidence.

One often comes across the views and opinions expressed by different political leaders in the country which show a tendency to abandon the idea of franchise, to discard the principle of accountability, to resort to authority based not upon a warrant to rule but upon the power to rule - in brief, dictatorship. These are voices of desperation and despair and reveal a deep distrust in human dignity.

If you ask me to prepare a bill of particular ills of our socio-political system, you will get such list as this : rampant corruption, hoarding, black marketing and smuggling of essential goods ; secret killing ; ineffective law and order machinery ; lack of experience in working a parliamentary government ; absence of the meticulous observance of the canons of parliamentary government ; lack of well developed party system ; lack of sound administrative management ; quick change of decisions ; shortage of talent in the government ; insufficiency of bonds of identity between authority and people ; deficiency of public education and information ; occasional violation of the rule of law ; virus of

apathy and frustration engulfing the society ; indifference to work and responsibility ; lack of seriousness of purpose ; incredible acquisitiveness by a small section of society ; the dominance of emotion rather than reason in political life ; unbearable meagerness of economic life ; ineffective management of the economy ; unrest among industrial workers ; scarcity of raw materials ; stagnation in foreign trade ; inordinately slow rate of agricultural productivity ; population explosion ; scarcity and rapidly rising prices of essential goods ; a mounting inflation- a world wide phenomenon and the prevalence of mass illiteracy.

Nobody can deny the existence of these ills. It serves no purpose to hide them. But the purported remedy represents not a cure but an avoidance of a cure. We know the history of dictatorship. Dictatorship would not combat corruption ; it would elevate corruption into a principle. The Ayub and the Yahya regime in the then Pakistan is a classical example. Dictatorship would not widen the access to talent in the public service, it would close sources of talent by preempting office for a chosen inner group and alienating the rest. Instead of durable identity between the people and the government derived from operation of consent, dictatorship could employ only the brittle bonds of coercion. Its instrument would not be information but deception, fraud and it would not seek education but the confusion and continued tutelage of the people by playing on their emotions rather than permitting the operation of reason. I think that on all accounts dictatorship is abominable. Happily this is the voice of a dying minority.

I realise that democracy has its weaknesses, for democracy is human; it has its inevitable failings, but on the whole, it is the only sure road to progress and evolution.

So far a list of our shortcomings has been given. Now we may cite a few milestones established along the upward road. The first is the supreme fact of our independence. We had to pay the heaviest price for this. Second, there is the solid fact of having achieved a constitution providing for a parliamentary democratic government in which the legislature is supreme and to which the executive is accountable. Third, the judiciary has been made independent and vested with the power to issue prerogative writs an authority enabling the courts to act on their own initiative to ensure the rule of law. Fourth, the

rehabilitation of over ten millions of refugees. Fifth, elections to the National Assembly and to local bodies were held. Sixth, a considerable rehabilitation of a war-ravaged economy has been effected.

Geographically, socially, culturally compact, Bangladesh satisfies all the canons of a nation state with a population conscious of a political identity, and aware of a common history, able to produce consensus and endowed with capabilities of running the apparatus of a state despite heavy odds and considerable failings. But is there a state without failings? The deep wounds inflicted by the war of 1971 are yet to disappear. She has averted many calamities and is confronted with many more. She has a self-defined territory identified with the people by habit and history. There is a government identified with the populace and territory. She has been recognised by most states of the world. She has been able to pick up franchise in many international organisations.

Such then, in brief, is the social and political perspective in the light of which the national development plan is to be conceived and executed.

Socio - Political Framework And Problems Of Economic Policy : Some Observations On Development Policy In Bangladesh

By

M. K. CHOWDHURY

The purpose of this paper is to explore some of the implications of the view that the nature of economic policy and the role of economists in a country depends in the ultimate analysis on its social and political structure. This view is rather strongly held in the context of countries which, on the basis of the experience of their recent past, are trying consciously to shape the future growth pattern of their societies in accordance with a set of clearly defined objectives.

In a sense, therefore, this reflects the realization by most of the development economists that although the economic considerations of development policy in the LDC's may imply formulation of policies which may appear quite identical with those in the developed countries, a clear specification of other social and political goals for national development does place a limitation on the economists as well as on those who are entrusted with the job of giving concrete shapes to economic policy, in respect of the alternatives out of which choice has to be made. What this more specifically, means in the present context is that the measures that the economists usually can suggest and the advice that they can give are very largely conditioned by the socio-political framework that exists or what the government of an LDC is trying to evolve essentially through a set of fundamental reforms, particularly when these persons happen to live and work within the borders of such countries and are as happened in Bangladesh, deeply involved in nationalist activities.

The nature of the different role for the economists in the LDC's can be made even more explicit by looking at the way their colleagues practise their craft in the developed world. Thus the usual problems which are discussed and on which their views are invited are those

which relate to full employment in the short run and growth without or with a tolerable rate of inflation and balance of payments equilibrium in the long run within the framework of a free society. Although the economies in the context of which this type of analysis is undertaken are mixed economies by far the largest and most important sectors are usually owned and controlled by private enterprise with democracy and multi-party systems existing as their political counterparts. This should not be taken to mean that the functions of economists are less difficult or less controversial compared with those in the LDC's but in so far as there is a tacit or explicit acceptance of the fundamental structure of society in the developed countries, the economists can have easy access to the extensive body of tools that have been perfected over a long period of time within the social framework, characterised by private enterprise, the task of the economist is to identify the basic problems of full employment and growth and formulate policies, which usually contain two sets of instruments monetary and fiscal. These are designed primarily to affect the behaviour of private enterprise in such a way that it becomes consistent with the main objectives, mentioned above.

Since most of the societies in the developed world especially those in the West, have become more or less socially and economically homogeneous, the scope for wide divergences between the various classes and groups has greatly been reduced, and therefore, there is much less need for drastic government intervention, in the economic activity.

That the nature of analysis and therefore, the area of economists, function is different can be realized by juxtaposing what they have to do in the LDC's with the above. As is familiar, most of newly emancipated countries of the Third World have tried, and having been trying to regulate their economies since the fifties, India and Pakistan have been the two major examples of this trend in the South East Asian part of the Third World. In both of them the main economic problem was viewed in the shape of widespread poverty, arising out of what Nurkse described as the "Vicious Circle" which by its nature called for much more concentrated action for its break up than has been ever attempted or even visualized before. The policies with which the economists have been concerned in these countries ever since are those which will promote large-scale development through structural

changes within the framework of the Five Year Plans. The changes that have been proposed for structural transformation have necessarily had to be large ones in contrast with the small or marginal ones that usually concern the economies in the western countries. As a result of this larger canvass on which to practise one's craft as well as the existence of multiplicity in national goals for development, the economist in the less developed countries usually faces a test which seems very challenging from one point of view and frustrating from the other.

In what follows I shall attempt to lay bare the nature of the dualism that underlies the job of formulating economic policies as well as the function of the economists within the context of the countries that have become independent of foreign rule in recent years. This will be done with particular reference to "People's Republic of Bangladesh" which has achieved its freedom exactly after two hundred years of foreign domination through one of the bloodiest revolutions in history,

As is wellknown, most of these countries in the Third World emerged as independent nations with social and economic structures which were a mixture of feudalism and primitive capitalism. Political power was generally handed over to Governments formed by political parties which gained a majority of seats in the Parliament in elections which were held just before the transfer of power. The classic example of this was the transfer of power in India and Pakistan in which independence was granted within the framework of parliamentary form of Government to the then majority parties of the two countries which were committed to programmes of rapid economic development. Especially in India the primary objective was taken to be the attainment of economic development as a means to establish a socialistic pattern of society. Within the limits of broad objectives, laid down by the ruling party, the Indian National Congress, the function of economists was to develop such models of growth and development as would ensure dynamic changes in the economy on the one hand and prevent concentration of wealth in the hands of the few on the other. The literature and analysis that grew in this context both in India and outside during the fifties and sixties bear ample testimony to this concern of the ruling party for the objective of establishing socialism in India—socialism through growth. Models of P. C. Mahalanabis, A.K. Sen and a lot of others are the examples, which incidentally, served also as the infrastructure of planning in India. The persons who were involved in formulating economic policy, irrespective

of whether they were economists or civil servants, had their job duly defined by these objectives, which was to devise sets of instruments in the shape of investment planning, fiscal and other measures which would be most appropriate for the realisation of the socio-political objective of the Government of the day in India.

In Pakistan similarly the objectives of development and the criteria of investment allocations were given by the Government. But unlike India, there was no mention about socialism as one of the objectives of planning. Instead, four criteria were given as guidelines, viz, (1) maximum growth, (2) improvement in the Balance of payments, (3) provision of social services and (4) regional equality. As can be imagined, these criteria for allocation and direction of resources often proved to be in conflict with each other at the time of decision making, especially the first and the fourth. Whenever such conflicts arose regarding them, in most cases, the first took precedence over the fourth, which implied location of industry in the then East Pakistan. Moreover although there was no explicit mention of the type of society which was to be established in the then Pakistan, there was a thinking implicit in the planning exercise of the country to the effect that by and large it was the private enterprise which should be encouraged and its scope extended through policies of disinvestment, financial and other incentives.

More explicitly the underlying philosophy of planning in Pakistan during the 25 years of its existence was to emphasize growth in the initial years and regional distribution later within the framework of private enterprise system. As is now known to all this policy, apart from creating the serious problem of interpersonal distribution, resulted in the concentration of wealth and power in the hands of 22 families who secured almost 90 percent of the assets in the organised sectors in the manufacturing industry, finance and trade of the economy. This situation was made worse by the fact that almost all of the 22 families were settled in what was then West Pakistan. The behaviour and functions of economists during the period in what then was Pakistan can be understood only in the above context. While the economists of the eastern wing, as the process of rapid national but unequal regional growth continued in Pakistan, started to concern themselves with immiserization of the then eastern wing, devoting their time and energy and using their expertise in trying to identify the ways in which resources were being transferred to the other wing and the consequent problems, those in the west, supported by the advisers from

abroad, argued that the event was only of temporary duration, and would be soon rectified by the spread effects of growth in the national economy. By the time, the first Five Year Plan was finally approved (1958), there was already a demand from the economists of the then East Pakistan for a revision of the whole approach of planning in Pakistan in the shape of treating the two regions as two economies rather than one economy, for purposes of planning and development. The demand was soon taken up by all the important political parties of the then East Pakistan, especially by the Awami League. It was at this stage that the military staged a coup outlawing all political parties and dismissing the provincial cabinets.

Of course during this period, the role of the economists of West Pakistan who were within the Planning Commission anyway, was to defend the policy of treating the whole of Pakistan as one unit and emphasizing growth of private enterprise. But, as history has now demonstrated so clearly this policy of Pakistan which was pursued more vigorously than ever before under a military regime for the next ten years, only resulted in further estrangement between the two wings, the process of estrangement being shown more and more clearly by the economists of East Pakistan. Finally came the break and in this what the politicians achieved was firmly based on what the economists advised as the national goals for an independent Bangladesh.

The role, therefore, of the economists of Bangladesh was to provide the politicians with the planks for their political platform for the cause of greater justice for the people of Bangladesh—the platform on which the election of 1970 was fought and so decisively won by the Awami League party. The six points of the manifesto were all demands for economic autonomy on which the abortive post election negotiations were held with the military regime of Pakistan. Looking back one can therefore say that perhaps the best service that the economists of Bangladesh rendered during the period of association with Pakistan was the inspiration and justification they provided for the separation which was demanded by predominant political parties. This period, therefore, must have been the finest hour of the Bengali economists, despite whatever one may say about their present accomplishments.

It is against this background of socio-political conditions which prevailed before that one should study the current experiments in Bangladesh in order to put these in their proper perspective. Thus the

fact that the predominantly rural East Pakistan had been exploited through the commercial and fiscal policies of the Pakistan Government for a period of a quarter of a century, gave rise to the demand that the small peasants should be given a better deal in the shape of higher guaranteed prices for their crops, exemption of land tax on all holdings which were less than roughly 8 acres (however tenuous may be the argument in its favour) and nationalisation of jute trade.

Similarly, insofar as the ownership and control of the major manufacturing industries remained in the hands of a small number of persons and families, belonging to the other half in Pakistan in the period preceding independence, which resulted in the exploitation of the worst form, there was the first necessity of bringing them under the control of the State, and subsequently a demand for nationalisation. This was justified first by the fact that without the Government take over these industries which were left by their Pakistani owners, could not be run due to the virtual absence of indigenous entrepreneurs and later the continuation of the policy of Government ownership and control was justified by the ideological underpinnings of socialism since declared to be one of the pillars of future Bangladesh society.

Again, during the Pakistan days, there existed a vast difference between salaries and wages of high officials and less paid employees in the public sector. In addition, there also were a number of scales of pay and grades of service which needed a drastic rationalisation. The Government therefore, had reduced this number of grades to 10 grades as well as diminished the differences in pay in such a way that the highest pay could not be more than 10 times that of the lowest. Since, however, this has implied that the highest pay does not appear to be quite so high (2000 takas p. m.) in the context of present cost of living, all salary incomes have had to be made tax-free.

There have been also some policy statements by Government regarding the shape and dimension of private ownership and investment in the whole of the economy generally and in the large scale manufacturing sector in particular. No one individual will now be permitted to invest or own assets worth more than Tk. 3.5 million in any industrial undertaking. This limit does not apply to cooperative enterprises, which are thought to be institutions for establishing socialism.

From the above description, it is possible to form an idea as to the structure of society which is likely to emerge under the stimulus

of the economic and social policy of the present Government of Bangladesh. It looks as though this structure, will be such that there will be restrictions on the upper limits of income derived from salary or from business. In addition it will be a structure in which there will be restrictions on the size of agricultural land as well as capital in industry and on what kinds trade and commerce could be run by the private sector of the economy. This means that, looking forward the society will be the one in which ownership and income will be more equally, if not equitably, distributed among its members. This also means that since firstly, there will be no tax on wages and salaries and, secondly practically the whole of agricultural land will be exempt from land tax, the scope for all forms of direct tax will have to remain quite restricted and narrow.

The profile of the Bangladesh society that emerges from the above cataloguing of measures has recently been given its ideological basis in the constitution of the country. In this, it has been explicitly stated that the future structure of society in Bangladesh will be based on socialism insofar as this will be consistent with the pursuit of democracy. Now there are many variants of socialism within the context of democracy. Many underdeveloped countries have from time to time expressed that socialism within a democratic order is the guiding force of their economic behaviour and, therefore, a mere enunciation by the Government does not by itself mean anything specific. In order to understand what type of socialism is likely to be developed in Bangladesh, one needs to do no more than observe the recent economic policy of Bangladesh Government and draw practical corollaries for social change. In this context what has been said in the above paragraph is sufficient to indicate the variety and pattern of socialism that the founding fathers of the Republic did have in mind so far as the future social development of Bangladesh is concerned.

By and large the constitution makers, who are also the Government of the country, seem to have envisaged the future structure of society to be the one in which the bulk of the large scale manufacturing activity will remain firmly under the ownership and the control of the public enterprise which in addition, will continue to own and operate all principal forms of social overhead capital, e. g. transport, power, etc. The development and the growth of sectors will therefore, be the responsibility of the Government of the day to be elected by adult franchise within the framework of parliamentary form of democracy. As far as

the agricultural sector is concerned, implication of socialism seems to be that, instead of a regime of collective farms the ownership and control will be in the hands of a very large number of relatively small farmers, who because of their smallholdings, will be exempt from direct land tax altogether. The intention of the Government so far as concerns limitation on ownership in agriculture, industry and trade in general, seems to be the narrowing of the scope for exploitation of labour by big monopoly capitalist rather than the total abolition of private property.

As indicated above, it was the fear that overemphasis on growth irrespective of its distribution effect would create another small group of families who would gain the control of the economy in the way the 22 families did in Pakistan during the association of Bangladesh with her must have acted as a causative force for the ideology that seems to lie at the back of the present social policy of Bangladesh.

A sufficient indication has now been given in the above lines as to the type of socio-political structure which the Government desires to establish in Bangladesh through its policies. Against this back-ground it is possible to study the implications for economic policy from the point of view of socio-political objectives of the Government and to visualize, however imperfectly, the kinds of problems with which economic policy and the economists will be called upon to grapple.

One thing that emerges from the above discussion is that since the bulk of the future development effort will have to remain in the hands of the public enterprise, the scope for traditional type of public finance will be very severely restricted. This is for the simple reason that the exemption of all wages and salary income from income tax and abolition of direct tax on land will take away the power of the Government to control private behaviour directly through taxation, the limitations imposed on how large an individual citizen or a limited company can grow in terms of ownership of capital will also narrow the scope for taxation on profit. This has been done in the face of a policy of raising the salaries and wages of low income groups in the country, resulting in an increase in the annual current expenditure in the public sector by at least 300 million Takas.

The implication of the above is that the revenues of the Government will have to be greatly increased and because of the limited scope for direct taxation; a greater degree of reliance will have to be placed

on indirect taxes of all sorts viz, sales tax, excise, customs duties, etc. To the extent that these taxes fall heavily on low incomes, the degree of regression in the taxation structure of Bangladesh is likely to increase. But in view of the egalitarian policy of the Government as reflected in the income policy, this regression may not be as objectionable as it would otherwise be.

Now that the future profile of the economic and social development of Bangladesh has been outlined, it is possible to indicate what the role of economists and those concerned with the job of formulating economic policy will be within this framework. This aspect has dual dimensions. Firstly, the economists will have to address themselves to the task of identifying the sources from which resources can be raised for purposes of meeting the short and long run expenditure demands of the Government. Secondly, they will have to think as to what sort of policy will make it possible actually to realise these resources.

Although there has been no clear statement on this problem, some indications are available in the annual budget of the Government as well as in the development plan. Those economists who have been involved with these have shown that apart from indirect taxes, the rates of which have been increased in recent years, emphasis have to be more on (1) surplus from the nationalized sectors of the economy and (2) profits from the operation of State trading bodies like the Trading Corporation of Bangladesh, Jute Trade Corporation and so on. In respect of industries, this means that the big sector corporations like the Jute Mills Corporation, the Chemical and Fertilizer Corporation as well as the others which are planned to be set up according to the development plan will have to be run on purely commercial lines so as to maximize profits with a view to their reinvestment in development projects.

This dependence on public sectors in manufacturing and other industries raises, however, a number of questions which in the context of the past experiences need a rather careful examination. Firstly, one may ask if the economic order that has been proposed to be established can really be called socialism, or to put it in another way insofar as the extensive nationalisation measures that have been carried out in the economy smack of state capitalism, would it be proper to call the future profile of Bangladesh society as socialistic at all. Secondly, given that the past results from the operation of public enterprises have been

rather unsatisfactory in terms of realisation of profit or surplus, what kind of guarantees can one think of in order to run them more efficiently in future now that the control will be exercised by the Parliament, which in effect will imply control by the politicians.

Now regarding the above questions, the politicians can have differences of opinion. Perhaps it is not for the economists to pronounce judgement on whether the structure of society which the political process of the Bangladesh has accepted as its goal will or will not result in the establishment of socialism. Nor can they say much on the prospects of improvement in the administration of nationalised sector of the economy. But what they can do is to emphasize the fact that if the scope for private enterprise is to be kept as narrow as has been indicated in the various types of measures so far adopted, much of the greater part of resources needed for development will have to be raised through the attainment of surpluses in the nationalised industries. This can be done in two ways; (1) by increasing efficiency through reducing costs and pushing production to capacity (which obviously is not happening in Bangladesh today) and (2) by the adoption of appropriate pricing policy for the output of public sector industries.

However, despite what has been said above regarding the role of the economists in Bangladesh today, there are some indications that not all the economists who have been working in the various offices of the Government have actually kept themselves within the bounds of the restrictions which seem to flow from the measures thus far taken. Particularly there appears to be a vocal section which, though a small minority now, seems to think that the whole structure of planning and development should be based on a more radical approach than what is being adopted at the moment. They argue that the present approach to planning and development is slightly reminiscent of the days when Bangladesh was associated with Pakistan, the only difference is that while in the old days the emphasis of planning was on the growth of private sector, with the public sector providing a support for it the present approach in Bangladesh is to ensure the predominance of state capitalism which may not be a good thing to do if the ultimate aim is to establish socialism in the country.

As an alternative to the present approach, which, like the practice of the earlier years, seems to prepare the overall plan of the country within a fairly traditional macroeconomic framework, they sug-

gest that the basis of planning in Bangladesh should rather be how can the abundant labour supply of the country be harnessed and utilized for the development of the economy. In order that this can be done, the structure of planning should be decentralized and emphasis shifted to rural development in respect of agriculture as well as industry. They also think that as the political counterpart of economic planning there should be a cadre of highly trained workers who would provide leadership and initiative all over the country in respect of planning and development of agriculture and industry primarily in the rural areas. This, they think, will not only increase productivity and effective employment but also ensure that the greater part of increased output resulting from local planning efforts in the rural areas are ploughed back into investment and development.

Some of the economists who tend to think in the above way have in fact organised rural development programmes on their own in different parts of the country and participated in the process of implementation of these programmes. Although full results of these experiment are not yet available, a preliminary survey has shown encouraging outcome in terms of productivity and employment of rural population in the selected areas especially in the cultivation of a special variety of rice, known as IRRI 20.

“Whither Bangladesh”

By

ABDUL KHALEQUE

Secretary,

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1. The first five-year plan 1973-78 has apparently no legs to stand on, since the statistical data, and empirical investigations into the various aspects of the economy which suffered so totally during the war of liberation were admittedly unreliable and not sufficiently comprehensive. The study groups and technical committees of the Planning Commission worked under unidentified pressure. The planners stated that they did not create expectation which they could not fulfil. Therefore, we feel tempted to know what we can expect to achieve in the present context of the economic situation at home and abroad. The plan purports to begin as an attack on poverty with the basic manpower resources of Bangladesh and emphasizes self-reliance and decreasing foreign aid. Here again one feels induced to ask—has the attack been launched as planned in the fronts. The planners have hit spotlight in social, economic, political and constitutional areas in search of economic pulpits wherefrom one could say that although the Government had undertaken certain steps towards socialist transformation the ideal of socialism in Bangladesh was still a vision and a dream. So, contrary to popular expectation and belief, the plan does not aim at straight socialist reconstruction, although one of its basic objectives is to consolidate the gains made so far in the socialist transformation of Bangladesh. With a minimum consumption basket the plan further aims at raising the output in the major sectors to the 1969-70 benchmark. If this is meticulously followed in the food front many of us may starve to planned death at the end of this planned period.

2. Now, we are almost at the close of first year. Who will tell us today what we have achieved through the implementation of the recommendation and lost through economic frustration ?

3. A development plan is either a sacrament or a scrap of paper depending on what it aims at, what it is sure to achieve and for whom to achieve. The basis of respect for such a plan is obviously what it realistically holds out for the people for whom the political goal of the plan is set out. Bangladesh and its leaders have already proclaimed socialism. It does not matter whether we have gone beyond the midstream of feudalism or not. Marx and Engels who set forth their ideas in the context of contemporary life with emphasis and overtone which subsequent history did not reveal themselves in the same and predicted lines, gave a long life to capitalism and showed how a mature capitalist system helped transform a society into communism through socialism. It appears from the analysis given in the plan that for us the long road to socialism is still far ahead and that after years, we may dance off to the waste-lands of socialist ideas unless we can give the economic and the social systems a hurried maturity.

4. The drawing up of a five-year plan is an arduous task and lengthy process but we have finished the job in history's shortest time. This was possible as no special sanctity was attached to data collection and empirical investigations. So, the numerous rounds of adjustments that appear in the plan are guess work, one may rightly say. The political regime gave the Planning Commission every thing including status, and got engrossed in other affairs. The desired increase in the national product and of outputs in the vital sectors and industries, and the consumption levels of the peasantry are some of the spots where we are not about to crush ourselves. The growth rate is sophisticated, the resource mobilization plan is nobody's business, the sources of finance are generally speculative, requirements have not been matched by anticipated availabilities, the instruments of implementation are virtually the bureaucrats whom the planners have at times tried to keep in good humour by suggesting incentives to them, and then to condemn by keeping them at arm's length. Such attitudes could not, however, solve the internal inconsistency of the plan but are likely to create a cycle of retaliation.

5. A country like Bangladesh needed hold stroke action in select economic fronts in order to put the country on a working norm of discipline and stability. Russia took up a planned programme in 1928 and China in 1953 only. We had, however, gone the different way after an armed struggle. Our plan is not obviously a stabilization oriented plan which is so much needed in the light of the conditions prevailing

in the country and abroad. The plan has not emerged as a broad consensus among various major groups and the society. The speculative fund which has given the plan the semblance of a shape has also considerably foundered by now. The variables are so limitless that the consequent question of material balancing has already started disrupting economic equilibrium leading to abandonments and retreats. Attempt has been made all through the plan to steer consumption in the "Galbraithian" direction i. e., more in favour of public good (education, public health, urban development etc.) as against personal consumption. As soon as the plan came out it was not taken seriously by many and naturally the targets to be achieved by deliberate and purposeful series of economic and administrative instruments did not bear much promise. This has virtually transformed the plan into a voluminous document the objectives of which have the minimum prospect of credibility. And even the well-meaning sections of the people have perhaps whispered that the plan tends to aid the entrenchment of the old economic order. Although the liberation war gave our economists the chance to capitulate on the hungry people and the shattered economy and seize the reins in the image of a recovery order, they created paradoxes which have virtually maligned the natural recovery of the economy expected under the bold political leadership. It is an unpleasant truth that none outside the Commission has obliged it by seriously following its tenets. The Commission finds itself to-day quite isolated in an uncongenial world, embarrassed at the unceasing attempts of various groups including some labour unions to throw it back on the academics.

6. At the moment, economists everywhere must have been alarmed at the increasing aggravation in international currency disequilibrium, inflation, food shortage and energy crisis. National economies have shown unmistakable trends of conservation of individual resources. The world is once again becoming bigger and bigger with every passing day. The theory of economic complementarity has started giving in to the olden day tradition of economic competition amongst unequal rivals. These phenomena have generated emotionalism and acute nationalistic outlook which had marked the rapid aggravation of depression in the thirties of this century. The concept of national self-sufficiency as contradistinguished from the concept of mutual international reliance has caught the imagination of most national governments. The theory of comparative costs in international trade has long been challenged by extra-economic considerations. Nations to-day have sought to shut

the doors of free trade in their endeavour to promote national and regional interests. The co-operation and spirit of mutual assistance somewhat noticeable in recent decades is now disappearing quietly. The political hard line indicated by the oil producing countries may finally melt away and nations which felt embarrassed at the alleged show of oil as a political strategy are preparing themselves with retaliatory measures. One big economic power has already threatened starvation to the oil princes. This is not an empty threat. It may overbrim as soon as the safe reserve of energy is created with the help of political counter strategy. Many oil consuming developed countries have their own oil resources, but they have managed to grow on the oil resources of underdeveloped nations and succeeded in preserving their own deposits more or less intact. The Arabs may dissipate their resources and go pauper in oil in course of a few decades.

7. The oil crisis has been a boon in one sense to some advanced countries which indulged in lopsided developments. The situation arising out of the crisis has given them a sense of re-structuring national economies and re-arranging export-import policies. Production processes which were in wrong gears are being neutral-gear according to the condition of the national economy. Developing countries which have proclaimed planned development have emphasized growth on indigenous resources and cautiously pleaded for joint ventures of developed countries in the desperate hope of getting the benefit of science and technology through close collaborations. National governments of advanced countries have paid deep and serious attention to the business and commerce fronts and been in quest of economic shelters. Regional fortification of interests has been working in Europe. The trade patterns of Western European countries with Asian and other underdeveloped countries have shown this trend. They have combinedly protected themselves against competition from a growing nation and exploited the raw material markets in the same vein. This theory of détente economic diplomacy has not yet met with any practical counterblast from the exploited nations. If the counterblasts can ever be organised the EEC may cry hoarse to disband itself. The emerging Africans may go desperate as soon as they can stand stable politically.

8. India and Japan of South-East Asia are competing in taking future economic leadership. The Indian rupee is no longer a soft currency. On the other corner of Asia Iran, Turkey, Pakistan and the

oil princes are cementing bonds of regionalism more seriously than the ties of cultural affinity. The Zionists have helped forge greater unity in West-Asia now than ever before.

9. We may now check up where we stand in this world with our human resources and planned targets and what result we should expect. Professional economists are supposed to forejudge international situation and forecast trends and then go deep into their vortex. They are to assess the internal condition of the society which counts in the economic shaping of a nation. What is needed in Bangladesh today is to restore discipline in all sectors of life, mobilize its human resources into production activities related to mass consumption goods, create a sense of confidence to stand alone on one's own potential capacity to survive, standardise major consumption items like cloth, food etc., and impose ban on luxuries. Bold economic action may be undertaken by the political leadership without much of the nicety of a technical document called a plan. We should have planned development and growth but only after we had reached some sort of stability in the most vulnerable areas by taking bold and desperate steps which are called for right now. Meanwhile, the implementation of the plan may be kept in abeyance and the idea of a revised plan (annual or five year) need not haunt us for the time being.

Socio-Economic Perspective of the First-Five Year Plan of Bangladesh.

By

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It is significant that the First-Five Year Plan is launched at a time when the country is undergoing social transformation in political, economic and cultural fields. The replacement of autocratic rule by democracy, state principles by secularism and an important aim to replace capitalistic method of production and distribution with social ownership and more equal distribution of income within the framework of socialism are distinctive indications that the society is already preparing to accept change in both ideas and methods. What is more important, the demand for social justice underlying the liberation war created a new belief that the country will give a new social order replacing the old where there will be no means of exploitation, true to the spirit of national independence. The country's five-year plan is supposed to accommodate and promote the social cause. A plan for its execution is, in turn, dependent on the socio-political institutions given in the country in order to claim more realism. A development plan taking wideranging programme in development fields, making provisions for bigger employment opportunities, discouraging concentration of wealth through uniform income policy etc., may promote the cause of democracy, while its aim to fight poverty and discourage private ownership in capital-intensive and large-scale industries can make private interests subservient to social interests, an important pre-condition to socialism. That the First Five-Year Plan of the country recognised the change already taking place in the society and aims to strengthen them further is stated thus. "to consolidate the gains made so far in the socialist transformation of Bangladesh, to extend by stages the sphere of state participation, consistently with the ability of the state to manage and organise efficiently, to ensure a wide diffusion of economic opportunities in the self-employed sector in the urban and rural areas; and to change the institutional framework of the economy of Bangladesh at a pace consistent with concomitant changes in social and political attitudes, motivation, organisation and mobilisation of efforts."

An important confession made in the plan that it is to be realistic towards the political, economic and social institutions obtaining in the country and formulate guidelines of the plan accordingly, for otherwise a too ambitious or an abrupt dislocation may seriously disturb the working of the economic and political system. A passage from the First Five-Year Plan to such an end may be quoted—"For building a socialist society we must be able to make a correct assessment of the objective conditions obtaining in the country. Without this assessment, a country may adopt a programme which is unrealistic, either too ambitious or too modest. While formulating programmes, we need not only take into account the objectives which we wish to attain but also the human agents who will be required to implement the programme. The planners in a country can only give the direction. Execution of policies and programmes depends entirely on the political will of the country and as such on the commitment and effectiveness of the leadership, the ability of the party in power to mobilise the people and dedicated functioning of the Government machinery". The Planning Commission suggested certain changes in the given socio-economic institutions in the country in order to make execution of its programmes more effective. Before citing them here let us make a brief assessment of the objective conditions existing in the country following the liberation war.

Although the liberation war started against the regional economic exploitation in Bangladesh which brought in turn, social justice in the society, the country fell into utter confusion immediately after independence about the future shape of the economic system and the widely held view of socialism also shrouded in mystery. Amidst confusion and damages already done to the economy, economic activity in all quarters came to a slow pace resulting naturally in serious shortage of essential goods, and created to some extent economic uncertainty. Reconstruction and rehabilitation programmes by the government and international agencies could, however, restore the economy to a working position. Private economic activity started to regain after an initial set back along with much measures for reconstruction and rehabilitation, but they largely worked against social interests. Scarcity of essential commodities and huge premium on imported goods at short supply gave windfall profits in the hands of the private traders. Monetary inflation at a quick pace only turned the situation to the worse. Meanwhile Government came with a programme of nationalisation of big industries, banks and insurance companies and foreign trade with a motive to prevent private ownership over big enter-

prises and pave the way towards socialism. But there was no clear-cut institutional mechanism at the hand of the Government which could run the nationalised enterprises. Government functionaries, as they are the product of their colonial heritage, suffered from their bureaucratic approach to run state enterprises and lacked proper reorientation to make themselves subordinate to the people. Nationalised enterprises also fell a victim to an undercurrent of private pilfering. Since private enterprises are still dominant in distributive field they got delivery of public goods at a price much below the market price. Such practice worked against the interests of both nationalised enterprises as well as of the consumers. The same phenomena occurred in construction, public works and foreign trade sectors. Workers in the nationalised industries, as they are inexperienced to run public enterprises and unaware of socialistic convention, started to press for their sectarian interests very often through coercive methods. Such attitude of the working class to press for only higher wages unrelated to productivity and refusal to fulfil their obligation to run state enterprises efficiently created an obvious sickness in the nationalised sector. There is no check against such craving for private profit at the cost of social interests which usually comes from a political cadre in a socialistic country. The middleman and feudal landowner in the agricultural and trading fields already established a working relation whereby poor cultivators were being systematically exploited for their dependence on landlords for land, work and credit. Unequal property ownership and unearned income in business thus created opportunism among the social classes. High living standards of a few and worsening of the conditions of those who had a comfortable living in the past gave rise to social tension. The question, most pertinent at this stage is what else are the Planning Commission's justification and suggested outlook to frame a realistic plan which will bring socialistic transformation of the economy as quickly as possible.

The only justification seems to be, in the opinion of the Planning Commission, that in view of the political climate created in the war to build an exploitation-free society and absence of any possibility to retreat from what is promised and already achieved, the plan aims only to consolidate these and work gradually to bring in the public sector activities which represent social interests. People are more politically conscious now than at any time before and they are also aware of the need to resort to political struggle for building an exploitation

free society. All political parties more or less profess their inclination to socialism. On the economic front, as yet there is no concentration of capital in private hands; this could show an unfortunate turn, and the adverse tide of private capitalism during the two years following liberation may be reversed given appropriate social institutions and government policy. Nationalisation is a significant step to check its rise. Although feudal forms of production in agriculture still survives, large-scale feudal landownership is being prevented by law, and landownership pattern is now more uniform. Since workers are very much conscious now than at any time before, they are also not going to back any form of exploitation by the employers either state or private. Among the poorer masses collective will is gradually taking root.

As the socio-economic institutions prevalent in the country are not so smooth to work out a socialistic economic programme, the Planning Commission suggested a few institutional changes as pre-conditions for transformation of the economy. In their opinion "the removal of the capitalist system of income distribution, of the private ownership of means of production and of the pre-capitalist mercantile or feudal forms of production relations is a necessary pre-condition to social transformation... In an economy where more than 80% of the activity is dependent on agriculture, it is inconceivable to bring in socialism without the socialisation of agriculture". Reforms to such an end are needed to be worked out in phases. In landownership co-operatives among small and landless farmers; in large, heavy and basic industries ascendancy of the public sector; in trade, both domestic and international as well as in housing, transport and distribution, state and co-operatives will largely rule leaving small enterprises and retail trades in private hands. In such a society, where the function of the state is usually more than in a welfare state, the public sector will perforce be expanded. The size of public expenditures will correspond accordingly. For radical changes in a society where traditional values and habits are firmly rooted, there is also need for a political cadre, devoted to the ideology of the state. A political cadre having root in the masses and motivated by radical ideas can mobilize the people and transform the behaviour pattern of the society. The cadre will educate and motivate the people about the benefits of social change, at least from the traditional norms to a progressive outlook. This is because unless the broad masses are aware of the changes the society requires and accept those spontaneously no plan, however biased or formulated

for socialistic transformation, can reach the end. The members of the cadre who will create public opinion in favour of a social reform must also be honest, ready to make sacrifice and completely identify themselves with the policies and ideology of the state.

Along with institutional changes productive forces are to be released fast in order to remove poverty. The economic perspective of the plan is thus first and foremost to remove poverty as quickly as possible. A developing country like Bangladesh having little of available resources at the base and burdened with heavy size of population can ill afford to waste resources in an unplanned manner. Nationalism, as an ideology of the state, also calls for self-reliance in basic needs of the society. It also demands basic discipline in the production field from both labour and management while retaining their democratic rights, and hard work to expand production capacity. People must have confidence in the Government and its policy to work out an economic system where each social group has its due share in national output. Government should also succeed, in turn, to convince the people of its determination to ensure a minimum living standard to all. Effectiveness of Government policy to mobilize surplus resources in the economy, create work for the unemployed and ensure equity in income distribution and regional development are most important. Fiscal as well as market policies are to be strengthened and plans and programmes co-ordinated to get the benefit of socialism. To put in the words of the Planning Commission, "for a well formulated socialistic plan the basic premise has to be that Government and the ruling party have the will and determination to transform a society with traditional values to a production oriented society where work, discipline and savings are the basic tenets of a society".

Although sincere to the political will of the country and careful to adopt them as plan perspective, the Planning Commission leaves enough of doubt about the maturity of such will and has accepted them without commitment. That the opinion of the Planning Commission is hypothetical is clear from the lines quoted below. "It does not assume that within five years we can approximate the social structures prevailing in other socialist countries nor does it assume that the experience of the post liberation period disqualifies us from all attempts to organise productive forces more efficiently and with a view to realising social objectives". Since a plan is as well a political document the people

and their representatives determine not only the background of a plan but also its implementation. Taking purely an objective view the socio-economic trends during post-liberation period is contrary to the spirit of liberation, and collective will is being undermined. Absence of a socialist tradition, failure of private quarters to recognise social interests, bureaucratic handling of nationalised enterprise, traditional habits retained in the rural economy, strong private rather than social interests, all are interacting to put the wheel back from the path of socialist transformation. An advent of socialism through market mechanism, retaining private right in distribution and 80% of natural property is doubtful. Socialistic transformation of a society is a revolutionary process. Unless the commitment of the society to socialism is strong enough and government can mobilize people and resources to that end, it would be mere wild speculation to visualize socialism. A vital force, the political cadre, is yet to build up which is completely devoted to the ideology of the state. In absence of political check the public sector may be degenerated into corruption and inefficiency while the prospect of the private sector is bleak. When the conflicts between the private and social interests are almost sure to remain during the initial stage of social transformation, adequate safeguards to social interests coming in conflict with private interests is called for. Government machinery is to be very much cautious, and relative preference for collective interests to private interests receive utmost consideration. For example, co-operatives in farming, industrial ownership and management, distribution of goods, trade and transports, all at the base of socialism, cannot function unless the state at the top of the social organism can properly direct, motivate and manage to work through them. Furthermore, the distribution of control of property between individual and collective bodies determine the degree of dependence of an individual member on the society. The whole process requires a clean perspective and vision regarding the socio-economic goal of the society.

পরিকল্পনার পরিপ্লেক্ষিত

বন্দকার তাহাজ্জুল হোসাইন
অর্থনীতি বিভাগ, ঢাকা বিশ্ববিদ্যালয়

উন্নয়ন পরিকল্পনা বাস্তবায়নের জন্য যে বিশেষ পরিবেশ আর সামাজিক ও অর্থনৈতিক প্রেরণপ্রেক্ষিতের প্রয়োজন, তার অভাব শুরুতেই প্রণেতারী স্বীকার করে নিয়ে সমালোচকের মুখ বদ্ধ করার একটা উদ্যোগ করেছেন বলে মনে হয় : এ অভাব মিটলে যে আরও ভাল পরিকল্পনা বাস্তবায়িত হতে পারে, তা সহজেই স্বীকার করা গলে। কিন্তু পরিকল্পনার ভিতরে সেদিকে কী প্রচেষ্টা, তা স্পষ্ট নয়। এসব কথা প্রমাণ করার জন্য আমি এখানে কিছুটা চেষ্টা করব।

প্রথমেই বলতে চাই পরিকল্পনা প্রণয়নে জনগণের অংশগ্রহণের কথা। একথাটি উঠান হয়েছে পরিকল্পনা দলিলটির সপ্তম পৃষ্ঠায়। অবিসংবাদিত সত্য কতকগুলি কথা বলে নিয়ে তাঁরা পরামর্শ দিচ্ছেন উপদেষ্টামণ্ডলী গঠনের। কাকে দিচ্ছেন তাঁরা এ পরামর্শ? বোধ হয় নিজেদেরকেই। কারণ একাত্তরের কর্তা তাঁরাই। প্রথম পাঁচশালা পরিকল্পনা তৈরীর বেলায় এটা তাঁরা করেননি কেন? গণতান্ত্রিক রাষ্ট্রে জনগণকে আস্থাজ্ঞান মনে না করার কি কোন ও কারণ আছে? এ জনগণের মধ্যে অজ্ঞ বিজ্ঞ সবাই তো রয়েছেন। এর পরে তাঁরা রাজনৈতিক কর্মীদল ও নেতৃত্বের কথা উঠিয়েছেন। এটার প্রয়োজন দেখা দিয়েছে বঙ্করকমের সামাজিক পরিবর্তন সাধনের জন্য। তা নইলে হয়তো এঁদের কথা উঠত না। কিন্তু এরজন্য প্রয়োজন সুশিক্ষার আর কর্মতৎপরতার। এর ঋনিকটা পরিকল্পনা সাধ্য, ঋনিকটা নয়।

পরিকল্পনা মাত্র দেড় বছরে তৈরী হইয়াছে এজন্য কৃতিত্ব দাবী করা হইছে। এটা কি একটা বিশেষ কৃতিত্বের ব্যাপার? পরিকল্পনা-ভাগ তো স্বাধীনতার আগে থেকেই ছিল; তাতে কর্মরত অভিজ্ঞ ও প্রশিক্ষণ প্রাপ্ত ব্যক্তিরাও ছিলেন। স্বাধীনতার পরে এঁদের সংখ্যা আরও বাড়ান হলো। তা সত্ত্বেও দেড়বছরে পরিকল্পনা তৈরী করা, আর তার পরেও ছ'মাসধরে সেটাকে জনসাধারণ থেকে গোপন রাখার অল্প কৃতিত্বটা কী ধরনের, তা বুঝিয়ে না বললে বুঝা যাবে না। গণতন্ত্রে জনগণ থেকে সরকারী যে কোনও দলিল গোপন রাখা অবাঞ্ছনীয়, এটা বলছি না; বলছি উন্নয়ন পরিকল্পনা জনগণ থেকে গোপন রাখার কথা অর্থাৎ এর ব্যস্তব্যয়নে জনগণের ভূমিকা হবে প্রত্যক্ষ ও মুখ্য। এখানে এটাও বলা বোধ হয় প্রাসংগিক যে পাকিস্তানী আমলে জনগণকে এধরণের ব্যাপারে স্তব্ধ থেকে অবহিত রাখা একজ্ঞেয়ীর লোকের স্বার্থবিরোধী ছিল। তাই এ রকম ঘটতো। আজ তো বাংলাদেশে সে সমস্যা নেই। তবুও কেন একই ধরনের ভাবনা আমাদের সরকারকে সরিয়ে রাখবে জনগণের আন্তরিকতার অলুভুতি থেকে?

পরিকল্পনার পহেলা বছর ১৯৭৩-১৯৭৪। এর ছ'মাস চলে গেলে পরিকল্পনা জনগণের গোচরে এল। পহেলা বছরে যে এজন্য পরিকল্পনার লক্ষ্য অর্জনে বাধা হবে, তা বোধ হয় বলাই বাহুল্য।

পরিকল্পনায় বলা হইয়াছে, পরিকল্পনাকারীরা শুধু দিতে পারেন উন্নয়নের পথ নির্দেশ। বাকীটা রাজনৈতিক নেতৃত্ব ও সরকারী দফতরের কর্মদক্ষতার উপর নির্ভরশীল। কিন্তু এই যে পথনির্দেশ দেবার কথা বলা হলো, পরিকল্পনার মধ্যে তা যা পাওয়া গেল, তা যে গভীরগতিক পথ নির্দেশ; নতুন দিগদর্শন তো পাওয়া গেল না।

২ মন্থর লক্ষ্যে যে কৃষি ও শিল্পের উৎপাদন ১৯৬৯-৭০ এর পর্ষায় নিয়ে যাবার কথা হইয়াছে সে প্রসঙ্গে বলা যায় যে জনসংখ্যা বেড়ে গেছে তখনকার তুলনায়। কাজেই মাথাপিছু উৎপাদন কম হবে। লক্ষ্য অনুসারে তো মাথাপিছু উৎপাদন বাড়ানো সরকার। কাজেই লক্ষ্য ছ'টি পরস্পরবিরোধী নয় কি? বছরে তিন শতাংশ হারে বৃদ্ধি ধরলে শতকরা ১৬ ভাগ লোক সংখ্যা বেড়ে গেল ১৯৬৯ থেকে ১৯৭৪ সাল পর্যন্ত। ১৯৬৯ সনের পর্ষায় জীবন যাচার মান বজায়

রাখতে হলে উৎপাদনও তো সেই হারে বাড়ি প্রয়োজন শুধু এই অবস্থার রাখার জন্ত। আর এ ব্যবস্থা করতে গেলে উৎপাদন আরও বাড়ানো প্রয়োজন। সে আভাষ তো এ পরিকল্পনার বেই।

কর্ম থেকে আর, সম্পত্তি থেকে নয় — সমাজবাদের স্বীকৃত নীতি। কিন্তু আমাদের অবস্থা তো এই যে কর্ম থেকে আরের অবস্থা কাহিল। সম্পত্তি থেকে আর জন্ত বাড়ছে — বাড়িওয়ালারা, দোকানদাররা, পারমিট ধারীদের কেউ কেউ কেঁপে যাচ্ছেন। এই কি সমাজবাদের সূচনা? এদিকে ক্ষেত্রমুজুররা কাজ পাচ্ছেনা। যারা পাচ্ছে, তাদের ত রোজ মজুদী পরিবার (ছোট পরিবার) পোষণের উপযোগী নয়।

২৫ পৃষ্ঠায় মূল্যবৃদ্ধির পরিমাণ ও কারণ যা দেওয়া আছে তাই কি সব? বহু আলোচিত চোরাচালানীর উল্লেখ নেই। মূল্য বৃদ্ধির পরিমাণ, চাউল ৫০ টাকার স্থলে ১২৫ টাকা — ১৫০ শতাংশ বৃদ্ধি, কাপড়ের দরের বৃদ্ধিও তার চেয়ে কম নয়। ৮০ শতাংশ বৃদ্ধি কোথাও দেখি না।

সমস্যামুখী পরিকল্পনা কি হয়েছে এটা? বেকারত্ব, মারিত্ব, অশিক্ষা, স্বাস্থ্যহীনতা এ ধরনের যে সব সবজা সমাধানের জন্ত পরিকল্পনার প্রয়োজন তাদের পরিমাপের চেষ্টা কই? সামাজিক ও রাজনৈতিক পরিপেক্ষিত ভালই। কিন্তু অর্থনৈতিক পরিপ্রেক্ষিতটা কি এই মধ্যে রয়েছে? তা থাকলে এদের উল্লেখ অধ্যায়টিতে কোথায়? স্বতন্ত্র ভাবেই বা কোথায়? মোট শ্রমশক্তির এক তৃতীয়াংশ বেকার, মোট জনসংখ্যার দুই তৃতীয়াংশ তাই উৎপন্ন সীমার নিচে; শতকরা অন্ততঃ ৮৫ জন নিরক্ষর। তাই আমাদের জীবনা ধারণা নিয়ে তাদের করণীয় আছে বলে তারা মনে করে না। তারা রয়েছে তাদের "আপন ভুবনে"। পরিবার পরিকল্পনা, স্বাস্থ্য বিধান প্রভৃতির কোন আবেদনই তাদের মনকে দোলা দেয় না। এ গুলো কি সামাজিক পরিপ্রেক্ষিতের মধ্যে নয়? এদের উন্নয়নের জন্য যে প্রচেষ্টার উল্লেখ, তার সঙ্গে সঙ্গে গ্রাম সম্বন্ধে তথ্যভিত্তিক আলোচনা পরিকল্পনায় দেখি না। মনে হয় এদের তথ্য ছাড়াই পরিকল্পনার রচয়িতারা চলতে চান।

এখন আমি এই স্বল্পপরিসরে শুধু পরিকল্পনার প্রথম অধ্যায়টির বিষয় বলবার একটু উল্লেখ মাত্র করতে চাই। এ অধ্যায়ে সমাজবাদী অর্থ ব্যবস্থা গড়ে তুলবার উপযুক্ত কতকগুলি ব্যবস্থা সম্বন্ধে আলোচনা করা হয়েছে। তার মধ্যে বার বার উল্লেখ করা হয়েছে কর্মদল (কেতার) গড়ার কথা। এ কর্মদল গড়ার পরিকল্পনা অবশ্য আমাদের পাঁচালা উন্নয়ন পরিকল্পনায় নেই। মনে হয়, এরা এননিই গড়ে উঠবে। এদের ছাড়া সমাজবাদ যখন হবেই না, আর এর পরিকল্পনা ছাড়াই গড়ে উঠবে, তখন মনে হচ্ছে সমাজবাদও যখন হবার, আপনাআপনি হবে। সে জগৎ বিশেষ ব্যবস্থা গ্রহণের লক্ষণও সারা পরিকল্পনার কোথাও নেই। এর পরে চারটি বিষয়ের উল্লেখ আমরা দেখতে পাই। তাদের মধ্যে প্রথম হচ্ছে বিনিয়োগ কৌশলের কথা। বিনিয়োগ কৌশলের মূল কথার তিনটি : (১) ভোগ্যপণ্যের প্রয়োজন মিটানোর দিকে বেশী মনোযোগ দেওয়া, (২) কর্মশক্তিকে কাজে লাগানোর জন্য “অপ্রচলিত পদ্ধতির” ব্যবহার, (৩) বৈদেশিক সাহায্যের উপরে নির্ভরতা ক্রমাগত কমিয়ে আনা।

তার পরে উল্লেখ করা হয়েছে শোষণ কমানোর কথা। সেই উদ্দেশ্যে সরকারী স্বত্বকে ক্রমাগত শক্তিমত্তার করাও সমবার প্রচেষ্টাকে উৎসাহ দেওয়ার কৌশল হিসাবে নেওয়া হবে।

এর পরে বৈদেশিক প্রেরণার কথা বলা হয়েছে। উৎপাদনে দক্ষতা ও অবদানকে আরের পরিমাণের অন্ততম নিরায়ক হিসাবে গণ্য করা বাঞ্ছনীয় বলা হয়েছে। এর পরের ব্যাপারটি হচ্ছে পরিকল্পনার জনগণের অংশ গ্রহণ।

এইসব বিষয়ে আমার অগোছালো মন্তব্য উপরে খানিকটা পেশ করেছি। স্বীকৃতির আলোচনার আরও আলোকপ্রাপ্ত হবার আশা রাখি। এ পর্যন্ত আমার সমালোচনা হয়ে দাঁড়ালো হিত্রাদেশে ধর্মী। তাই আরো বলি জাতীয় জীবনের এই সর্বভাগী ছুপ্রাণ্যতার দিনে যে মরা দিগন্তের সোনালী আভাস এ পরিকল্পনায় পাওয়া যাচ্ছে, তারও মূল্য বড় কম নয়। যে পরিপ্রণ, সাধনা ও সমবেত প্রচেষ্টার ফলশ্রুতি এ পরিকল্পনা, তাকে জানাই অভিনন্দন।

Some Reflections on The Objectives; Strategies and Priorities of The First Five-Year Plan of Bangladesh

By

MOHIUDDIN ALAMGIR*

I. INTRODUCTION

The First Five-Year Plan of Bangladesh has been launched in the midst of great uncertainties regarding the possibility of effective implementation of the various development programmes envisaged in the Plan. The uncertainties arise due to, (i) the poor quality of statistical information used in formulating the Plan which was unfortunately unavoidable in a war ravaged country; (ii) the lack of indepth study on various aspects of the economy; (iii) the absence of adequate social and economic institutions; (iv) the absence of a long term Perspective Plan, of which the First Five-Year Plan should have been an integral part; and finally (v) the fact that some of the basic preconditions for the formulation and successful implementation of a socialist development Plan are missing in Bangladesh.

Some of the internal contradictions that are apparent in the policy framework suggested in the Plan in order to implement the programmes contained in it, can be directly attributed to the absence of a long term Perspective Planning framework for Bangladesh. The long term perspective is necessary not only to define the quantitative targets consistently but also to identify clearly the long term qualitative changes which are to take place in the society. As a first step towards bringing about

* Bangladesh Institute of Development Studies. Views expressed here do not represent those of the Institute.

some qualitative changes in Bangladesh attempts are being made to redefine all types of social relations in a manner that in many cases represent significant departures from the past. Such departures are warranted by the fact that Bangladesh has set for itself the objective of establishing a socialist order. However, the following preconditions for socialism seem to be missing in Bangladesh.

(i) All political groups in the country must adopt socialism as a way of life in the sense that all policies pertaining to the social and economic development must be formulated within the framework of a socialist ideology.

(ii) In a society where most of the people are living at the subsistence or below subsistence level social consciousness will emerge only if there is dedicated leadership and political cadres who will formulate a rigorous Plan for the ideological and political orientation of the proletariat (peasants and workers). This is what can ensure maximum cooperation from below in the process of socialisation.

(iii) It is necessary that in a socialist country the top hierarchy of the Central Planning Authority be composed of dedicated socialists with very close political contact with the executive authority. This is important because, on the one hand, the planners should be able to advise the political authority in matters of social and economic development and on the other hand, an atmosphere of mutual confidence must prevail in order to ensure a smooth functioning of the decision making process at the top.

(iv) In a socialist economy, planning is not passive but active in the sense that the Plan incorporates all aspects of national life. It is therefore, necessary that there be vertical and horizontal flow of information in the planning process. This is possible if in the process of Plan formulation participation from all walks of life is encouraged. In point of fact, within a centrally planned economy there is considerable scope for decentralized decision making and for the formulation of small Plans with scope limited to given areas or aspects of national life. Thus, local development Plans and regional development Plans should be initiated at the local and regional level and they will ultimately be integrated into the national development Plan by the Central Planning Authority.

It is with the above background that one should evaluate the objectives, strategies and the priorities of the Five-Year Plan of Bangladesh. In Section II, the objectives of the Plan will be critically evaluated,

Section III will comment on the analytic framework of the Plan. An attempt will be made to provide a new framework and use it to obtain alternative growth paths for the Bangladesh economy. Saving, investment and employment strategies of the Plan will be discussed in Section IV. Alternative estimates of saving, investment and employment will also be presented. Some concluding remarks will be presented in Section VI.

II. OBJECTIVES OF THE PLAN

What the Plan document says in Chapter I under the general framework of the Plan is very encouraging since in many ways some of the assertions made in there truly reflect the hopes and aspiration of the millions in Bangladesh. The most important of such assertions within the context of Bangladesh is the emphasis on changing the land-ownership relations. The Plan says, "In an economy where more than 80 per cent of the activity is dependent on Agriculture, it is inconceivable to bring in socialism without the socialisation of Agriculture".¹ Unfortunately the land policy² advocated in the Plan calls for a 100 bigha ceiling on family landownership of cultivable land and this certainly falls far short of the sentiment expressed in the quote above. This will leave only an insignificant amount of land in the hand of the state to be distributed among the landless cultivators as suggested in the Plan³.

The above has direct relevance to the realisation of the basic objective of the Plan, that is, to reduce poverty. Three instruments are suggested to realize this objective; (i) employment expansion—the Plan proposes to create 4.1 million jobs; (ii) accelerating rate of growth

¹Government of the Peoples, Republic of Bangladesh, Planning Commission, The First Five Year Plan 1973-78, p.2.

²Ibid., pp. 190-1.

³According to some estimates made available in a study by A.A. Abdullah at the Bangladesh Institute of Development Studies, the total area acquired under the Act of 1950 was only 163,741 acres (less than 1% of total net cropped area) and the total excess land declared under The Bangladesh Land-holdings (limitation) Order, 1972 is only 76,712 acres. See his, "Land Reform and Agrarian Change in Bangladesh", Bangladesh Institute of Development Studies (mimeo), p.34 and 61.

of income—it is projected that over the Plan period Gross Domestic Product (GDP) at 1972-73 prices will grow at the rate of 8.8% per annum; and (iii) use of fiscal and pricing policies for equitable distribution of income. What is very surprising is that an important (and perhaps the most effective) instrument to reduce mass poverty and achieve a better distribution of income, an equitable distribution of claim on ownership of urban and rural properties, has not been seriously considered by the planners. Income redistribution through employment expansion takes place at the margin only, since this policy as such can not affect the existing pattern of distribution of the means of production. However, in the present context two questions remain to be answered. (a) Given the production Plan and technology, is the expansion of 4.1 million jobs in the Plan period a feasible target? (b) Will the creation of additional job opportunities necessarily imply optimum distribution of income as claimed in the Plan¹? The target of 4.1 million jobs will be examined in Section IV. Additional job creation by way of increasing total output will raise average income but the distribution of the total income may remain far from optimum. Besides, the problem of defining the concept of optimum income distribution remains unresolved.

The combined use of the second and the third instruments is no different from what was attempted in a number of countries including pre-March 1971 Pakistan, where development Plans were formulated within the framework of a mixed economy. In all of these cases, emphasis was placed on income growth and only marginal redistribution of income was attempted through fiscal and price mechanism. Except in the cases of setting minimum prices for agricultural commodities, minimum wage legislation, and the supply of essential consummables in some urban areas at less than market prices, the general income redistributive effect of fiscal and price policies in pre-March 1971 Pakistan has been negative, in the sense that there has been substantial transfer of income from rural to urban areas and from lower income group/wage earners to higher income group/capitalists. What needs to be recognised here is that in a predominantly subsistence economy a substantial portion of the income is consumed at the source and there is little scope for indirect policies of the Government to affect income distribution. Furthermore, the scope in a developing country for mobilizing resources through direct taxation of the unearned income in the industrial, trade and service sectors is

¹ First Plan, P. 17.

very limited. Therefore, nothing short of a direct attack on the source of income will be successful in bringing about an egalitarian distribution of income in Bangladesh.

Income ceiling placed on the salaried persons in the organised sector is mentioned in the Plan as a measure that will help reduce inequity in income distribution. However, it is well-known that this measure affects only a fraction of the total labour force in the country and its effect on the overall pattern of income distribution in the country is negligible. Until measures are taken to curb all types of income, partial income ceilings will only prove to be inequitable.

In this context one must draw attention to the Plan strategy for equitable rural income distribution as enunciated on pages 88-89 of the Plan document. The essence of the strategy is ; (i) spread of new technology ; (ii) increased representation of small farmers and landless agricultural workers in all credit and cooperative organizations ; (iii) creation of employment through rural works programme and labour intensive techniques in farming ; (iv) withdrawal of subsidies and finally (v) dispersal of rural industries.

Spread of new technology in the absence of relevant institutional changes particularly in production relations and landownership, will benefit only the farmers with large holdings, no matter whether or not any significant change in the management of the credit and cooperative organizations is brought about along the lines suggested under policy (ii) above. The initiative of adopting the new technology and bidding away inputs at higher prices will always remain with the large farmers. These farmers are likely to utilise their newly generated surplus either to acquire more land thus displacing small farmers from their land and/or to acquire industrial and commercial capital¹. Therefore, unless very carefully controlled by the state, it will not be surprising if this class also tends to dominate the ownership of small rural based industries and expropriate the surplus created by the rural labour in whose interest policy (v) above is being advocated by the planners. The rural works programme and its impact on income and capital formation has

¹It follows that policy (iv) i. e. withdrawal of subsidy, although a move in the right direction, yet will bring little or no benefit to the small farmers. Within the framework of the Plan a more sensible policy would be to continue a reasonable amount of subsidy to the small farmers and charge a higher than cost price to the large land holders.

been a matter of debate in the past. What is most important to note is that the past programme was foreign aid based and therefore, its viability was always in question. Although the First Plan has been very careful in defining the organization and the accountability for funds (First Plan, p. 164-5), it is not clear where the 50 percent of the total expenditure under rural works programme which will be provided to ward committees as grant, will come from. Besides the fiscal arrangement for the repayment of the other 50 percent treated as loan is not very clearly spelled out. In fact, what needs to be emphasized here is that such programmes should be self sustaining and appropriate institutional arrangements should be made to distribute the benefits from the works programme more equitably.

It follows from the above that one can not talk about an equitable distribution of income in Bangladesh without ensuring equitable distribution of the rural income which in turn can not be discussed without reference to the distribution of landholdings and other forms of rural property. In essence an equitable distribution of rural income can only come from an equitable distribution of landholding. This must be interpreted in terms of equitable claim on the output from land. Such claim can be established only after all landholdings have been nationalized. After this step, the production in agriculture should be organised on the basis of a number of collectives. Within each collective, the source of earning (in physical or in financial terms) of the members would be wage for the labour contributed.

Other elements included in the list of objectives in the Plan document are better understood either as constraints on the Plan formulation (determination of size and structure of the Plan) or strategies for implementing the Plan. In the tradition of the Plan documents prepared during the Pakistani regime, our planners have prepared a long list of what they call 'objectives'. But essentially some basic constraints and strategies have been confused with objective (s). To give a few examples, reducing dependence on foreign aid can either be treated as an objective or a constraint. In either case it would have been proper to indicate the trade off between reduction of poverty and reduction of foreign aid (i.e. foreign aid intensity of the poverty reduction programme). Similarly, the attempt to arrest the rising trend in the general price level, is nothing more than a strategy to arrest the falling trend in the real income of the people, particularly those in the fixed income group. Finally, it has already been mentioned that employment expansion and income growth are to be treated only as instruments to reduce poverty,

III. ANALYTIC FRAMEWORK OF THE PLAN—DETERMINATION OF THE SIZE AND SECTORAL PRIORITIES OF THE PLAN

Given the low level of production in the post-liberation period as compared with the last normal year before liberation, i. e. 1969-70, the First Plan, has the twin task of ensuring a recovery of the economy to the benchmark level and realising the proposed growth target of the Plan. All economic variables are likely to behave differently during the period of recovery and the period of growth. In point of fact one must apply different coefficients and cost calculations while determining the input (domestic and imported) and capital requirements for these two periods. The entire phasing of investment allocation will depend on adequate allowance being made for the different characters of these two periods.

The technical framework of the First Plan was a multisectoral consistency model of the input-output variety. However, with the background given above it appears that the input-output technique is likely to prove inadequate as a basis of formulating a recovery and a development Plan for Bangladesh. On the one hand, the fixed coefficients used to determine the terminal year sectoral output and investment levels can not possibly take into account the two distinct phases involved in the process of social and economic development of Bangladesh during the First Plan, on the other hand, the static input-output model is unable to specify the path of the movement (annual phasing) of the economy from the initial period to the terminal period. The latter assumes great importance in an economy where the development programmes included in the Plan are implemented through annual budgetary allocation. Therefore, a serious problem may arise because there may not exist a feasible path to reach the planned targets while ensuring internal consistency during each year of the Plan. Hence, if one must use the static input-output model for determining sectoral priorities, it must be made operational by way of carrying out the allocation exercise every year when the Annual Plan is prepared. In this way there may be occasions to revise some of the parameters or for that matter targets substantially once the current data on the working of the economy are available. There are also problems in allocating the Plan expenditure between public and private sectors and in distinguishing between investment and non-investment development expenditure. These exercises are carried out independently of the input-

output model and the basis is often arbitrary. It is also important to note that the overall sectoral allocation exercise is carried out without any reference to the institutional arrangement under which the actual production is to take place, and thus totally ignoring an important link between institution and the production process. It is not very difficult to see that unless specific policy measures are adopted, the private sector production activities may negate the assumption about technology underlying the input-output exercise. Furthermore, since the non-investment development expenditure is determined somewhat arbitrarily outside the basic analytic framework of the Plan, it is difficult to apply a social profitability criterion to determine the level of such expenditure. Besides, within the given framework there is no scope for investigating the substitutability between non-investment development expenditure and investment expenditure.

The input-output model is also structurally inadequate to offer a large range of choice of alternative possibilities of development over which some socio-economic criteria are to be applied in order to select the most desirable alternative. Although it is claimed in the Plan that the alternative accepted satisfies the criteria suggested by the set of 'objectives' of the Plan one can not see clearly, for example, how the same alternative can ensure maximum additional employment while maintaining the lowest level of requirement for foreign capital inflow¹. This could happen only by an accident and a slight change in the underlying coefficients might change the entire outcome. In this context, one would like to know how sensitive sectoral priorities, employment generation and foreign aid requirements are to changes in various coefficients

What will be most desirable is not to abandon the input-output technique altogether since it has by now gone too far in the preparation of the First Five-Year Plan, but to revise the method of application of the technique. The revision should take place along the following lines.

First, a one year plan should be prepared by using capital coefficient and non-competitive import coefficient tables which will take into account the existing under utilisation of capacity as well as an abnormal level of competitive import requirements. This will take care of what we can call the recovery phase of the First-Five-Year Plan.

¹Although this claim is not very explicitly stated in the Plan, yet it seems to be implicit in what has been said about employment generation and foreign aid in the Plan.

Secondly, the consistency model should be solved again for the last four years with perhaps the same current input-output coefficients but different capital and import coefficients which are consistent with the possible normal operation of the economy as well as the development phase of the economy. Therefore, at least two phasing of investment allocation will emerge which will be consistent with the present and the future character of the economy of Bangladesh, although the task of annual phasing of investment allocation during the last four years remains to be carried out.

In view of what has been said above about the analytic framework of the plan as well as some of internal inconsistencies, an independent attempt is made here to predict the future growth of the economy of Bangladesh. Three alternative growth paths are identified. Basic data are obtained from a study by the author¹. Three growth paths have been worked out separately in order to indicate a range of alternatives along with investment, saving, foreign aid and employment implications which are discussed in the following section.

First, an attempt is made to estimate the GDP of Bangladesh for the year 1972-73 at current factor cost (Table I). For the purpose of projecting the growth of the economy of Bangladesh over the First Five-Year Plan period, the year 1973-74 is defined as the recovery phase while the period 1974-75 to 1977-78 is defined as the development phase. This is not say that there will be absolutely no growth in any sector during 1973-74 over the level of 1969-70. In point of fact, sectors which were already well ahead in finishing the reconstruction phase during 1972-73 will experience some growth while others will presumably reach the level of 1969-70 in real terms, 1973-74 will therefore, constitute the base year from which the economy will hopefully take off into the development phase. Accordingly, in Table 1, the projected level of GDP by sector for the year 1973-74 is presented.² It is assumed that this will provide base for all three growth paths.

¹Alamgir, M. "Resources for Development", A paper presented at the International Economic Association Conference on the Economic Development of Bangladesh Within the Framework of a Socialist Economy held in Dacca, January, 1973.

²Detailed methodology of estimating GDP for 1972-73 and 1973-74 is given in *ibid*, pp. 41-2.

Table I also presents alternative projection of GDP by sector for the year 1977-78, the terminal year of the of the First Plan. The basis of sectoral growth rates are twofold. First, an evaluation of the past trend indicated different feasible paths that can be followed if no structural change is attempted. Secondly, an analysis of the desirable structural change over the First Plan was undertaken on the basis of the experience of other developing countries which are similarly endowed with natural resources as Bangladesh but which have already experienced certain amount of development. The spirit of this approach was taken from a work done by Dorfman, Alamgir and Tabors¹ at the Harvard University Centre for Population Studies. A combination of the two considerations stated above produced different sets of sectoral growth rates which seem to be within the feasible region for Bangladesh (assuming of course, that the implicit foreign capital will be forthcoming) and which are consistent with the experience of other comparable developing countries in terms of maintaining intersectoral balance during the process of growth.

It may be of some interest to compare the growth rates, sectoral and total, obtained above with those of the First Plan. There are however three problems in making such a comparison. First, in the present exercise the growth paths were derived from a base that represents actual operation of the economy while the Plan as mentioned before uses a benchmark level which differs from the estimated actual. Second, the Plan growth rates are calculated over five years while the figures presented in Table I refer to only four years although one could have calculated the growth rates for five years. Third, the estimated GDP for 1972-73 in the present study is different from that of the Plan. Now, compared with the Plan growth rate of GDP of 8.8% per annum (based on its estimated actual 1972-73), all three growth paths here appear very conservative. In point of fact, the rate of growth in path III is almost half of what is envisaged in the Plan. What is really being attempted here is to give an indication of the margin by which the Plan targets may be off the mark, if the values of some parameters turn out to be different from the assumed ones.

¹Dorfman, R., Alamgir, M. and Tabors, R., A Framework for Long Term Economic Planning in Bangladesh, Harvard University Centre for Population Studies (mimeo.) 1972.

TABLE 1

Sectors	ALTERNATIVE GROWTH PATHS FOR BANGLADESH 1972/73 - 1977/78 (Tk. Million/1972 - 73 factor cost)							
	Annual Percentage Rate of Growth			1977 - 78 (GDP)				
	1972-73 (GDP)	1973-74 (GDP)	Path I (1977-78 Over 1973-74)	Path II	Path III	Path I	Path II	Path III
1. Agriculture	27933 (56.7)	33654 (59.5)	5.0	4.5	4	40907 (56.2)	40133 (57.4)	39370 (57.7)
2. Manufacturing	3348 (6.8)	5278 (9.3)	8.3	7.5	6.5	7261 (10.0)	7049 (10.1)	6790 (9.9)
3. Construction	1530 (3.1)	2356 (4.2)	14.0	12	10	3979 (5.5)	3707 (5.3)	3449 (5.0)
4. Utilities	328 (0.7)	361 (0.6)	20.0	16	14	748 (1.0)	654 (0.9)	610 (0.9)
5. Transport	2841 (5.8)	3068 (5.4)	6.0	5	4.5	3873 (5.3)	3729 (5.3)	3659 (5.4)
6. Trade	4172 (8.5)	5192 (9.2)	8.0	5.5	5	7064 (9.7)	6432 (9.2)	6311 (9.2)
7. Services	5766 (11.7)	6617 (11.7)	8.0	5.5	5	9002 (12.4)	8197 (11.7)	8043 (11.8)
8. Gross Domestic Product	49256 (100.0)	56526 (100.0)	6.5	5.5	4.8	72834 (100.0)	69901 (100.0)	68232 (100.0)

Note : Figures within parenthesis are percentage distribution of GDP by sector.
They may not add up to 100 due to rounding errors.

IV. SAVING, INVESTMENT AND EMPLOYMENT STRATEGIES

For the three alternative growth paths mentioned above, one can now estimate the implicit development expenditure. Estimates of investment and noninvestment expenditure are derived separately. The first step involves estimation of the total gross investment requirement during the First Five-Year Plan period. For this purpose a set of incremental gross capital/income ratios by sector were derived from the studies done by MacEwan¹, Khan² and Tabors.³ These were supplemented by recent information on capital requirement for capacity expansion in different sectors as revealed from the work done at various government agencies including the Planning Commission. The sectoral capital/income coefficients were used to derive estimates of gross investment requirement by sector in different years of the First Five-Year Plan. Two assumptions were used to arrive at these figures, (i) Investment output lag was assumed to be one year. (ii) In the post terminal year all sectors were assumed to maintain the growth rate achieved during the Plan period. As for non-investment expenditure, it was estimated to be 15% of the investment expenditure. This is what has roughly been assumed in the First Plan.

Estimated total development outlay under alternative growth paths is shown in Table 2. Total development outlay as a percentage of GDP remains almost stagnant at around 14.5%, 11.5% and 10.2% in growth Paths I, II and III respectively. This is less than what was achieved during the end of the Third Five Year Plan of the erstwhile Government of Pakistan. This is primarily because a very realistic approach has been followed in determining the possibilities of the Bangladesh Economy during the First Plan and also because a deliberate policy was followed to keep the necessary capital inflow within reasonable bounds.

¹MacEwan, Arthur, *Development Alternatives in Pakistan*, (Harvard University Press, 1971).

²Khan, A. R. "The Possibilities of the East Pakistan Economy During the Fourth Five Year Plan", *The Pakistan Development Review*, Vol. IX, No. 2, Summer 1969.

³Tabors, R.D.A. *Cross National Approach to the Derivations of Capital Income Coefficients*, Harvard University Center for Population Studies (Mimeo.), 1972.

TABLE 2

ESTIMATED TOTAL DEVELOPMENT OUTLAY UNDER
ALTERNATIVE GROWTH PATHS
(Tk. million/1972-73 prices)

	1973-74	1974-75	1975-76	1976-77	1977-78	Total
A. Total Investment Outlay						
i) Path I	6786	7340	7948	8620	9359	40053
ii) Path II	5535	5909	6294	6722	7182	31633
iii) Path III	4916	5203	5508	5834	6184	27645
B. Non-Investment Outlay						
i) Path I	1018	1101	1192	1293	1404	6008
ii) Path II	830	885	944	1008	1077	4744
iii) Path III	737	780	826	875	928	4146
C. Total Development Outlay						
i) Path I	7804	8441	9140	9913	10763	46051
ii) Path II	6365	6785	7238	7730	8259	36377
iii) Path III	5653	5983	6334	6709	7112	31791
D. Total Development Outlay as a Proportion of GDP						
i) Path I	13.9	14.0	14.2	14.5	14.8	
ii) Path II	11.3	11.4	11.5	11.6	11.8	
iii) Path III	10.0	10.1	10.2	10.3	10.4	

Domestic resources that can be expected to be mobilised under different growth strategies are shown below. The details of the methodology are available for growth path I in the study by the author referred to above. As for the other two growth paths similar assumptions as in Path I were made to project national saving. To be very brief, the estimates under path I were scaled downwards in proportion to the relative growth rates in the other paths. The underlying assumption was, other things remaining the same, the amount of resources mobilised for development is a function of the level of economic activity.

Of course, one could easily incorporate assumptions about interdependence of the value of relevant parameters with the growth path followed. In Table 3, estimates of saving, investment and capital inflow under three alternative assumptions about growth path are shown. While estimating national saving similar structural and institutional assumptions as stated in the Plan document were retained so that figures in Table 3 could be comparable with the Plan figures.

Table 3 reveals one fact very clearly that within the anticipated structure of the economy and the institutional framework, considerable dependence on foreign capital inflow remains no matter which growth path is followed. All the three solutions indicate declining importance of foreign capital over time but it is only with lower growth levels that there is any significant reduction in the foreign aid dependence by the terminal year of the First Plan. Nevertheless, about a fifth of the total investment remains to be financed from abroad. In this respect what is really necessary is not to opt for a lower growth path in order to reduce dependence on foreign capital but emphasize structural changes in the production process in order to reduce capital/output and import/output ratios as well as to raise the propensity to save. In all of the growth paths the saving ratios indicated are 10% of GDP or below. As a matter of fact it is only in Path I that the ratio of saving to GDP exceeds 10% by the end of the First Plan. We can go a step further and state that given the determinants of output and saving and the underlying functional relationships among relevant variables, any Plan that calls for growth will imply considerable dependence on foreign aid unless determined efforts are made to change the basic structural relationships by changing, (i) mode of production, (ii) distribution of the product and (iii) institutional framework that govern the production process as well as the decision to consume and save by various groups in the society.

We now turn briefly to the employment implication of the First Plan. The Plan projects an additional employment opportunities of 5.4 million man years, of which 4.1 million represents additional jobs while 1.3 million will go to reduce underemployment in various sectors particularly agriculture. Alternative estimates have been made in this study by applying labour coefficients (labour/value added ratio) by sector to the incremental value added by sector over the Plan period. These coefficients are based on a study done by the author at the Harvard University Center for Population Studies¹. Increase in employment opportunities under alternative growth paths is shown in Table 4. What this exercise indicates is that the prospect of additional job creation may not be as bright as claimed in the First Plan. In point of fact, under growth Paths II and III there is the possibility of significant addition to the already existing reserve army of unemployed and underemployed labour.

VI. CONCLUSION

Some comments were made above regarding the objectives, strategies and priorities of the First Five-Year Plan of Bangladesh. In spite of the best efforts put in by our planners, some serious shortcomings remain. One, however, understands, that there are not only technical and physical constraints determining the degree to which a Plan will be the reflection of the wishes of the people, but also there are institutional and political constraints that limit the flexibility of the planners in formulating policies for economic development of a country. A lot of the debate over details of a Plan, and I think this would include many points raised in this paper, becomes irrelevant within a given context where the socio-political feasible region rules out many of the options which would otherwise have been worth considering. Under the circumstances what one could legitimately demand is a more honest approach towards planning in Bangladesh than what was followed by our planners. It seems to me that it would have been immensely beneficial to everyone in the country, if debates were allowed at the initial stage when the approach towards the First-Plan was being worked out by the planners.

¹Alamgir, M., *Projected Growth of Labour Productivity by Sector in Bangladesh, 1973-2001*, Harvard University Center for Population Studies (mimeo.), 1971.

TABLE 3

SAVING, INVESTMENT AND CAPITAL INFLOW DURING FIRST-PLAN (Tk. million/1972-73 prices)

Year	Growth Path I			Growth Path II			Growth Path III					
	Invest- ment	Saving	Capital Inflow	Col. 3 as % of Col. 1	Invest- ment	Saving	Capital Inflow	Col. 7 as % of Col. 5	Invest- ment	Saving	Capital	Col. 11 as % of Col. 5
0	1	2	3	4	5	6	7	8	9	10	11	12
1973-74	7904	3172	4632	59.4	6365	2692	3673	57.7	5653	2347	3306	58.5
1974-75	8441	4730	3711	44.0	6785	4021	2764	40.9	5983	3500	2483	41.5
1975-76	9140	5486	3654	40.0	7238	4663	2575	35.6	6334	4060	2274	35.9
1976-77	9913	6397	3516	35.5	7732	5437	2293	29.7	6709	4734	1975	29.4
1977-78	10763	7461	3302	30.7	8259	6343	1917	23.2	7112	5521	1591	22.4
Total (1973-78)	46061	27246	18815	40.8	36377	23155	13222	36.3	31791	20162	11629	36.6

TABLE 4

INCREASE IN EMPLOYMENT OPPORTUNITIES

	Incremental Value Added (Tk. million/1972-73 prices)				Additional Employment (million)		
	Path I	Path II	Path III	Labour	Path I	Path II	Path III
				Coefficient			
1. Agriculture	12974	12200	11437	.00020	2.59	2.44	2.29
2. Manufacturing	3913	3701	3442	.00017	0.67	0.63	0.58
3. Construction	2449	2177	1919	.00008	0.20	0.17	0.16
4. Utilities	420	326	282	.00005	0.02	0.016	0.014
5. Transport	1032	888	818	.00011	0.11	0.10	0.09
6. Trade	2892	2260	2139	.00023	0.67	0.52	0.49
7. Services	3236	2431	2277	.00023	0.74	0.56	0.52
8. Total	26916	23983	22314		5.00	4.44	4.13

I am sure in that way some of the internal inconsistencies of the Plan could have been avoided. Besides, the declared objective of Bangladesh being establishing a socialist order, there should be open debates on the concept of socialism since it will throw out into the open the nature of the required institutional (social and political) changes which have to be brought about if we are to eliminate all forms of exploitation from the society. Some of the comments made in this paper and alternative planning exercises carried out, clearly emphasize the need for breaking away from the traditional institutions if the limitations imposed by resource availability and existing modes of production are to be relaxed so that the people of Bangladesh can enter into an era of progress which depends more heavily on internal resources.

Planning In Bangladesh

Format, Technique and Priority

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I

One-year Plan Rather Than Five-year Plan

By the time the Five-Year Plan was approved and released it had already become outdated. This is not entirely the fault of the Plan itself, but it dramatizes the fact that in a fast-changing world one literally has to go out on a limb to prepare a comprehensive national document claiming validity for five long years. As a drama-loving nation it is probably a good beginning for us. The lesson, which would have been missed in less conspicuous circumstances, will have better chances of sinking into our national consciousness at the very outset of our planning experiment.

Domestically, for a long time we made ourselves believe that we are in a kind of subsistence equilibrium; a sort of being at the bottom of the pit which cannot be any worse. Presently, a rude awakening is gripping us all. The impossible is happening. We are sinking deeper and fast. Internationally the poor countries are in a tighter squeeze than ever. Prices of foodgrain and oil have defied the general inflationary price rise for all other products and are reaching inconceivable heights. The most disturbing aspect of all these phenomena is the speed at which they are taking place. A newly liberated nation, which sacrificed a great deal for its independence and hoped to enjoy the fruits of independence in terms of a better life, is discovering itself harder-pressed against the wall. Horizon of patience for the nation is drawing closer and closer.

In a situation like this, five-year format of a plan, as is traditionally practiced, does not seem efficient. If it takes two years to prepare a Five-Year Plan, by time it is ready to be launched it is at least a year out of date in its thinking. By the time it reaches the mid-point of the plan-period the plan starts reading like a historical document of by-gone days. An alternative format, in keeping with the need of the time, would be an Annual Plan. The Planning Commission has already produced two Annual Plans. Both of them are better documents—more relevant, useful and dependable than the Five-Year Plan. This paper is not making a case for the Commission to continue their practice of preparing Annual Plans, which, as an aftermath of the still-birth of the First Five-Year Plan, anyone can predict they will. This paper is arguing for a complete reversal of the present planning practice of treating the Annual Plan as the current-year interpretation of the Five-year Plan which commands the prestige of a near-sacred national document. This practice should be replaced by making the Annual Plan as the basic planning format. The Annual Plan will be designed to be more action-oriented than philosophical and tuned to the immediate objective conditions. This should be a thoroughly detailed document, and an independent, full-bodied exercise within the framework of a less detailed, philosophical document of the nature of a Five-Year Perspective Plan. This five-year document will provide basis for aid negotiations, long-term agreements and contracts, set the general direction of the economy, coordinate and integrate the Annual Plan.

Planning is not a one-shot exercise to be taken up once in five years. It is a continuous process. Unless mechanisms to adjust and adapt the Plan to the changing reality are built into the system, sooner or later it will become an exercise without any practical significance. With the suggested format there is a chance that we may ride over the volatile forces and guide the economy towards the desired direction.

II

Planning for Growth Versus Planning for Development

Most often planners allow themselves to ignore the distinction between the planning for growth and the planning for development. The distinction between the two is real and vital. In growth-planning institutions are given. Calculations are made to organise economic

activities to achieve a socially desired level of economic performance in terms of specified values for chosen variables over a time-path. No qualitative change in the economic organisation is stipulated. Internal consistency of the system over the time-path becomes an important concern for the planners. Aggregative planning models designed to handle this type of problems are helpful, and to a considerable degree useful. Analytical tools in this particular branch of economics have been refined to a high degree of sophistication and computers have provided convenient technological support in making these tools empirically applicable by processing innumerable complicated interdependent computations. For advanced economies aggregative models yield reasonably satisfactory results for the purposes they are used. Economists are, by training, competent for this type of assignments.

But development planning, as is well-known, is altogether a different animal. Process of development involves restructuring of the social organisation in its all dimensions. Behind the process underlies a frantic grouping for an efficient regime consistent with the available technology and commensurate with the aspiration of a society. Development is in essence, a process of pre-designed transformation: psychological, as much as physical; a century of slow motion changes are rushed through a couple of decades or so.

Development planning involves selectively discarding old institutions, germinating new ones, grafting new institutions to the old ones to guide the society from one level of economic existence to another level, from one set of social coordinates to another set. While growth takes place through existing economic flows, development takes place through creation of new flows.

One of the unfortunate stories of economics is that, to-date, the development economics is the most underdeveloped branch of economics. It has remained unorganised, unpromising and at a very rudimentary level despite the wide interest in the subject throughout the world. This has forced an undesirable convention upon the planners in the developing countries. Burdened with the serious responsibility of planning, planners in these countries, in desperation, pick up the available tools designed for growth analysis in the absence of appropriate analytical framework for development planning. As long as one is aware of what one is doing, perhaps not much harm is done, considering the constraints under which the planner has to work. But the trouble begins when the

planner himself starts believing in his computer print-outs and behaves as if he will bet his life on it.

Manufacturing Production Function Versus Agricultural Production Function

In development planning economists stand on an uncertain ground for more than one reason.

Macro-planning is based upon aggregate production functions. Aggregate production function as a concept has a limited theoretical validity. This theoretical weakness of the aggregate production function makes the macro-analysis, which otherwise has an impressive structure, undependable for empirical use.

Aside from the problems of aggregation, the production function, as is usually formulated, is only appropriate for describing manufacturing processes. This formulation is grossly inadequate for describing agricultural processes. If one is talking about agricultural production function one must include in it the sequence of Time explicitly, recognizing the fact that agricultural process is a temporal sequence of operations based on the cooperation between Man and Nature. Each operation requires the services of different factors, human-initiated and natural, at different intensities and for different periods of time. Usual formulation of the production function has been made with the manufacturing process in mind where all operations are performed instantaneously to produce instantaneous output.

This is another reason why macro-planning may have some relevance in the industrialised economies whereas it cannot but produce meaningless results for the agrarian economies characterised by the overwhelming predominance of weather-dependent subsistence farming. For such economies input-output type of exercises have no more usefulness than providing some heuristic indications of interdependence in the economy.

It is not enough for a planner to say that there are so many millions of acres of land—with so many tons of seeds, so many tons of fertilizer, so many gallons of pesticides and a whole lot of good luck we can produce such and such quantity of rice. Between the bulk of inputs on the one side of the production process and the output on the

other side, there is a fascinating human story where Time, Nature, bureaucracy, greed, ignorance and many more elements come into play. A planner who cannot decipher the mystery of this intervening story is not competent for his job. This is where the secret of development lies. Mathematized economics takes the planner from one side of the production process directly to the other side without allowing him any glimpse in-between.

Unless the planner is determined to go beyond his mathematics and make an explicit effort to understand the real drama of development his Plan will remain a useless piece of mathematical craftsmanship. Some economists of this country have been trying very hard to get this very message across when they suggest that it will do a world of good to a planner to spend a week in a remote village without disturbing its natural setting and watch the life go by rather than sitting in his urban office absorbed in the mission of trying out the newest technique of estimation.

Mathematical planning models make the life of the planner easier ; he can readily bring out from his tool-box a pre-fabricated design of an economic structure whenever he is asked to provide an answer to a particular question. All he has to do is to fill in some blank spaces in the design with some numbers, the rest is done by his faithful machine. Whenever the planner is proved wrong, which he is more often than not, he simply shrugs saying : Give me the right numbers, I'll give you the right answers.

Indeed the right numbers are immensely useful, but the reason the planner fails to give the right answer is something more fundamental than more clear of that. By his complex mathematical operations he is giving his exercise an appearance of being 'scientific' but in the process, he is abstracting away from the social and human dimensions of economics. Economics after all, is a study of people. Zealous mathematization of economics tends to take it away from people. This is pronouncedly so for traditional societies because of the very nature of its organisation.

Perhaps much of what has been said here is too familiar a self-criticism to be retold. Limitations of analytical economics indeed are well-known. What is, however, unfortunate is that they are not well-appreciated, particularly at the time when we get down to the business of preparing national Plans. We should find frequent occasions to remind

ourselves that economic science is not as powerful as we pretend it to be. This will, hopefully, help shake up the complacency and arrogance among the practitioners of this science and create an urge to fill the gaps in their knowledge.

Decentralised Planning

Development process is unique for each society. To set this process in motion each society must find its own unique "open-season". No canned formula will do the trick. Planning models cannot stand as proxy for the down-to-earth understanding of the people and their problems. Macro-planning is a technique which, despite its shortcomings, has turned out to be brilliantly suited for a bureaucratic approach to economic development: all decisions can be handed down from the top. Here, there is no scope for people's participation in the sense that they can involve themselves directly in the decision-making process.

There is neither any theoretical justification nor any practical advantage in working with highly aggregated models. On the other hand, all theoretical, ideological and strategical arguments favour disaggregated, decentralised planning. The greater the level of dis-aggregation the more a Plan can accommodate the reality in its details.

Decentralisation of the planning process will bring it closer to the people. Individuals in ordinary stations of life cannot comprehend the global targets defined in macro models. When these very targets are spelled out in their micro components within touching distance of the individuals, the excitements of reaching for them begins. Individuals, as active agents, would accept a challenge if they can feel that the horizon is not beyond their reach. Their efforts will become more intense if they define this horizon themselves. Their involvement will be total if they feel that it is upto them to decide their own destiny.

The planning process should start at the local level, not end there. The Planning Commission has underscored the importance of decentralisation but failed to suggest an institutional framework for a meaningful decentralisation. As long as the Commission remains the exclusive authority to do all the dreaming on behalf of the nation, its desire for decentralisation cannot be translated into reality. There is very little left for decentralisation if the planning remains the reserve of the central planning authority.

The Plan makes a vigorous espousal of the policy of decentralisation and people's participation. But despite all the enthusiastic enunciation of the policy what the planners finally incorporate in the Plan is nothing but throwing bits and pieces here and there for local management; the major task of 'nation-building' has carefully been kept in the tight grip of the establishment.

By decentralisation what is implied in this paper, in contrast to what is implied by the planners, is the direct sharing of the task of nation-building by all who make up the nation. Local Plans should be framed and implemented by the local communities who are the best judge of their needs and potentialities. In an overwhelmingly agrarian society like Bangladesh this is the most logical and efficient approach to development. The basic function of the central planning will be to edit, process, coordinate all local Plans into a national Plan, and design necessary logistics, make supplementary plan to support the grass-root Plans, oversee the general direction and performance of the economy, provide intelligence, advice and technical service to the local units.

Before rejecting this idea of local planning as something too academic to be seriously considered, it may be worthwhile to examine the Yugoslav planning system. Yugoslavia provides an interesting example of decentralised planning mechanism. While the federal government's Annual Social Plan is the basic instrument, republics, communes, individual enterprises and economic chambers representing groups of enterprises all have their own plans, more or less independent of each other legally. The Federal Plan itself is in part a plan for other plans (since lower planning units are expected to coordinate their efforts with it) and in part a summary of other plans (since it is based to a considerable extent on estimates made by the smaller units). The Five-Year Plan is neither functional nor detailed, and its chief use is to furnish guidance to enterprises and local governments in drawing up their annual plans. In Yugoslavia, the most powerful socio-economic unit is the commune (average population 40,000). Almost all major economic decisions affecting the life of the people of a commune are taken at the commune level.

Yugoslavia demonstrates that planning can be entrusted with the local communities and people can handle their own problems. She shows that the decentralised planning is a workable proposition.

Yugoslavia has gone through a process of trial and error before the present system emerged. If we are convinced of the importance of the people's participation in the planning we have to start our own process of trial and error. One can easily point out a host of legitimate difficulties in recasting the planning mechanism of Bangladesh in the line of a decentralised system, but it is doubtful whether one can successfully argue that the existing mechanism can deliver the goods. Our present crisis presents us an opportunity to break away from bureaucratic planning to people's planning.

III

Food Self-Sufficiency Plan Before 'Development' Plan

In the midst of a growing mood of frustration the Five-Year Plan comes as a disappointment. Not only it has failed to lift the spirit of the nation, it has become an important factor contributing to the general feeling of disenchantment. In its general hand-them-down approach and uninspiring, unrealistic strategy it has sealed its fate to become a forgotten document. This is a failure of the political leadership as much as the failure of the planners. The leadership has refused to pause for a while and try to grasp the meaning and significance of a Plan and the process which generates it. A Plan is only as good as the political leadership wishes it to be. In essence a plan is the product of the political process, not a product of the genius of the professionals and or bureaucrats. Unless political leadership knows its mind, defines what it wants get done, and throws its full weight behind it, nothing will ever get done notwithstanding the existence of excellent documents in the pigeon-holes of the secretariat. It is the unique quality of the political process that it can throw up just the right way to get something done once it can define what it wants to be done.

The failure of the planners lies in their inability to analyse and foresee the forces working within the economy and outside. In its oratorical style the Plan document sometimes gives an impression that it has been prepared more for being peddled around the world than for domestic action programme. With respect to the over-riding problem of food gap, which today threatens all our national aspirations, the planners failed to prove themselves equal to the task. They spare no

words in their efforts to convince the nation that they indeed are aware of the seriousness of the problem. The Plan promises to bring the country to the level of self-sufficiency in foodgrains by the terminal year. But the rug under the food arithmetic, which makes this self-sufficiency achievable on paper, was pulled away by the Planning Commission itself. The Annual Plan, which was released in June, 1973 gives an entirely different picture of the present food situation than does the Five-Year Plan which is a more recent publication. Unfortunately for the Plan and the nation the estimates in the earlier document happen to be more realistic.

This is not the first time that we are facing a food problem. But never before had it presented itself with more directness and fuller import than it is doing now under the prevailing national and international circumstances. The message now, in its bare essentials, is loud and clear : we must stop fooling ourselves and face the problem squarely. The way a meticulously drawn up document, such as the Five-Year Plan has been rendered obsolete almost overnight should drive the point home that there is no sense in making plans for development until we have resolved our food problem first. For the next few years the nation must concentrate all its efforts, utilise all its ingenuity and mobilise all resources under its command to bring a decisive end to the food problem. A Plan which fails to read this message and tries to treat this problem like any other problems, will be doomed to non-significance. It is time that we bring ourselves around in undertaking the unglamorous task of preparing National Food Plans rather than development plans.

The Five-year Plan not only fails to make the grade in its food arithmetic, it also fails in identifying the right strategy for food self-sufficiency. Whatever merit its irrigation-based strategy might have had in it has been virtually knocked off the ground by the sudden steep rise the oil price.

An alternative strategy, persuasively advocated by some students of agriculture and persistently ignored by the Planning commission for no apparent good reasons, is to cultivate HYV rice during rainy season both under irrigated and non-irrigated conditions. The advocates of this strategy point out that the World Bank, with the help of Soil Survey Reports, have identified about 154 lakh acres of land (79 lakh acres for Aman and 75 lakh acres for Aus) as being suitable for cultivation of HYV rice under rain-fed conditions. If the farmers can be persuaded,

inputs and credits can be arranged there is no reason why food deficit should persist. By switching from the LYV to the HYV each acre can produce half a ton of more rice. In other words, by bringing 44 lakh acres of land under HYV 22 lakh tons of food deficit can be covered.

This sounds ridiculously simple a solution for a problem which so far defied all attempts to solve it ; One should resist jumping to a conclusion from the arithmetic of the strategy. Making the switch from the LYV to the HYV is not all that simple, but certainly it is not impossible.

Where we have gone in the past and are going wrong at present is in the appreciation of the nature of the solution that the problem needs. We have totally relied on a bureaucratic approach to solve this problem. This approach is good enough to patronise the big farmers and the village touts, not for making any substantial headway in foodgrain production. The food problem can be solved only at the political level, at the people's level, not at the bureaucratic level. Unless this is understood and appreciated by the political leadership we shall remain saddled with this problem.

The technology and all the information necessary to eliminate the deficit from this country are at our disposal. This knowledge is lying unutilised because a very crucial input to put this to work is missing. This missing input is the determined political will. With this input forthcoming and the leadership deciding to put in their best, the forces will be set in motion to end this problem. The determination of the leaders must transpire through their actions. If a Minister gives the appearance of the chief public relation officer of his ministry rather than its chief decision-maker no appeal from the minister is going to touch the people. A simple, genuine, decisive gesture from the Agriculture Minister, such as a decision to spend the whole of next Aman season in the rice fields of the country, will close the food gap more than what the planners would wish to accomplish in years.

The Prime Minister, with his charisma and the status of a national hero, can simply do wonders if he wishes to devote his total attention to this single issue for a sufficient stretch of time.

The crucial question that remains to be answered is : Are we going to find the the missing input for our agriculture ?

If an affirmative answer does not come forthwith, this nation will be up for more trouble than it can handle.

A Note on Functional Features of the Strategy of the First Five Year Plan

BY

M. RAIHAN SHARIF*

I. INTRODUCTION : CONCEPT OF STRATEGY AND THE BANGLADESH CONTEXT

The war-ravaged economy (and society) of Bangladesh provides a down-to-earth representation of new kind of peacetime battle in which the new enemy (of poverty, unemployment and social injustices) will have to be beaten. The enemy in this case is not likely to be beaten until the physical assets destroyed by the war of liberation are reconstructed, barriers and obstacles in the way of socially desirable development are adequately removed and until the socially desirable development process manifests itself as a continuous flow of economic and social goods (and services) in accordance with the accepted objectives of production, distribution and income pattern.

With the addition of the responsibility of recovery and reconstruction, strategy-planning in Bangladesh has in fact assumed the character of a three-pronged thrust against the new enemy. And undoubtedly, this represents quite a challenge, and the formulation of the First Five Year Plan by the Planning Commission within two years of the country's liberation from armed colonialism represents acceptance of the challenge.

Two broad and basic assumptions will indeed, be legitimate in this task of Plan formulation : (a) reasonable quantitative analysis¹ of all available data on the basic elements of existing socio-economic situation as well as informed judgement on the elements of value judgement

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¹The background working papers containing the quantitative analysis used by the Plan, including technical consistency effort on quantified basis, should be published for providing opportunities of detailed examination and analysis by independent researchers.

required have guided the construction of the foundation on which the basic framework of the Plan stands ; (b) commitment of the Government (including the Prime Minister's plan for the 'dedication of ourselves to the task of nation-building with single-minded determination') implies a commitment on the organization of the necessary coordination, promotion and ensuring of the implementation of the Plan, at least, in so far as the protection of the framework (and the essential components of objective, strategies, relevant operational policy framework etc.) demands. If the above two assumptions are not tenable, the technical validity of both the processes of formulation and implementation of the plan will remain extremely weak and will appear highly questionable in the eye of the future objective evaluators, national and international.

II. THE BASIC OBJECTIVES AND THEIR LINKAGES

For conceptual and analytical clarity, it is highly important to note that the functional character of planning and its implementation for the required transformation into a desired development-process works as a chain from the long range perspective downwards upto general and sectoral/subsectoral/specific policy instruments. The perspective becomes functional through its linkages with the medium-term objectives ; the medium-term objectives become functional through their linkages with the adopted strategies ; and the strategies become functional through their linkages with the operational policy-framework (general and sectoral). In order to look for the traces of the linkages of the strategy-planning for the traces of the linkages of the strategy-planning, backward and forward, implicit in the First Plan Formulation, the Planning Commission's list of 12 basic objectives may be conveniently classified as long term, medium-term and twilight one² as indicated below :

²Medium term objectives may be assumed to be achievable within the time-span of a Five Year Plan while long term objectives will presumably take several five-year periods to claim substantial achievement ; twilight objectives are borderline variety, more likely to be achieved by several Plans than by one Plan.

A. Longterm objectives :

- (1) Reduction of poverty ;
- (2) Consolidations of the gains made so far in the socialist transformation of the country ; and
- (3) Reduction of dependence on foreign aid.

B. Medium-term objectives :

- (4) Completion of the work of reconstruction and raising output to the benchmark of 1969-70 ;
- (5) Increasing the G.D.P. growth rate by a minimum of 5.5% per annum (along with increasing fulltime jobs by 41 lakhs just in excess of the projected increase in labour force) ;
- (6) Expansion of the output of essential consumption requirement of masses (e.g. food, clothing, edible oil, kerosene and sugar) ;
- (7) Arresting the rising trend in the general price level (including reversal of the rising prices of essential commodities) ; and
- (8) Increasing per capita income at the rate of 2.5% per annum (along with more balanced distribution between low income groups and high income groups.)

C. Twilight objectives :

- (9) Transformation of the institutional and technological base of agriculture with a view to attaining self-sufficiency in foodgrains (along with widening employment opportunities and arresting flow of labour force to cities) ;
- (10) Laying the groundwork for an ambitious programme of population planning and control ;
- (11) Accelerating the rate of development expenditure and remedying the glaring deficiencies in social and human resources development (e.g. education, health, rural housing, water supply etc.) ; and
- (12) Ensuring a wide and equitable diffusion of income and employment opportunities by a suitable combination of projects and programmes, designed to harmonize considerations of economic efficiency and spatial equity.

By classifying all the 12 listed objectives as basic for the First Five Year Plan, the Planning Commission seems to have sacrificed clarity about the perspective and the various time-spans of the socio-economic growth envisaged by them and about the really relevant objectives of the First Plan effort. In all fairness, it can be said that the first three objectives, shown above, have tended to sketch the long range perspective within which the First Plan objectives can be assumed to have been designed. Out of these three, again, the second and third objectives are action-oriented, requiring continuous and consistent attention towards the building up of the perspective. Support to this building up of the perspective is also largely derivable from the four twilight type objectives which are of continuous nature covering several Plan-periods. The promise of fulfilling all the 12 proclaimed basic objectives during the First Plan period, (in optimal measure as is implicit in the announcement) will impress a serious analyst only as a show of a hypothetical miracle, especially in the contrasting grim situation prevailing during the first year of the Plan's operation. One will be considerably baffled in an effort to trace the linkages of all the 12 objectives with the adopted strategy (or strategies).

The statement of strategy in the Plan has, however, been prefaced by the summary version of objectives as: "to generate a rate and pattern of income growth which will not only meet a minimum consumption standard but also expand employment opportunities and ensure a socially desirable pattern of income distribution". With this general objective in view, the adopted basic strategy is "to concentrate on increasing output in those sectors of the economy which use large amounts of labour and to use methods of production which are labour intensive". This basic strategy is supported by two specific strategies: (a) reduction of dependence on imports of foodgrains; and (b) improvement of the balance of payments by import-substitution and export-promotion; these, however, have been termed as "major factors in determining the pattern of growth envisaged in the Plan".³ This is an attempt at brevity but is hardly logical in terms of reflection of the accepted 12 objectives especially of the major ones like reduction of dependence on foreign aid and socialist transformation of the country. As a result, the backward linkages of the basic strategy with basic objectives seem to have been poorly integrated.

³Government of the People's Republic of Bangladesh, Planning Commission—The First Five Year Plan (1973-78), Nov. 1973, pp. 14-15.

However, it can be surmised that implicit strategies will be trusted for propelling the forces of activity towards the achievement of the two vital objectives e.g. substantial reduction of dependence on foreign aid flows and socialist transformation of the country. Such implicit strategies are discernible in (a) the stress of the Plan on the mobilization of domestic resources and 'monetary discipline'; and (b) the simplistic reference to the identification of "the forms and manners in which the mercantile and feudal production relations function and measures have to be taken to eliminate them"⁴ as a step in the gradual creation of the preconditions for socialist development. The second element is a reference to an assumption on the long range perspective, rather than an urge on the need for the adoption of any strategy towards a coordinated and effective programme-and-policy guidance for the required creation of pre-conditions in specified stages. Programmes and policies related with the creation of preconditions are of course included in the area of distribution without adequate linkage with the productive system.

III. THE FORWARD LINKAGES OF THE ADOPTED STRATEGY WITH POLICIES

The policy instruments and their operation are in fact the visible carriers of the strategy-thrusts which remain hidden as powerful undercurrents. The relation between the two sets of propellers is subtle but highly sensitive like radar signals. If the contacts with the signals of strategy are lost, the policy instruments working in isolation can create its own net-work of distortions and disasters driving the performance of an approved Plan far away from its basic objectives and hence from its basic framework. A careful integration of the forward linkages will minimize such possibilities.

We therefore turn to consideration of the forward linkages of a few major strategy elements with the operational policy-framework which really brings about social and economic changes implicitly envisaged in the determination of 'basic' objectives.

(a) Investment Strategy—The investment strategy of the Plan, in pursuance of the dictates of the main basic objectives, has been "biased towards meeting the consumption needs of the masses and

⁴Ibid. p. 2.

expanding employment opportunities both through preference for a labour-intensive investment strategy and unconventional measures to mobilize labour'.⁴ This composite strategy is founded on four distinctive components: (i) maintenance of a minimum consumption standard; (ii) expansion of employment opportunities as a means of income creation at desired levels; (iii) adoption of labour-intensive technology in extensive areas of production; and (iv) adoption of unconventional measures of labour mobilization.

Minimum consumption standard and employment creation:

It is satisfying that the Planning Commission considered it necessary to rely on incomes policy and employment policy towards maintaining a minimum consumption standard. In pre-1971 Pakistan Planning, a consumption standard was willy nilly incorporated in the Fourth five Year Plan with the flimsiest chance of success, simply because the linkages with incomes policy and employment policy were ignored. The First Plan of Bangladesh has avoided that weakness with the plausible argument that "an increase in employment not only creates additional output also makes it available to the lowest of the income groups".⁵

The increase in labour force during the Plan-period has been estimated, subject to revision on the basis of the census results, to be 39.3 lakhs (or 34.5% of additional population). Against this, 41 lakh additional job opportunities are expected to be created; leaving the backlog of unemployment and under-employment situation virtually intact. The creation of additional jobs to the extent of 26 lakh man-years in agriculture, will indeed produce the thrust of income-impact in the rural areas, both by reducing under-employment (to a certain extent) and by providing new employment opportunities.

Such income-generating opportunities in the rural economy are intended to be further improved by the employment effects of small industry, works programmes, flood control and irrigation programmes which will be substantially located in the rural areas. And value added per worker (because of increased use of labour, not because of increased productivity per man-hour) is expected to increase by 10 percent over the Plan period. This, however, conceals a crucial issue; whether increased employment is accompanied by proportionate increase in productivity so that nominal wages can be closely related with real wages or

⁴Ibid. p. 6.

⁵Ibid. p. 17.

output at least of wage goods. Planning Commission has avoided a straight confrontation with the issue because of the strong probability of generation of employment at the expense of generation of output (which is in other words a built-in foundation of inflationary pressures because of the strategy itself).

A survey of the Indian experience of the application of the modern technology in rice cultivation has shown that in various regions (with different soil conditions), increase in productivity has ranged between 10% and 117% while expenditures on hired farm labour increased on average by 40% (which ignores the cost of labour used towards reduction of under-employment of the members of farmer families).⁷ In small industry also, researches undertaken in India indicate that increased use of labour in substitution of capital is feasible but use of capital per unit of output may not necessarily be less than in the capital-intensive technology-based industries.⁸

The critical linkage of employment policy should, however, still be with the absorption of inputs (which depend on financial and physical resources) and mobilization of surplus labour through unconventional methods. The guidelines of a programme for such mobilization and the use of the institutions of local self-government has been suggested in the Plan; but implementation of such programmes on a 'socially desirable' scale will greatly depend on leadership and motivation at the various local levels for which preconditions need be adequately created.

In the given situation, the implementation, of employment policy on unconventional lines for a powerful cumulative process of local development is at best likely to be slow and isolated during the First Plan period. As a result, the income growth effects are only likely to be very modestly flowing to the levels in which the maintenance of the minimum consumption standard is desired as a basic element of Plan objective. In the absence of adequate income support from the growth process, the poorer sections of society (whether or not below the 'poverty line') will have to rely very substantially on state subsidy for their consumption requirements upto the determined standard, if the minimum

⁷OECD Development Centre Studies: Technological Change in Agriculture and Employment, Paris, 1971, pp.74-75.

⁸Vide A.K. Sen, Choice of Techniques, Oxford, 1962 (Appendix-C) in which the various technological conditions in cotton including cloth weaving handlooms have been examined.

consumption standard is to be effectively sustained. The Plan has avoided this critically important analysis of the implications and instead, has laid down consumption targets and production-increase targets for a number of essential consumption goods; both sets of these targets, even though unambitious, may run into the risk of becoming unreal, without a consistent and coordinated policy-framework (including subsidies and their financing methods) for ensuring their accomplishment. The policy framework for the consumption targets has indeed suffered greater neglect in the hands of the planners. A grave issue is how to maintain 'the poverty line', at what costs (i. e. at what controlled prices and subsidies) and at what levels of income. The weakness of the linkages of the investment strategy with adequate supporting ones and their policy instruments has cast grave doubts on the hope of maintaining a socially desirable 'poverty line'.

(b) Reduction of dependence on foreign aid :

This objective, rather than strategy, is conceivably a derived one derived from the assessment of domestic resource situation and a realistic appraisal of their prospects of mobilization. Finding additional foreign resources for filling the gap (especially because of the widening of the gap between import capacity and import requirements, promoted by the development process) accounts for the resulting position of dependence on foreign aid resources, although a part of these generate counterpart local currency resources in the case of special agreements (like the U. S. P. L. 480 Title 1 commodity agreement). Since there are serious limitations on the available and foreseeable volume of foreign aid on really balance-of-payments-relief-oriented terms and conditions any suggestion of reduction of dependence on it can be both welcome and realistic, but only as a recognition of a difficult constraint, and not as a strategy of self-reliance in terms of domestic resources is also equally difficult. In the evolving real situation, if self-reliance in a large measure proves unrealistic, the constraint of foreign exchange should be sought to be overcome rather than obeyed.

The financing pattern of development outlay in the Plan is shown in Table—1

Table—1
Financing of Development

Sources	(Taka in Crore)			
	Public Sector	Private Sector	Total	Proportion of Grand total
Public Savings	1618	—	1618	46.3
Foreign loans and grants	1707	50	1757	39.4
Private Savings	470	250	720	16.2
Loans from the banking system	157	203	360	8.1
	<u>3952</u>	<u>503</u>	<u>4455</u>	<u>100.0</u>

(Source : Based on Table IV-5 of the Plan, p.4y)

As an accounting approach, the above 39 percent dependence of development outlay on foreign loans and grants is, by assumption, dependent on the various projection-results on the three other sources (i. e public savings, private savings and loans from the banking system). In fact, the latter three sources of financing can hardly be treated as firm (or dependable) estimates of prospective mobilised domestic resources. The degree of structural change assumed in the relative role of domestic monetized savings and external capital inflow between the first and terminal years of the plan is quite heroic ; the gross domestic monetized savings ratio is to rise from 4.5 percent 14.2 percent and the external capital inflow ratio is to decline from 62.2 percent to 27.0 percent. The basic issue is; how to establish some kind of dependable feasibility of these two fundamental assumption. The plan has not provided enough detailed analysis of the variables. As current experience points to very serious doubts about these assumptions.

Domestic resources and their variables :

The savings function, as is well-known, is directly and immediately dependent on the consumption function and is indirectly and remotely on the investment function while all of the three are the major variables in the

limited area of development i.e. economic growth. Gross domestic savings, in a narrow sense, is however the resulting position of the variables of public and private consumption and the interactions of the policy variables on them; a dynamic view of such savings will, in addition, estimate the new savings generated by the investment plan and the impact of the operation of new policy variables covered in the plan. The tremendous shift in the savings ratio (by about 200 percent rise) will require very powerful and pervasive operation of the policy variables on squeezing public and private consumption and on producing saving-generating effects by the new investment strategy. If these are supposed to have been fully considered by the Planning Commission in their estimates, the position can be satisfactorily examined only when these relevant details are published. At the moment, several issues have raised their heads, threatening with probable risks of loss of savings towards reduction of the size of domestic resources ;

- (i) The base-year of 1972-73 is abnormal; and the first plan year (1973-74) savings ratio of 4.5 percent will depend on substantial recovery of normalcy interpreted in terms of comparability to 1969-70 conditions which have been used in the construction of the benchmark production and income. The benchmark estimates of G.D.P. are higher than the actual level of 1972-73 by 17 percent. To accomplish this bridging the benchmark-gap can hardly be easy.
- (ii) The foodgrain consumption and production targets of the Plan have permitted a total import of the 22 lakh tons of foodgrains for 5 years with an estimated deficit of 12 lakh tons during the first year 1973-74. But despite a publicized bumper harvest in 1973-74, prices of rice soared by 50 percent and a deficit of 22 lakh tons has been estimated by the Ministry of Food, the bulk of which is to be met by imports. The import bill on P.C.L. will also cost more than double the expenditure included in the revenue expenditure estimates. As a result, non-development revenue expenditure assumed for the year will increase very substantially cutting severely into revenue surplus (hence public savings). This will push the foundation of the savings ratio below 4.5 percent rendering the process of improvement more difficult.
- (iii) The receipts from the nationalized sector (excluding depreciation fund contribution) have been projected to rise from

Tk. 44 crore (1973-74) to Taka 144 crore (1977-78) But a considerable part of the estimates seems to be unreal, as is evident in the composition of the 1973-74 estimate of Tk. 44 crore in which Tk. 22 crore (or only 50 percent constitutes real surplus or profit; this works out at 2.5 percent of current replacement value of assets (Tk. 900 crore). Other elements of income tax, interest on loans and repayment of loans are only accounting items of costs attributable to any enterprise, public or private. Again, this has excluded depreciation costs; provision for such costs will reduce the rate of profit down, probably below 2.0 percent of replacement value of assets.

- (iv) The target of mobilizing additional domestic resources for development-financing by additional taxation to the extent of Tk. 625 crore (23 percent of total domestic resources) appears to be unattainable from both economic and political feasibility points of view. From the economic angle, the feasibility of 23 percent increment of resources by additional taxation will largely depend on the G.D.P. growth, its pattern on distribution amongst the classes and groups, on the policy framework promoting austerity (discouraging luxury), on the relative stability of the value of money; and further on the success of building the preconditions of dedication, motivation and institutional change. From the political angle, if a socially desirable consumption standard is to be ensured and the democratic processes are to be respected, taxable capacity as well as popular acceptability will be the determinants. Moreover, practical experience of tax administration and reform does not support very frequent introduction of new measures.

IV. PRECONDITIONS AND THEIR LINKAGES

The major objectives and strategies along with their policy linkages, if planned well, will still need the planning of the preconditions and their linkages as the environmental background for strategy-planning. Such environmental planning is basic to the basic objectives and strategies of development planning; its significance and relevance are extraordinary in the case of Bangladesh in which creation of preconditions implies recovery and reconstruction of the war-damaged economy and orientation of society towards a decisive beginning of socialistic transformation as the foundation for development planning.

The Planning Commission has included growth of output and income as well as recovery of the economy as integral parts of the comprehensive Five-Year Plan strategy. Even within that conceptual framework, an appropriate order of priorities (required for generating the pulsations of a cumulative process of development on unconventional lines) will demand the assignment of the topmost place to recovery and reconstruction programmes of action as a pre-requisite for the onward movement of the economy of the planned tracks of long range growth.

In the present situation, creation of preconditions should have been assigned the topmost priority. Rising prices and scarcities of goods, both agricultural and industrial (including imported) have been moving in a new kind of vicious circle in which the old concept of controlling the general level of prices with increased food supply does not operate. Because of the structural nature of the problem the strategy of stability, if given priority, would need attack on three fronts: food and agricultural production, industrial production and imports. Partial attack and inadequacy of the policy-linkages along with the dark allies of business and administrative corruption as well as political delinquency have been shifting the base of preconditions, especially that of recovery and reconstruction of the economy very much away from consolidation and firming up. Equity demands that the very first step towards a good beginning could have been an emphasis on the 'socially tolerable' sacrifice of present consumption, according to capacity, supported by policy-linkages directed at least to these tasks: (a) squeezing the consumption of the high-income groups (including the relevant political groups) towards setting concrete example of dedication, motivation and also right kind of 'demonstration effect'; (b) encouraging and ensuring the expansion of the production-base for mass-consumption goods via private and state investments, adequately supplemented by foreign project and commodity aid; and (c) planning and implementing the policy and institutional linkages in such a way that expansion of output and supply situation could be given much greater weightage so that increased distribution could be supported by far greater availability of goods and services.

It is hard to make people believe, especially after forces of confusion have been permitted to prejudice the prospect, that economic and social fruits of independence cannot be harvested just by winning independence. But if the brief experience of two years and a few months is to teach us anything, it is this: there is no other alternative. And to accept this unpleasant alternative as a part of basic strategy, we have to seek to transform needless emotionalism into valuable technicalism and intellectualism as a starting point,

Some Comments on the Five Year Plan and Planning in Bangladesh

BY

A. M. A. RAHIM *

It is now common place for developing countries to have development plans for 4 to 5 years for the purpose of determining priorities amongst different sectors and goals for the economy. The predominating objective of all development plans is to make optimum use of the available real resources. However, "the process of development is inevitably very costly, so that it is just as important to have a good financial plan, making optimal use of financial resources, as it is to have a good development plan, making optimal use of real resources available" [1].

The prerequisite to the formulation of any financial plan is a systematic collection of information on which the policy is to be based. The information that is called for is related to a complete set of inter-related data. Government fiscal operation, credit creation by the banking system, total savings of the community, the situation in the balance of payments, preference of the community in regard to asset holdings, all influence in varying degrees, the community's stock of money and eventually have bearing on the financial plan. The regulation and management of national debt adds a new element to financial plan. Hence, the proper collection, ordering and analysis of the inter-related

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financial data are the very first steps towards blue-printing a financial plan. The financial inter-relation with the economy has to be clearly grasped, before the planners can examine and interpret the financial aggregates for the formulation of any financial plan.

Like all other exercises in the planning, any exercises in the formulation of a financial plan should be forward-looking, not merely a retrospective historical evaluation. Of course, historic series are essential to any projection. To lay the base of any financial plan, the exercise on projection must be carried into the future for any meaningful delineation of policy. In the present state of availability of financial statistics in Bangladesh, it is perhaps not possible to prepare a detailed and technically sophisticated financial plan. Nevertheless, it should generally be possible to project the major financial variables and analyse the implications of such variables with a view to determining the appropriate underlying monetary and fiscal policies. To be meaningful, delineation of such projection and analysis must be realistic or else planning will be much ado about nothing.

The purpose of this paper is to carry out such an analysis for Bangladesh First Five Year Development Plan, 1973-78, which was launched in July, 1973. It will be our endeavour to discuss the internal consistency of the Plan in the light of our experience during the last six months with reference to macro aggregates of financial variables. One of the basic objective of the plan is "to arrest the rising trend in the general price level, which has characterised the Bangladesh economy since last year and stabilise, and reverse the rising trend in the prices of essential commodities" [2]. Furthermore, "one of the objectives of the Plan is to ensure that the level of price in 1977-78 is at least slightly below what is today" [2]. This paper examines whether the monetary expansion envisaged in the plan is consistent with the target of price stability. In section II, the overall strategy of planning is critically analysed and questions posed.

SECTION I

The Plan envisages a total investment of Tk. 4455 crores. Total domestic saving has been estimated to be Tk. 2585 crores of which Tk. 1618 crores in the public sector and Tk. 967 crores in the private sector. External resource has been estimated to be Tk. 1757 crores, Tk. 1707

crores in the public sector and Tk. 50 crores in the private sector. Therefore, total resources would be Tk. 4342 crores (Tk. 2585 crores plus Tk. 1757 crores). Since total investment is estimated to be Tk. 4455 crores as against total estimated resources of Tk. 4342 crores, the Plan is relying on deficit financing for the balance of Tk. 113 crores. The Plan roughly indicated total domestic saving as Tk. 2698 crores in place of Tk. 2585 crores.

The Plan envisages 52 per cent increase in GDP over actual level of 1972-73 and 61 per cent change in money supply on the assumption of no price rise. On this stipulation money supply would rise from Tk. 697 crores from the beginning of the plan period to Tk. 1122 crores i.e., by a total of Tk. 425 crores during the five year period. The projection of the Planning Commission can be seriously called into question. It postulates that income velocity of circulation of money will go down from an implied 6.17 in the benchmark year to 5.83 in the terminal year. However in view of the considerable monetary overhang in the economy it is more likely that the velocity may go up. Previous investigation revealed that inflation in Bangladesh has so far been unanticipated with all the attendant implication [2]. Apparently, the public has so far been willing to pay quite a high price for the convenience of holding the stock of cash balances. The failure of income velocity to rise in the recent past can be attributed to the lingering confidence of the people in the future value of money. However it is likely that in view of the steady, prolonged and mounting rise in money supply the present unanticipated inflation may be transformed into anticipated inflation. The state of expectation about the future is fundamental for predicting the future course of inflation. The transition from unanticipated to anticipated inflation are, by definition, result of changes in belief about the course of future prices. When future prices rise relative to the present prices, a process of substitution of future purchase for the present is initiated through lengthening of the time horizon of the decision making units. When the current price level is no longer expected to persist and this expectation is supplanted by the anticipation of rising prices, pressure is generated for certain adjustments through a community wide attempt to shift from monetary to real assets. This attempt to substitute real for monetary assets produces, through a complex chain of substitution, a rise in prices of real assets. The rise in prices is then pushed by new additional forces. In view of the fact that in the current financial year till end of January, 1974 money supply has already increased by about

Tk. 114 crores exerting a demand-pull on the little augmented available supplies, inducing prices to rise further upward, the probability of transition from unanticipated to anticipated inflation is real high. Holders of money balances may have been anticipating a decline in prices in the future. When this expectation is nipped by the rising prices, they will tend to use up their idle balances, thus pushing up the velocity. On the other hand, increased monetization may absorb some of the increase in money stock. On balance, in estimating the limit to non-inflationary increase in money supply over the Plan period, it will be prudent to keep the velocity at least unchanged.

We have worked out independently the increase in money supply consistent with zero rise in price and the stipulated rise in output during the Plan period, first on the assumption of unchanged income velocity of money. According to this estimate, total money supply should not exceed Tk. 1060 crores at the terminal period if price rise is to be zero¹. The estimated non-inflationary increase in money supply given by the Plan is on the high side to the extent of Tk. 63 crores. On the other hand, if we assume that income velocity will go up to 7 by the end of the Plan (which seems to us to be a more plausible assumption) the needed money stock in the terminal year will be only Tk. 935 crores i.e., Tk. 187 crores less than what has been provided in the Plan.

Now some statements about the facts. During the past six months of current financial year money supply increased by Tk. 112 crores which is roughly 24 per cent of the total stipulated increase during the entire Plan period. On the assumption of *ceteris paribus*, if proportionate increase in money supply occurs during the Plan period, the terminal year money supply will be Tk. 1816 crores. Such a disproportionate rise in money supply in the first six months weakened, if not shattered, the monetary framework of the Plan. A recent investigation revealed that in addition to phenomenal increase in the money base from Tk. 371 crores from end June 1973 to Tk. 402 crores by end December 1973 there occurred significant shift in the asset preference of the community in favour of demand deposits [4].

Breakdown of bank deposits reveals that there has been a significant increase in demand deposits from Tk. 181 crores on 17th December 1971 to Tk. 487 crores as in December 1973. In the percentage term

¹Terminal stock of money Tk. 6542 crores = Tk. 1060 crores.

this represents an increase of 169 per cent. Time deposits increased from Tk. 159 crores to Tk. 345 crores during the same period showing an increase of 117 per cent. There was no change in the preference of the community for time deposits, which remained around 29 per cent of the total asset holdings. The preference for demand deposits increased significantly from 32 per cent in December 1971 to around 43 per cent in December 1973. Correspondingly, the holding of currency declined from 38 per cent in December 1971 to 28 per cent by the end of December 1973. This shift in favour of demand deposits at the expense of liquid cash was an additional factor in the increase of bank reserves by Tk. 118 crores and thereby augmented the capacity of the banking system to create more deposits. On 17th December 1971 the cash base of the economy was Tk. 228 crores which expanded to about Tk. 403 crores by end December 1973. If the preference of the community with regard to the holding of demand deposits, time deposits and currency would have remained the same as on the day of liberation, demand deposits would have increased to Tk. 382 crores by end December 1973. Therefore, the balance amount of Tk. 105 crores would have been attributed to other parametric changes in the variables.

The significant decline in the currency demand deposits ratio has important implications for monetary policy. Since the shift in favour of demand deposits at the expense of currency with the public reduced the currency leakage, the value of the money multiplier increased². The interaction of the twin forces will accelerate the money supply expansion at a much faster rate than what we have experienced so far, unless determined and purposeful policies are designed to eliminate or reverse the causative forces.

The excessive monetary expansion and the consequent inflationary pressure in the economy is due to the inability of the Government to contain its operations within the discipline of the budget that is drawn up in the framework of the Five Year Plan.

In the current budget, there was a provision for Government borrowings from the banking system to the extent of Tk. 18 crores. As against this, total borrowings by the Government from the banking system already reached Taka 53 crores by end-December 1973. Assessments of the prospect of Government deficit is even more disturbing. As per preliminary assessment the resources gap of the Government during 1973-74 is estimated

²The secular trend of the money multiplier is shown in the appendix.

around Taka 276 crores. Thus, if nothing else gives way, borrowings by the Government alone will far out-exceed the safe limit to deficit financing. If we allow for the total deficit financing by the Government, the safe limit to credit expansion compatible with price stability will be negative (Taka 75 crores)³. The credit to rest of the economy must contract by Taka 75 crores if the price level goal of the Plan is to be realised. Needless to say, such a credit squeeze is simply not feasible since it will completely throw the trade and industry out of gear and cause an economic collapse. The objective of price stability, therefore, must suffer. This clearly indicates that the Plan's assumptions about the ability of the government to mobilize resources in a non-inflationary way were totally misconceived.

The GDP in 1969-70 prices of Bangladesh was Taka 2922 crores. The Planning Commission estimated that the actual GDP of 1972-73 was roughly 14 per cent lower than that of 1969-70. The aggregate price index according to the Planning Commission's estimates is 171, if 1969-70 price is taken as the base [4]. Various other estimates indicate that the price index rose by around 105 per cent at the end of 1972-73 with 1969-70 as the base [3]. Therefore, the estimated actual GDP at 1972-73 prices as estimated by the Planning Commission seems to be very much on the low side. Assuming that the actual price rise was 105 per cent, the actual 1972-73 GDP at the price of 1972-73 would be Taka 5152 crores. Assuming that the benchmark GDP will be higher

³Taka 201 crores (safe limits to credit expansion in the economy) - Taka 276 crores (estimated magnitude of deficit financing for the whole fiscal year) = (-) Tk. 75 crores.

The safe limit to credit expansion has been arrived at as follows:

Safe limits to monetary expansion (Taka 70 crores) + estimated increase in the deposits (Taka 103 crores) - change in external reserves (-Taka 28 crores) = Taka 201 crores.

In estimating the safe limits to monetary expansion we have assumed that real output will grow by 10 per cent and safe limit to monetary expansion should be also 10 per cent.

⁴PT = Taka 2922 crores is the GDP of 1969-70 at current prices. Assuming a 14 per cent decline in real output in 1972-73 from the level of 1969-70, the GDP of 1972-73 at the prices of 1969-70 is .86 PT = Taka 2513 crores. But $P^* = .86T =$ Taka 4294 crores is the actual GDP of 1972-73 at current prices. $P^* = 1.71 P$ or $P^* = 1.71 P$, i. e., price level in 1972-73, is 171, taking 1969-70 prices as the base i. e., $P = 100$,

than actual GDP by the same 16.5 per cent as has been assumed by the Planning Commission, our revised estimate of the benchmark GDP will be Taka 6002 crores. Such a change in the benchmark will, of course, upset all other calculations of the P.l.s.n. For instance, if the terminal year GDP goal remains unchanged, the total growth in output will be only 9 per cent over 5 years, which is absurd.

SECTION II

Since liberation Bangladesh economy suffered from low level of production in both agriculture and industry and a steady weakening of the factors responsible for growth [5]. The agricultural production declined primarily because of natural disasters. The decline in industrial production was partly because of the fact that the infra-structure was destroyed and disrupted in a massive way. These have not yet been fully restored. But even if the pre-liberation infra-structure is restored, it is open to question if production will pick up the pre-liberation level. After liberation the old economic institutions have been replaced or redesigned. New rules of the games have been made discarding the old ones in consonance with our social goals. In the process, fundamental changes have been effected through :

- i) diminishing the overall role of the private sector,
- ii) by creating Government agencies for handling import and export trade,
- iii) by abolition of competitive input and output pricing through the fixation of floor and ceiling,
- iv) by changing the relative prices through inflationary price rise and
- v) by the Government take-over of many productive industrial units and the channels of distribution and extension of control all around.

The above changes have not yet been rooted in the system and as such, are operating as disturbing factors to efficient production and distribution.

The socio-political goal of the nation is socialism compatible with democracy. Prior to the formulation of the plan, our planners did not seriously attempt to define rigorously the meaning and significance of socialism in the perspective of the national aspirations. The failure to

see clearly on this issue gave rise to a lack of clarity which runs through all planning efforts in this country. Does our socialism imply planning by market mechanism or by direction? One can rely on one or the other but there is no other way of planning. Are we to plan to maximise employment, income or equity or any precise combination of these goals? What is to be the trade off between growth and equity? Answers to these questions will be vitally relevant to the broad strategy of planning. What should be the criterion for allocation between the private and public sector? If the public sector is play a dominant role why is the surplus accumulating in private hands and the public sector incurring losses²? In a socialist framework the scope to make unearned income is conspicuously absent. Yet in Bangladesh since liberation such opportunities vastly widened. Should the public sector be given functions which can be performed as good or better by the private sector? Can equity be achieved by fiscal measures without over extending the job of the public sector? Is the goal of equity compatible with payment of subsidies to the public sector units incurring losses? How should the product and input prices be determined? What kind of labour policy do we need with democracy and socialism as our twin objectives? What does equity imply in terms of income policy and how much of it do we want? If equity is our social goal why are the fixed income group taxed through deficit finance which is most regressive³?

² A very conservating estimate of the surplus generated from the sales of domestic manufactured cotton textiles and cotton yarn, cigarettes and scarcity margin of import of consumer goods during 1972-73 comes to around Taka 300 crores which has been appropriated by the private sector without rendering any contribution to the economy (Details are shown in the Appendix). This is purely unearned income and constitutes black money in private sector. If this surplus could be captured by the Government, deficit finance including credit to public sector in 1972-73 could have been completely eliminated and the present inflation avoided.

³ The amount of inflation tax, the burden of which has been borne mostly by the fixed income groups, since liberation upto february 15, 1974 comes to Taka 204 crores. The calculation has been done by adopting the formula given by M. Friedman as follows:

$$\begin{aligned}
 \text{Inflation tax} &= \frac{\Delta M}{M} \times \frac{M}{P} \\
 &= \frac{111}{100} \times \frac{388}{2.11} \\
 &= 1.11 \times 184 \\
 &= \text{Taka 204 crores.}
 \end{aligned}$$

Should factors (in both agriculture and industry) be paid according to the productivity or principles of equity? Equity has a cost. Who will foot that bill and how? If employed factor is to be paid more than its productivity on grounds of equity, what about the employable unemployed? These are issues which a planner must resolve clearly prior to writing of the plan. The political process of the country produces a given objective function for the planners. It is the job of the planners to fill the details and work out the mechanism by designing the broad framework so as to achieve the social goals laid down by the political process. I know if no socialist country where the planners have been able to mould and develop the political cadres. Planners in order to be realistic and effective in their job should accept the political cadre as a given parameter and determine the direction of society accordingly. One is, therefore, curiously surprised to see our planners exhorting the politicians to build up a political cadre. ⁷ No wonder some thing has seriously gone wrong in designing our institutional framework by the planners.

There is very little reflection in the Plan of the severe shortage in to-day's Bangladesh economy of managerial talents, skilled manpower, organisational and institutional facilities required to implement the Plan. In the plan, most of the importing activities is assumed to be handled by the TCB. Despite known limitations of the TCB to handle vastly augmented burden of work, the Planning Commission is not worried about the bottlenecks likely to be created by inefficient handling of import by this organization on the implementation of plan targets. This is but one aspect of the more general problem of allocating the 89 per cent of total development expenditure in the public sector without taking into account the existing capacity of this sector to shoulder the task and the formidable problems of building up such capacity. These bottlenecks make one think that the actual implementations of the Plan will fall far short of the goals laid down by the Planning Commission.

⁷ please see page 3 & 4 of the First Five-Year Plan 1973-78,

One important factor in the current economic crises is running down of stock which was depleted after liberation. Stock of raw materials, work-in-progress and finished commodities are as important a part of investment as is fixed capital. It is the existence of stocks that enables smooth operation of the economy. Whenever stocks fall below the optimum level, the productivity falls. Producers are then to depend absolutely on receiving supplies which are erratic and are consecutively held up cumulatively by chance interruptions in delivery. Normally, these considerations are not important and net investment in stocks is not required. But at the end of any war the economy is always short of stocks and replenishing the stocks is the very first things that a planner should think to restore productivity to high levels. When one remembers that stocks normally should stand between 3 to 6 months of requirements, the magnitude of the shortage can be seen. Failure to build up stocks has been one of the principal errors of our planning.

The facts of the last six months of the plan period rendered meaningless the other forecasts and layout of the plan. In the preface, the plan recognises that the statistical data and empirical investigation were insufficient. Not only insufficiency of data was liable to be blamed but the Planning Commission's projections based on the available data were devoid of realism. We have therefore, serious doubts with regard to the usefulness of the Plan document as a guide to long-term economic policies in the country. The spiralling price rise which has continued unabated, will proportionately increase the requirement of monetary resources for implementing the Plan. On the other hand, if financial projections are to be kept intact, the physical targets will have to be revised downwards. The jolt in the very first year of the implementation of the Plan will also invalidate the other calculations which are so very vitally inter-related.

There are wide discrepancies in the statements of the Annual Development Programme and the Plan Document on price rise. Although the Plan document implied a price rise of only 71 per cent, the Annual Development Programme for the current year indicated price rise of around 100 per cent. It is a pity that even after eight months of launching the Five Year Plan, we have no aggregate price index. Without such index it is not easy to monitor the balance between aggregate

demand and current availability of goods and services. It is desirable for the Planning Commission to concentrate more on the substantive assignment and to generate the basic data at the earliest so that regulation and management of macro-relationship can be delineated in a more meaningful and purposeful fashion,

The first and foremost task of economic management at present is to control inflationary pressure and to maintain the Capital Stock that we have. When translated into an action programme, this will imply an immediate halt on money supply, complete elimination of all fiscal deficit, substantial reduction of credit to the public sector, import of adequate raw materials, stocks and spares to build up the inventory, utilisation of the idle capacity, maintenance of strict discipline, gradual restoration of the real-wage of the wage and salaried income groups, soaking the hoarders, rentiers and the unearned incomes groups, increase in the supply of wage goods particularly through increased production of foodgrains, checking evasion and avoidance of taxes, withdrawal of fiscal subsidies which have outlived their utility, securing larger surplus from the public sector enterprise by imposition of excise taxes and overall efficient management by raising capacity utilisation. A package of measures to break the back of inflation assumes willingness and the requisite courage to tax openly to keep expenditure within income. If there has been increase in credit to Government and the public sector by Taka 630⁸ crores, it is necessary to bear in mind that the banks are now owned by the Government. The wholesale takeover of trade by the public sector agencies has not produced the desired results. On the contrary, the new agencies created by the Government have been worse than the private monopolies in terms of ability to produce and distribute the goods at a lower price. Unless the remedies are related to causes, the solutions can at best be trivial and superficial. It is high time that our planners give serious thought to the deeper cause of our troubles and suggest, in a spirit of frankness, the remedies called for or else there shall be no end to the crisis.

⁸ Please see Appendix A.

In view of the above it will be a good idea to direct our current economic policies to tackle pressing immediate problems and to bring about stability. At the same time the spade-work for a more serious and realistic future Plan may be undertaken duly reflecting the new socio-political compulsions and the present realities of Bangladesh economy. It seems appropriate to conclude with a quote from Lewis, "One Can plan by direction alone or by, inducement alone, but one cannot plan by exhortation alone, when the major result of one's actions is to make the inducements work in the opposite direction. Nearly all the planning done in this country with its apparatus of targets and speeches, has been of this character, and that is why all the targets have been unfulfilled and why the very word 'target' has become a laughing stock. This is not planning, but merely pretending to plan. Planning is a serious business; what makes planning is not the targets which merely express what we would like to see happen; but the action that is taken to achieve these targets,"⁴

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TABLE A
ESTIMATES OF DEFICIT FINANCING

(Taka in crores)

Sources	17th Dec. 1971 to 30th June 1972	1972-73	1973-74 (July 1973 to Jan. 1974)	Since liberation to Jan. 1974
1. Govt.'s Deficit Financing from Bangladesh Bank	+ 80.03	+ 10.55	+ 41.74	+ 132.32
2. Govt.'s Deficit Financing from Banking System as a whole	+ 85.04	+ 92.24	+ 72.39	+ 249.67
3. Govt.'s Deficit Financing from Banking System (including Food Department)	+ 74.23	+ 131.50	+ 73.67	+ 279.40
4. Govt.'s Total Deficit Financing (including Treasury Currency Issued)	+ 83.91	+ 131.63	+ 77.44	+ 292.98
PUBLIC SECTOR				
5. a) Change in Bangladesh Bank's Investments in Debitures of Jute Industries Corporation.	-	-	+ 10.00	+ 10.00
b) Change in Scheduled Bank's Credit to Public Sector.	+ 60.00	+ 162.42	+ 78.58	+ 300.09
c) Change in Scheduled Bank's Investments in Public Sector Organisations.	+ 7.55	+ 8.90	+ 9.61	+ 26.06
	+ 67.55	+ 171.32	+ 98.19	+ 337.06
6. Total of 4 and 5	+ 151.46	+ 302.95	+ 175.63	+ 630.34

TABLE A (Contd.)

- NOTES : 1. Govt.'s Deficit Financing = Change in Bangladesh Bank's Holding of Government Securities and Treasury Bills + Changes in Government Borrowings from Bangladesh Bank—Change in Government Deposits with Bangladesh Bank.
2. Govt.'s Deficit Financing = Deficit Financing as in 1 + change in Scheduled Banks Investments from Banking System as in Government Securities and T/Bills.
a whole
3. Govt.'s Deficit Financing = Deficit Financing as in 2 + change in Scheduled Banks' Credit to Food Department.
(including Food Department)
4. Govt.'s Total Deficit Financing = Deficit Financing as in 3 + change in Treasury Currency Issued.
(including Treasury Currency Issued.)

APPENDIX

TABLE B

ESTIMATES OF MONEY MULTIPLIER

December, 1971	$\frac{1}{.05(.33 + .29) + .38}$	= 2.43
March, 1972	$\frac{1}{.05(.38 + .27) + .35}$	= 2.61
June, 1972	$\frac{1}{.05(.44 + .31) + .25}$	= 3.47
September, 1972	$\frac{1}{.05(.35 + .38) + .27}$	= 3.26
December, 1972	$\frac{1}{.05(.42 + .27) + .31}$	= 2.90
March, 1973	$\frac{1}{.05(.39 + .29) + .32}$	= 2.82
June, 1973	$\frac{1}{.05(.41 + .30) + .27}$	= 3.07
September, 1973	$\frac{1}{.05(.41 + .31) + .28}$	= 3.16
December, 1973	$\frac{1}{.05(.42 + .30) + .28}$	= 3.16

APPENDIX

TABLE C

MONEY SUPPLY IN BANGLADESH

(Taka in crores)

Periods	Currency with the public	Demand Deposits (excluding inter-bank items)	Total Money Supply	Money Supply Index
1971				
December 17	206.60	180.90	387.50	100
1972				
January 26	212.04	186.38	398.42	103
February 25	207.78	206.90	414.68	107
March 31	231.75	248.18	479.93	124
April 28	238.61	261.84	500.45	129
May 25	250.62	268.90	519.52	134
June 30	175.60	310.10	485.70	125
July 28	208.99	306.42	515.41	133
August 25	228.44	308.52	536.96	139
September 29	246.45	320.18	566.63	146
October 27	264.01	337.24	601.25	155
November 24	285.17	351.05	636.22	164
December 29	289.77	389.63	679.45	175
1973				
January 26	305.49	379.19	684.68	177
February 23	311.39	383.05	694.44	179
March 30	311.59	387.49	699.08	180
April 27	296.79	391.92	687.71	177
May 25	298.02	395.93	693.95	179
June 29	286.43	409.60	696.03	180
July 28	284.52	421.66	706.18	182
August 31	283.15	424.12	707.27	183
September 28	296.56	425.55	722.11	186
October 25	314.31	434.93	749.24	193
November 30	310.64	460.85	771.49	199
December 28	320.79	487.15	807.94	208
1974				
January 25	340.15	469.64	809.79	209
February 15	348.93	467.73	816.66	211

APPENDIX
TABLE D
SELECTED SCHEDULED BANKS STATISTICS
(Taka in crores)

Last Friday of	Demand Deposits (excluding inter-bank items)	Time Deposits (excluding inter-bank items)	Total Deposits	Bank Credit (Excluding inter-bank advances)	Total investments	Balances with B. B.	Borrowings from B. B.	Cash in tills	Credit/Deposit ratio (excluding the operation of BKB BSB)
17th Dec. '71	180.90	158.52	339.42	425.17	42.81	17.01	66.90	4.56	1.04
Jan. '72	186.38	157.89	344.27	416.87	41.82	16.62	68.27	6.56	0.99
Feb. '72	206.90	161.39	368.29	413.58	42.82	27.17	65.04	8.00	0.92
Mar. '72	248.18	174.38	422.56	439.22	55.37	49.10	81.67	19.79	0.82
April '72	261.84	180.25	442.09	433.99	55.37	38.55	73.06	21.22	0.77
May '72	268.90	194.57	463.47	434.56	55.37	59.88	56.65	20.76	0.73
June '72	310.10	213.51	523.61	426.61	55.37	103.22	39.11	35.61	0.62
July '72	306.42	224.55	530.97	422.23	62.28	165.00	29.71	16.71	0.59
Aug. '72	308.52	244.11	552.63	423.11	83.58	149.95	25.21	15.13	0.55
Sept. '72	320.18	241.17	562.35	449.82	89.19	128.59	20.70	15.48	0.60
Oct. '72	337.24	252.11	589.35	487.78	152.93	60.90	24.45	15.35	0.63
Nov. '72	351.05	254.11	605.16	518.71	153.02	51.27	28.44	15.31	0.67
Dec. '72	389.68	254.66	644.34	554.27	153.08	39.00	40.57	15.06	0.68
Jan. '73	379.19	264.88	644.07	595.81	157.81	40.59	54.70	14.92	0.74
Feb. '73	383.05	267.07	650.12	699.05	150.19	43.39	55.53	17.13	0.71
Mar. '73	387.49	281.81	669.30	598.07	150.10	44.73	50.97	16.53	0.71
April '73	391.92	290.42	682.34	610.03	145.06	53.28	62.86	28.43	0.72
May '73	395.93	289.91	685.84	601.05	144.30	51.36	52.52	16.21	0.70
June '73	409.60	293.08	702.68	612.55	145.96	65.84	46.85	18.96	0.70
July '73	421.66	321.67	743.33	628.87	145.93	104.93	40.98	14.57	0.68
Aug. '73	424.12	314.48	738.60	609.51	174.54	80.32	36.27	13.32	0.65
Sept. '73	425.55	317.71	743.26	630.33	176.04	67.84	39.96	13.62	0.68
Oct. '73	434.93	320.89	755.82	673.31	176.04	51.04	57.55	14.58	0.72
Nov. '73	460.85	340.35	801.20	690.27	176.02	63.98	47.01	15.35	3.70
Dec. '73	487.15	344.46	831.61	742.56	179.64	65.72	62.49	16.19	0.74
Jan. '74	489.64	364.38	853.99	737.84	186.22	67.53	69.90	16.12	0.73

TABLE E

APPENDIX

CAUSATIVE FACTORS OF THE CHANGE IN MONEY SUPPLY

(Provisional)

(Taka in crores)

Factors	17th Dec., 1971	30th June, 1972	Changes
1. Currency with the public	206.63	175.60	- 31.00
2. Demand Deposits	180.90	310.10	+ 129.20
CHANGE IN MONEY SUPPLY			+ 98.20
Expansion (+)			
Contraction (-)			
A. Adjusted Domestic Credit			
Expansion/Contraction			- 34.04
1. Private Sector	- 46.60		
2. Public Sector	+ 67.55		
3. Time Deposits with Scheduled Banks (excluding inter- bank items)	- 54.92		+ 83.21
B. Government Fiscal Operation			+ 83.91
C. Foreign Sector			+ 82.13
D. Residual Items			- 33.80
TOTAL CAUSATIVE FACTORS			+ 98.20

APPENDIX

TABLE F

CAUSATIVE FACTORS OF THE CHANGE IN MONEY SUPPLY
(Provisional)

(Taka in crores)

Factors	30th June, 1972	29th June, 1973	Changes
1. Currency with the public	175.60	286.43	+ 110.83 ¹
2. Demand Deposits	310.18	409.50	+ 99.50
CHANGE IN MONEY SUPPLY :			+ 210.33
CAUSATIVE FACTORS :			
Expansion (+)			
Contraction (-)			
A. Adjusted Domestic Credit Expansion			+ 72.72
1. Private Sector	- 19.03		
2. Public Sector	+ 171.32		
3. Time Deposits with Scheduled Banks (excluding inter-bank items)	- 79.57		
B. Government Fiscal Operation			+ 181.53
C. Foreign Sector			- 53.22
D. Residual Items			+ 59.20
TOTAL CAUSATIVE FACTORS :			+ 210.33

¹ Including Replacement of Pakistani notes to the extent of Tk. 64.98 crores.

APPENDIX

TABLE G

CAUSATIVE FACTORS OF THE CHANGE IN MONEY SUPPLY
(Provisional)

(Taka in crores)

Factors	29th June, 1973	25th Jan., 1974	Changes
1. Currency with public	286.43	340.15	+ 53.72
2. Demand Deposits	409.60	469.64	+ 60.04
CHANGE IN MONEY SUPPLY ;			+ 113.76
CAUSATIVE FACTORS :			
A. Adjusted Domestic Credit Expansion			+ 63.96
1. Private Sector	+ 37.04		
2. Public Sector	+ 98.19		
3. Time deposits with Scheduled Banks (excluding inter- bank items)	- 71.27		
B. Government Fiscal Operation			+ 77.44
C. Foreign Sector			- 39.26
D. Residual Items			+ 11.62
TOTAL CAUSATIVE FACTORS ;			+ 113.76

APPENDIX

TABLE H

ESTIMATE OF UNEARNED INCOME IN THE PRIVATE
SECTOR DURING 1972-73

1. Unearned Income from Cotton Textiles

Sales of cotton yarn at ex-mill prices was around Tk. 77 crores during 1972-73. The average market price was 125 per cent more than the average ex-mill price. Allowing for a normal profit and other costs at the rate of 25 per cent, the surplus i. e. unearned income comes to Tk. 77 crores.

2. Unearned Income from Cigarettes.

Total production of cigarettes during 1972-78 was 6346 lakh packets (a packet of 10 sticks). If average market price is Tk. 1.00 more per packet than ex-factory price, the total of unearned income from cigarettes comes to about Tk. 63.00 crores.

3. Total imports of consumer goods and other items where scarcity margin of profits exist was about Tk. 323 crores. If the scarcity margin of profit is 50 per cent of the import bill, then unearned income from imports comes to Tk. 160 crores.

Total of unearned income (1+2+3)=Tk. 300 crores.

বাংলাদেশের প্রথম পঞ্চবার্ষিক পরিকল্পনা একটি আলোচনা

আবদুল্লাহ্ ফারুক*

সম্প্রতি দেশের মানুষের মনে এমন একটা ধারণা দেওয়া হচ্ছে যে একটা পঞ্চবার্ষিক পরিকল্পনা একটা দেশের অর্থনৈতিক উন্নতির পক্ষে অপরিহার্য এবং যে কোন সরকারের পক্ষে একটা পরিকল্পনা প্রতিষ্ঠান এবং পঞ্চবার্ষিক পরিকল্পনা একটা অবশ্য কর্তব্য। বস্তুত: পৃথিবীর সব দেশই একদিন অহুন্নত ছিল। আজকের উন্নত মার্কিন যুক্তরাষ্ট্র, শিল্প বিপ্লবের জনক ইংল্যান্ড, উন্নত ফ্রান্স, জার্মানী বা এশিয়ার সর্বেশ্বরত দেশ জাপান—এদের উন্নতির জন্যে কেউ কখনো পঞ্চবার্ষিক পরিকল্পনার প্রয়োজন বোধ করে নাই—আজও বড় বেশী করে না। তবে কথটা এলো কি করে? দ্বিতীয় মহাযুদ্ধের পর ধনতান্ত্রিক দেশগুলি অহুন্নত দেশে তাদের বাড়তি উৎপাদন দ্রব্য সাহায্য হিসেবে দিয়েছে, কিছুটা সাম্প্রতিক পর্যায়ে—তাদের সেই সাহায্য একটা অহুন্নত দেশে ব্যয় করার ক্ষমতা যে একটা বৃদ্ধির প্রয়োজন, সেই হিসাবেই তারা এটা চালু করে এই উপমহাদেশে। রাশিয়ার মত সমাজতান্ত্রিক দেশে পঞ্চবার্ষিক পরিকল্পনার প্রয়োজন, কারণ সেখানে খোলা অর্থনীতির স্বাভাবিক নিয়মে উৎপাদন ও বণ্টন হ'তে পারে না। কিন্তু আমাদের বলা হ'লো—ওদের পরিকল্পনা আছে—তাই উন্নতি হ'য়েছে—তোমরাও পরিকল্পনা কর—সমাজতন্ত্রের আর উন্নয়নের স্বাদ, ছুটোই পাবে আমাদের সাহায্যের মারফত। তাই পরিকল্পনা কমিশন সৃষ্টি হলো এদেশে। কিন্তু আগেও আমরা দেখেছি—কমিশনের কাজ একটা মোটা বই ছাপানো। এই বইয়ের হিসাবে আর বাড়ি, আর বাস্তব অভিজ্ঞতার সত্যিকারের আর কমে। ৫ বছর পর বলা হয়—অংক ঠিকই কবেছিলাম কিন্তু বেয়াড়া জনসংখ্যা, চুষ্ট কড় বস্তা—বা বিদেশীদের ঋণরাজি আশাহুরূপ না আসা ইত্যাদি কারণে ঠিক একহাত দেখাতে পারলাম না—পরবর্তী পরিকল্পনার দিকে চেয়ে থাকুন। সকলেই জানে, দেশের উন্নয়ন, সময়ের স্বাভাবিক নিয়মে কিছু কিছু হয়ই—যেমন হইয়াছে সব দেশেই ইতিপূর্বে। কারণ মানুষ পরিশ্রম করে সঞ্চয় করে—উৎপাদন প্রকৌশল উন্নত করে

* লেখক ঢাকা বিশ্ববিদ্যালয়ের ব্যবস্থাপনার অধ্যাপক। প্রবন্ধে স্বদেশীর মধ্যে লিখিত পৃষ্ঠা সংখ্যা বাংলাদেশের পঞ্চবার্ষিক পরিকল্পনা—১৯৭৩-৭৮ নামক গ্রন্থের পৃষ্ঠা নির্দেশক। প্রবন্ধটি ঢাকায় অস্থায়ী অর্থনৈতিক সম্মেলনে (মার্চ ১৭-১৯, ১৯৭৪) গড়া।

আর এরই ফলে মাথা পিছু আয় বাড়ে। এতেও প্রত্যেকেই নিজের ভবিষ্যৎ পরিকল্পনা নিয়েই করে—সে হিসাবে পরিকল্পনা কোন মূল্য কথা নয়। এই পরিকল্পনার জ্ঞান প্রয়োজন আমাদের অর্থনৈতিক ইতিহাসের জ্ঞান, প্রকৌশলের জ্ঞান, মানুষের সুদীর্ঘ অভিজ্ঞতা আর পরিকল্পনা বাস্তবায়নের জ্ঞান কষ্ট স্বীকারের ক্ষমতা। এই কথাগুলি শুরুতে বলতে হলো—কারণ বাংলাদেশের মানুষ আজ বিশিষ্ট অর্থনীতিবিদদের দ্বারা শ্রীত প্রথম পঞ্চবার্ষিক পরিকল্পনার প্রথম বৎসরে দেশের উন্নতির যে উজ্জ্বল লক্ষণ দেখতে পেয়েছেন তাতে আজ অন্ততঃ এই অন্তরঙ্গা দেওয়া দরকার যে পরিকল্পনা না থাকলেও দেশের উন্নতি হয় এবং লোকের চলে।

বাংলাদেশের প্রথম পঞ্চবার্ষিক পরিকল্পনার প্রধান লক্ষ্য মানুষের দারিদ্র্য দূরীকরণ এবং বেকারত্ব নিরসন এবং আমাদের জাতির আয় (জি, ডি, পি,) শতকরা ৫'৫ হারে বৃদ্ধি। (৯ পৃষ্ঠা) এই লক্ষ্য অর্জনে অবশ্য একটা শুভ-ফলের স্বীকারি হয়ে গেছে। বেকারত্বের চাকুরীর সংস্থানের সাথে তাদের দ্বারা উৎপাদনের প্রকৃত মূল্যের বৃদ্ধি করতে হবে, এমন কোন কথা নাই। জাতির আয় বৃদ্ধি করতে গেলেও তার যে প্রকৃত বৃদ্ধি পরিকল্পনাকারীদের উদ্দেশ্য হ'তে হবে এমনও কোন কথা নাই। হয়তো আপনারা বলবেন—তা আবার কেমন করে হয়—একটা উদাহরণ দাও। তাই উদাহরণ দুই একটি দিচ্ছি। ধরুন, শিক্ষার মানটা কমিয়ে দিয়ে, অসংখ্য কলেজ আর বিশ্ববিদ্যালয় খোলা যায়। এতে শুধু তৃতীয় ও চতুর্থ শ্রেণীর কর্মচারীই বাড়বে না—রেজিষ্টার, কন্ট্রোলার, ভাইস-চ্যান্সেলর লাগবে প্রচুর। অধ্যাপক লাগবে হাজার হাজার, কাগজের কলে আর ছাপাখানার পরীক্ষার কাজ বাড়বে প্রচুর, এবং যে বিজ্ঞা আগে ম্যাট্রিক পাশ করেই হতো—তা হ'তে এখন এম, এ পাশ করতে হ'বে। শত শত স্নাত্য মূল্যের দোকান খুলে দিন, সেখানে কিছু পাওয়া না গেলেও কর্মচারী লাগবে হাজার হাজার। এক পাট বকতানীর জ্ঞান ছাড়া কপোরেশন চালু করুন, বহু লোককে অফিসার ও অন্যান্য কর্মী হিসাবে নিয়োগ করতে পারবেন, যদিও একাজে একটি ভাল ব্যবস্থাপনা সম্পন্ন প্রতিষ্ঠান থাকলেই চলতো। জাতীয়করণের পরে সব প্রতিষ্ঠানকেই বিজ্ঞাপন দিতে বলুন। দেখবেন বহু এডভার্টাইজিং কোম্পানীর প্রয়োজন হবে—সাথে সাথে বিশেষ সাপ্লিমেন্ট বের করলে এদের ব্যবসা আরও অনেক লোকের কর্ম সংস্থান করতে পারবে। অব্যবসায়ীকে জিনিবের পারমিট দিলেও একই ফল লাভ হয়। পাঁচ জনের হাত ঘুরে, এদের কর্ম সংস্থানের ব্যবস্থা করে। তারপর জিনিবটা প্রকৃত খরিদারের হাতে পৌঁছায়। আর জাতীয় আয় বাড়ানো—সেটা আরও সহজ, জব্য মূল্য বৃদ্ধি হলে জাতির আয় শতকরা সাড়ে পাঁচ হারে এমন কি প্রতি মাসেই বৃদ্ধি পেতে পারে। একজন এক হটাৎ ধানও বেশী

উৎপাদনের প্রয়োজন নাই। অবশ্য আমাদের পরিকল্পনা কমিশন যে সরকারকে এই গুলিই করতে উপদেশ দিবে এমন কথা আমরা জানি না। ফল দেখেই বুকের বিচার করা উচিত।

প্রথম পরিকল্পনার টাকা আসবে কোথা থেকে? এই প্রশ্নের উত্তরে বলা হয়েছে যে জাতীয়করণকৃত শিল্পগুলিতে ৩৩৭ কোটি টাকা আয় হবে এবং বাংলা জাতীয় সরকারী প্রতিষ্ঠানগুলি থেকে পাওয়া যাবে আরও ৩৭ কোটি টাকা। (৫৮ পৃষ্ঠা) এই হিসাবে ১৯৭৩-৭৪ সনে অর্থাৎ বর্তমান বৎসরে প্রথমোক্ত খাতে আনার কথা ৪৪ কোটি টাকা। বর্তমানে সরকারী কর্পোরেশন গুলির যে অবস্থা, তাতে এই টাকা আশা করা পরিকল্পনা কমিশনের সদস্যদের নুবদর্শীতার পরিচয় বহন করে। তা ছাড়া আমদানী শুল্ক ও বিক্রয় কর ভবিষ্যতে আরও বৃদ্ধির যে উপদেশ পরিকল্পনার দেয়া হয়েছে (৪১ পৃষ্ঠা) তাতে দেশবাসীর বিদেশ জন্মের প্রতি আকর্ষণ বিপুল ভাবে বাড়বে এবং দুর্নীতি বৃদ্ধির-সম্ভাবনা আছে।

রেশনিউ-বায়র খাতে প্রশাসন এবং দেশ রক্ষা খাতের পরই সবচেয়ে বেশী অর্থ ব্যয় হবে শিক্ষা খাতে—শুধু ১৯৭৩-৭৪ সনেই এই ব্যয় হবে ৫৮ কোটি টাকা। (৪০ পৃষ্ঠা) কথাটা শুনতে অবশ্য ভালই। কিন্তু শিক্ষা খাতের ব্যয়ে প্রাথমিক শিক্ষা এবং কাহিগরী শিক্ষার ব্যয় ছাড়া অন্যান্য খাতে ব্যয়ের ফল কি হলো আমাদের আজ ভেবে দেখতে হবে।

পৃথিবীর সকল উন্নত দেশেই উন্নয়নের প্রাকালে প্রাথমিক শিক্ষার হার ছিল অত্যন্ত উচ্চ অথবা বাধ্যতামূলক ভাবে তা বৃদ্ধির চেষ্টা হয়েছে। বাংলা-দেশেও প্রাথমিক শিক্ষা বাধ্যতামূলক করার জন্য প্রচুর বেকার ম্যাট্রিকুলেট রয়েছে—এজন্য কোন বৈদেশিক মজুর প্রয়োজন নাই। শুধু সাহস ও ব্যবস্থাপনার যোগ্যতা প্রয়োজন এ জন্য। অথচ এই কাজের ফলে আমাদের সাধারণ মানুষের নাগরীক দায়ীত্ববোধ এবং তার অর্থনৈতিক উন্নয়নে শরীক হবার ক্ষমতা বৃদ্ধি পেত বহু গুন! আমরা অন্য কাজের জন্য মুজাফিতির সাহায্য নিলেও প্রাথমিক শিক্ষা বাধ্যতামূলক করার কোন চেষ্টা বর্তমান পরিকল্পনায় করা হয়নি। যদিও দেশ আজ স্বাধীন হয়েছে—কিন্তু এক দিক দিয়ে পরিকল্পনা কমিশনের মনের এখনো কোন পরিবর্তন হয়নি। প্রসঙ্গক্রমে উল্লেখযোগ্য যে জাপানে মেইজি রেস্টোরেশন হয় ১৮৬৮ খৃষ্টাব্দে—তখন তাদের দেশে প্রাথমিক শিক্ষা সম্পন্ন লোকের হার ছিল বাংলাদেশের বর্তমান হার অপেক্ষাও কিছু বেশী। তবুও জাপান সরকার উন্নয়নের প্রথম যোগান হিসাবে ১৮৭৪ খৃষ্টাব্দে সকল বাধা

উপেক্ষা করে প্রাথমিক শিক্ষা বাধাতানুলক করেন: তখন জাপানের আর্থিক অবস্থা মোটেও ভাল ছিল না। কিন্তু আমাদের দেশে কখনো বিনা পরসায় খই দেওয়া, কখনো বিনা বেতনে ছাত্র পড়ানো ইত্যাদি কোলকারী করলেও সেটা করা কৃষি ও অর্থনীতির পক্ষে সব চেয়ে জরুরী, সেটা আজও করা হলো না।

এইবার পঞ্চবার্ষিক পলিকল্পনার কৃষি উন্নয়ন সম্পর্কে বিবেচনা করা যাক। কৃষি বিষয়ে পরিকল্পনায় যে গৌরবচিহ্নিকা করা হয়েছে তা মিয়রূপে বাংলাদেশের অর্থনীতিতে কৃষিই প্রধান, শস্যের উৎপাদনই এদেশের কৃষিতে সর্বপ্রধান, বিগত বৎসরগুলিতে উপযুক্ত উন্নয়ন কৌশল, উৎসাহ, উপযুক্ত কারিগরী কৌশল, উন্নয়ন পলিকল্পনার বাস্তবায়নের অভাব এবং প্রয়োজনীয় ইনস্ট্রাক্‌শনের অভাবে কৃষির উন্নয়ন হয় নাই এবং প্রকৃতির দুর্ভোগের ফলে ধান ও পাটের ক্ষতি হয়েছে ইত্যাদি। এসব কথা আজ অন্যতরক পুনরুক্তি। পরিকল্পনার উদ্দেশ্য হিসাবে যা বলা হয়েছে, তাও সেই পুরাতন আকাশ—কুসুম চিহ্না—অর্থাৎ আগামী ১৯৭৮ সালের মধ্যেই স্বয়ং সম্পূর্ণতা অর্জন, পল্লীর বেকারদের জন্য প্রয়োজনীয় কর্ম এবং মৌলিক একটি জীবন ধারনের মানের সংস্থান করা। কমিশনের জানা মতেই বর্তমানে আমরা প্রায় দেশের এক পঞ্চমাংশ প্রয়োজনীয় বাস্তব বিদেশ থেকে আমদানী করি এবং আমাদের দেশে বাড়তি চাষ যোগা জমি আর নাই বললেই চলে। পলিকল্পনার দেওয়া তথা থেকে (৮৫ পৃষ্ঠা) দেখা যায় যে ১৯৭৪ সনের আগে পরে ৫ বৎসরে ধানের একর প্রক্তি ফসল বেড়েছে শতকরা মাত্র একভাগ। আগামী চার বৎসরে বাংলাদেশ ঋণে স্বয়ংসম্পূর্ণ হয়ে যাবে সেটা অন্ততঃ কাগজে কলমে বলাও যে একটা কতবড় দুঃসংসারের কাজ, তা আমরা সকলেই বুঝি। কিন্তু এতে অভিনবত্ব তেমন একটা কিছু নাই। পাকিস্তান আমলের পলিকল্পনা গুলিই তার প্রমাণ। এখানে কৃষি মন্ত্রণালয় আনার জন্য পরিকল্পনায় যে পন্থার বর্ণনা দেওয়া হয়েছে, তা শুধু কাজেই নয়, নামেও সেই আইয়ুবী আমলের সুপরিচিত ব্যবস্থা—নাম—‘রুহাল ওয়ার্কস প্রোগ্রাম’। (৮৯ পৃষ্ঠা) এই রুহাল ওয়ার্কস প্রোগ্রামের ফনসারী মাধুর্ষ এবং চিরস্থায়ী চূর্নীতির কথা আমরা আগেও শুনেছি। বর্তমান পরিকল্পনায় তাই প্রায় হুবহু পুনরুল্লেখ বা নকল করে দেওয়া হয়েছে। পার্থক্য আছে শুধু এক জায়গায়। পার্থক্য এই যে, আইয়ুব আমলের পার্শ্বিক পি, এল, ৪৮০ এর মাধ্যমে এই ব্যবস্থার খরচ যোগানো হয়েছিল—কলে ১০ টাকা অপব্যয় হয়ে অন্ততঃ দুই টাকার কাজ হয়েছিল—যেটার তখনই এই ব্যবস্থার মুদ্রাস্ফীতি দেখা দেয় নাই। কিন্তু এবার সেই মার্কিন সাগায়া তেমন আসবার লক্ষণ প্রথম বৎসরে বিশেষ দেখা যাচ্ছে না এবং ভবিষ্যতেও তা আসা দেশের মর্বাদার পক্ষে গৌরব জনক ব্যাপার হবে না।

৫ বছরে স্বয়ং সম্পূর্ণতার বেগুন উড়ানোর কথা যদি ছেড়েই দেওয়া যায়, তবে বাংলাদেশের কৃষির ভবিষ্যত কি? তার উত্তরে বলা যায় যে উপযুক্ত ব্যবস্থায় আমাদের কৃষির ফলন বিপুলভাবে বাড়ানো সম্ভব। তার জন্তু কয়েকটি কাজ করতে হবে। প্রথমতঃ আমাদের কৃষিতে প্রকৃতি নির্ভরতা থেকে বিজ্ঞান নির্ভর করতে হবে। কৃষির জমি নূতন ভাবে লেভেল করে, বাঁধ এবং পানি নিষ্কাশনের ব্যবস্থা করে এর প্রস্তুতি নিতে হবে। এটা জম ভিত্তিক পদ্ধতি। জাপানে এই কাজ জমিদাররা করেছিল। গণ চীনে এই কাজ সমাজতান্ত্রিক বিপ্লবে পত্তনের মাধ্যমে দেশের বিপুল জন শক্তিকে ব্যবহারের মাধ্যমে করা হচ্ছে। আমাদের দেশে প্রয়োজনীয় জনশক্তি আছে—দেশ বরেন্দ্র নেতা আছেন। সেই নেতার আদেশে মানুষ যদি একত্রিত হয়, তবে একাজ অসম্ভব নয়—তা পরি-কল্পনাও থাকুক আর নাই থাকুক। জনশক্তির বাধ্যতা মূলক ব্যবহার ছাড়াই বাংলাদেশে কৃষির আধুনিকরনের ইনষ্ট্রাকচার প্রস্তুত করতে হবে। দ্বিতীয়তঃ কৃষককে বাধ্যতামূলক প্রাথমিক শিক্ষা দেওয়ার কালে শিক্ষিত কৃষকের সৃষ্টি হবে—সেই কৃষক সরকারের সাহায্য ছাড়াই নিজের সম্বলকে ভবিষ্যতে শিক্ষা দিতে পারবে—বৈজ্ঞানিক চাষ পদ্ধতির নিয়ম কাঙ্ক্ষন সে সহজেই বুঝতে পারবে এবং পণ্য কেনা বেচার তীর্থে কাকের দল তাদের ঠকাত্তে পারবে না এত সহজে। তৃতীয়তঃ কৃষ পণ্যের উচ্চ মূল্য বজায় রেখে কৃষকের প্রয়োজনীয় শিল্প পণ্যের মূল্য কমাতে হবে। এতে একদিকে কৃষক তার জমির ফলন বাড়ানোর জন্য নিজেই আগ্রহী হয়ে উন্নত ব্যবস্থার প্রতি আকাংখা প্রকাশ করবে; কৃষি পণ্যের চোরাচালান বন্ধ হবে—কারণ বর্তমানে ভারতে কৃষ পণ্যের উচ্চ মূল্য এবং শিল্প জাত ব্যবহার কম দাম থাকার কারণে চোরাচালানের সবচেয়ে বড় উৎসাহ।

রাষ্ট্রের বর্তমান নৌতিক নীতির সাথে এই কার্যক্রমের কোন দ্বন্দ্ব নাই। সমাজতান্ত্রিক কাঠামোতেই এই তিনটি কাজ করা সম্ভব। এজন্য প্রথমতঃ সরকারকে সকল অপ্রয়োজনীয় ব্যয় হ্রাস করতে হবে। যে অফিসের বা প্রতিষ্ঠানের কাজ উন্নয়নের সহায়ক হচ্ছে না তা তুলে দিতে হবে—অপর দিকে যে কাজে মূলধন সৃষ্টি হয়, যে কাজে উৎপাদনের জন্য দক্ষতা বাড়ে এবং যে কাজে আইন শৃঙ্খলা মজবুত হয়, তাতে উৎকৃত জন সংখ্যাকে কাজে লাগাতে হবে। অফিসের কর্মচারী প্রয়োজন হলে মাঠে কাজ করবে এবং কলেজের শিক্ষক প্রয়োজন হলে প্রাথমিক শিক্ষার কাজে লাগবে। এতে অগোহবের কিছু নাই। এজন্য প্রয়োজন নূতন ভাবে নীতি প্রনয়ন দরকার হলে মুজার মান পুনঃনির্ধারণ করতে হবে, পুরাতন প্রতিষ্ঠান ভেঙ্গে নূতন প্রতিষ্ঠান গড়তে হবে—সততা এবং যোগ্যতাকে সকলের উপরে স্থান দিতে হবে। কাজের লোককে সম্মান দেখাতে হবে। রাজনীতির প্রয়োজনে মজুরী বৃদ্ধি আন্দোলন, পরীক্ষা পিছাও আন্দোলন, কাজে

কোন দেশের অধিকারের আন্দোলন এবং স্বজন প্রীতি, এসব কোন সমাজতান্ত্রিক দেশেই বরণ্যস্ত করা হয় না। যতদিন পর্যন্ত জন সংখ্যার একটি প্রধান অংশ প্রাথমিক শিক্ষা এবং অক্ষর জ্ঞান লাভ না করে, ততদিন সরকার মত কোন কোন গণতান্ত্রিক অধিকার আপাততঃ স্থগিত রেখে দেশের অর্থনৈতিক বুনিয়াদকে পাকা করার জন্য বঙ্গবন্ধুর জনপ্রিয়তাকে ব্যবহার করলে অনেক কাজ হতে পারতো। চুংখের বিষয় বঙ্গবন্ধুর জনপ্রিয়তাকে উন্নয়নের কাজে ব্যবহার না করে প্রথম পদিকল্পনায় তা পানিতে ডুবানোরই ব্যবস্থা করা হয়েছে বলে মনে হচ্ছে গত নয় মাসের অভিজ্ঞতার। বিশ্ববাংকের সাম্প্রতিক প্রকাশিত এটলাসে বাংলাদেশ আজ পৃথিবীর ২২৫টি দেশের মধ্যে সর্বাপেক্ষা দরিদ্র পাঁচটি দেশের অন্যতম। বাংলাদেশে ছাড়া অপর চারটি দেশের নাম আপার ভোল্টা, মালী, বুরুন্ডি এবং যোয়াণ্ডা।

First Five Year Plan-Need For A Bold Approach

BY

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Formulation of a plan is the first essential step for economic development. Implementation of the plan depends largely on the enthusiasm and interest with which the plan is received by the society or at least the educated and conscious group of citizens. At the stage of plan formulation, it is, therefore, necessary to ensure that the plan is so formulated as to attract the attention, interest and enthusiasm of those concerned with the implementation of the plan. This is more essential in a developing economy where social participation has to be induced through the plans, policies, programmes and practices.

Economic Development Plans of pre-liberation days, were viewed with a sense of distrust. The main reason was that inspite of the declared objectives of each Five Year Plan to reduce what was then known as inter-wing disparity, the disparity actually increased. Lapse of funds for this region was very frequent due to lengthy procedures of project approval. Economic development process by-passed a large segment of the population.

These plans did not enjoy as much popular support as was necessary, for several reasons. First; they aimed at increasing GNP, which was of little interest to an average citizen unless such increases were accompanied by noticeable reduction in inequality of income, unemployment and poverty. Second; too much importance was given to financial investments for realisation of growth targets in GDP, thus giving an impression that funds, irrespective of the degree of social participation can achieve the desired result. Fund raising being the responsibility of the Government, there was little scope for mobilising

collective and individual efforts in the Planning and Development process.

Skill development, re-orientation of attitudes of entrepreneurs and beneficiaries and related matters were given secondary importance. Third : these plans did not deal effectively with problems that were agitating the minds of the people. Such problems were and are ; unemployment, rising prices and low income. Fourth : the plan targets were in national averages only, which were too abstract to attract the attention of even the educated segment of the society. Fifth : the plans were based on inadequate statistics and not on any comprehensive survey of national resources. Finally : huge shortfall in targets of most of the previous plans led to the feeling that Planning is an academic exercise meant to obtain foreign assistance.

It cannot be denied that the First Five Year Plan of Bangladesh suffers from many of the drawbacks of the previous plans, though in smaller degrees. The main target is to achieve an annual growth of 5.5% in the GDP through a financial investment of Tk. 5040 crores. The plan targets are mostly in national averages. Attention to specific problems like rising prices, non-availability of essential goods and services which are agitating the minds of the people is inadequate. Problems of employment creation though discussed in comparatively greater details, have been dealt in an unrealistic manner. No notice has been taken of the prevalent employment and training practices of the employing organisations in assessing the estimated additional man-years of employment opportunities likely to be generated during the plan period. The marginal reduction in unemployment may not actually be realised for several reasons. The average cost of creating one additional man-year of employment has been estimated at less than Tk. 10,000.00 which is lower than the cost estimated for the Fourth Five Year Plan of erstwhile Government of Pakistan. Though close to 80% of the investments will be in the public sector, share of additional employment in private sector, both in agriculture and industries has been shown to be around 85%. Shortfall in the implied employment targets in the construction and services sector (1.06 million) will be significant in view of the non-availability of cement and coal. Similarly, shortfall in social sectors will also be high in view of the procedural formalities of approval of projects as well as time consuming recruitment practices of the Government sector. If such shortfalls in employment generation occur, the target of achieving a growth rate of 5.5% in the GDP will lose its appeal, even if successfully achieved.

The most interesting feature of the First Five Year Plan is the inclusion of a provision of Tk. 585 crores of investment of the non-financial type in the subsistence sector. These investments will be in the shape of labour and traditional skill and will not involve much of financial capital. This can be considered as the recognition of the possibility of economic development through non-financial investment i. e. through investment of human resources. Unfortunately, the plan has been casual about this possibility and has not gone beyond mentioning this figure of labour investment in money terms.

Once the potential of development through investment of human resources is recognised, the logical steps would have been to exploit this potential in full. An institutional arrangement to assess such potential and to draw plans for human resources investment to achieve a higher growth in GDP should have been considered seriously. For this it will be necessary to introduce planning and development functions at the lowest geographical unit, may be the Union Councils. These units should be of such size as to make it possible to mobilise non-financial investments. Based on actual-survey of these units, it should be possible to prepare development plans for them which can subsequently be integrated into national plan of non-financial investment.

Such an approach of development through human resources investment should not mean abandoning development planning through financial investment. Simultaneous attention to both human and financial resources investment can be paid. Additional cost of such an approach will not be unbearable if reallocation of manpower available with the government organisations can be made if they can be given proper training. On the other hand, such an approach will eliminate the drawbacks like preparing the plans with inadequate statistics, offering little scope for social participation, fixing targets of abstract and global character etc. This may, in the long run, lead to achieving better results in respect of the plan targets.

Domestic Resource Mobilization in the First Five Year Plan of Bangladesh : Some Comments

By

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I

The First Five Year Plan (1973-78) of Bangladesh aims at a growth of GDP at 5.5 per cent per year during the Plan period and a "modest" per capita income growth at 2.5 per cent per year. To attain the per capita level of consumption of 1969-70 by 1977-78 resources valued at Taka 50.3 billion (at the base year prices have to be mobilized (and invested according to the Plan priorities) during the Plan period. Even assuming that the "Required Net Capital Inflow" of about Taka 18 billion will be forthcoming, it will need, to say the least, "Considerable efforts" in mobilizing domestic resources. In simple language the Plan calls for sacrifice of consumption valued at about Taka 32 billion by all or some segments of the population so that by 1977-78 consumption level of the average citizen reaches a level comparable to that of 1969-70. If one takes into account the consumption loss during the transitional period and the burden of huge foreign debt at the terminal date, the Plan target may not appear to be "modest" after all.

II

The basis of the strategy of resource mobilization is the socio-economic objective of the political authorities and the Plan tells us in Chapter I that the long term socio-economic objective is to build a socialist society in Bangladesh. After a brief discussion of the objective conditions in Bangladesh, the Plan recognizes that to transform the present state of mixed economy to a socialist one at some further date requires, among others, a policy of increasing the share over time of the public

sector in all the spheres of economic activity. Note that the share can increase only if the share of the means of production owned by the society increases over time. On the rate of increase of the share of the public sector the Plan has only one reservation—it should be consistent with the “ability of the State to manage and organize efficiently” (p. 10, Plan). Elsewhere the Plan welcome the contribution of the private sector to the economic development of Bangladesh provided “that any outcome, inimical to socialistic development is avoided” (p. 80, Plan).

The course of the socialist transformation of Bangladesh or the ascendancy of the public sector will be determined largely in the political arena or specifically by the sequence and outcome of the revolutionary class struggle. However, in so far as the success of a progressive transformation of the society depends upon the elimination of the economic factors which sustain the reactionary elements in the society, one need to concentrate specifically on the operational aspects of regulation of income and economic activity of the classes which are hostile to building a socialist society at a particular stage of historical development.

The principal thrust of an economic policy during the transitional period from a state of mixed economy to a socialist one should be to consolidate the public sector, restrict the private sector (to only the socially necessary functions) and maintain the higher growth rate of the public vis-a-vis private sector. If the rate of accumulation by the private sector tends to be higher, fiscal and other policies should be used to transfer private accumulation (savings) into the public sector to tilt the growth rate in favour of the public sector.

III

During the last two years a huge amount of (mainly finance) capital has been accumulated in the private sector in Bangladesh. The principal sources of such accumulation are the following.

1) The private importers earn the scarcity premium of foreign exchange. There has always been a large gap between the landed cost of import (i. e., c. i. f. cost plus indirect taxes) and the domestic wholesale prices but due to inflation and import restriction the profit gap is much larger in recent years. The indenting houses also earn a large profit. The public sector organisations engaged in import usually sells the imports at the landed cost to the wholesalers who in turn earn the margin.

2) The unrealistic pricing policy of the nationalized industries which keep the wholesale price at a much lower level than the domestic retail prices is a ready source of excess profit to the wholesalers in those commodities. The Public Sector commercial organisations also follow a similar pricing policy.

3) The private sector industries and commercial organisations have accumulated large amount of financial capital.

4) There has been considerable windfall gains as a result of inflation to the stockists and real estate owners.

5) Agricultural price rise has contributed to the accumulation of funds in the hands of the large farmers.

6) The illegal trade, smuggling, trade in (foreign), relief goods etc. during these years etc. also contributed substantially to the accumulation of a large amount of financial assets in the private sector.

As a result of various restrictions on investment in the private sector a part of the private accumulation has been consumed and transferred abroad. I do not think it is necessary to emphasise that unless the policy of the government with respect to import trade pricing policy of the nationalized industries and public sector commercial organisations etc. do change the rate of accumulation of private capital will probably increase. As a direct consequence the political and economic strength of the forces hostile to socialism will continue to grow.

According to the First Five Year Plan estimate "new tax and increased tax rates" is expected to yield Taka 6,25 billion. If one subtracts the portion of revenue raised as a result of "increased tax rates", it is doubtful whether the contribution of "new tax" will be worth mentioning. In spite of the fact that a virtually untaxed large profit has accrued and is continuing to accrued to the private sector the plan has shown little eagerness to mop it up.

The existing tax structure is already sufficiently regressive. If the rate of existing taxes must be revised, certain areas of the industrial-cum-commercial activity of the private sector should be taxed enough beforehand to justify such revision. As we have seen earlier; the largest part of the excess profit accrued to the private sector as a direct consequence of the foreign exchange and domestic pricing policy of the government. Unless the Planners prove to the contrary,

one would be left with the impression that the present economic policy is promoting rather than curbing the excessive growth of the private sector with all the associated political consequences.

IV

The Plan has a long list of items which contribute to the constraints of resources-mobilization, e. g., the low level of income, production and saving. The effectiveness of fiscal policy in an economy with low level of consumption is indeed limited. The limitation can be overcome to a great extent by the use of non-fiscal method of resource mobilization,

Chapter VI of the Plan has an elaborate discussion on the prospect of mobilization of manpower in rural Bangladesh for projects whose benefits are largely accrued to the local population. This particular section, however, has not been integrated with the rest of the Plan. No attempt has been made in the Plan to quantify the benefits or contributions to growth from such programme. Similarly other problems of manpower mobilization such as development of fiscal, administrative and other structures to support it has not been worked out as well. Was the programme really meant to be implemented ?

In a large number of countries including both the socialist and the non-socialist countries people of certain ages are conscripted for national defense and/or national services. Deferment from such services are granted on the basis of financial hardship and similar reasons. If the proposals in the Plan are implemented, Bangladesh will be the only country where it will be possible to buy "labour obligations commuted by payment of an agreed sum" (p. 69. Plan) exemption from labour services. I am not sure if this is consistent with the "socialist ideal".

So far there has not been any comprehensive survey of the resources in Bangladesh. this is hardly surprising in view of the fact that in the past planning exercises were mainly in terms of mobilization of saving rather than resources. Resources that do not generate any income hence saving were either left out of the planning process or, as in the case of unemployed labour, were registered as a liability. The Planners therefore had little urge to know the qualitative aspect

of the unemployed or underemployed manpower. To lay the foundation of a comprehensive planning we also need to know both the qualitative aspect of physical capital stock and infrastructure and various kinds of natural resources (e. g., water, soil properties, marine biological wealth). Only when such a survey is completed we will be able to quantify the magnitude of idle or near-idle resources which can be mobilized for economic development without seriously curtailing the quantum of consumption. In fact it may be possible to devise fiscal policies to increase both consumption and investment.

The task, however, is a formidable one. To effectively utilize the (conscripted) labour power we need some complementary resources which must be collected. Also, destitutes and landless labourers must be adequately compensated. The near impossible hurdle to cross, however, is the mobilization of physical means of production which are privately owned. No matter how inefficiently they are utilized the society cannot, in general, alter the pattern of use of such resources. Nationalization of the means of production is one answer. A compromise situation would be to effectively limit the legal right over property so that in case of conflict between individual and social interest the latter takes precedence.

In terms of per capita income or resource endowment Bangladesh is one of the poorest countries in the world. Raising the rate of saving appears to be a fruitless endeavour. Yet paradoxically here in Bangladesh a colossal amount of resources remain unutilized and a huge government policy induced profit continues to accumulate without being taxed in the hands of a small segment of the population. With a comprehensive and effective resource mobilization programme we may not achieve a spectacular growth rate but it will not be because we have not tried.

Financing Development Programmes In Bangladesh

BY

Muhiuddin Khan Alamgir*

In a simplistic as well as usual presentation, rate of economic development, given the rate of change in population size, has been stated as function of rate of accumulation of investible surplus and investment-output ratio. In the context of Bangladesh, in pursuance of a socially accepted concept of deliberate development and within the existing governmental framework, for the purpose of development, the primary responsibility for guiding an acceleration in the rate of accumulation of investible surplus vests on the Ministry of Finance while the, investment output ratio, being essentially contingent on the pattern of allocation of resources amongst various productive sectors and the utilisation profile thereof, remains to be primarily accountable by the Ministry of Planning. Once the process starts, however, the investment-output ratio being reflective of surplus over cost, also in association with other relevant factors, comes to govern the rate as well as size of investible surplus, making the process of financing economic development diffused as well as vulnerable to be entwined in the oftquoted vicious circle.

In this paper, the spotlight has been designed to be on accumulation of investible surplus and not investment—output ratio; the factors governing and effects emanating out of the latter will be referred only as far as they come to accelerate or decelerate the former.

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A low-down on accumulation of investible surplus starting from the Keynesian differentiation of saving from investment and emphasis on investment, and specially in the light of socialist experience and practice¹, has over decades, come to imply, in no uncertain terms, the physical embodiment of investment designed for increase in production. Financing development programme, in this context, therefore will be indicative of generation and acquisition of required savings need for physical investments in chosen development programmes. Interpreted as such, the total of monetary savings, in the absence of investment lapses, will equal the monetary value of physical investment or capital to be formed, and to the extent, deficit financing (understood in the sense of borrowing from the banking system within its safe limits), makes possible canalisation of physical resources to investment by avoiding consumption thereof, should be taken as a form of saving transformable into productive investment².

Assuming therefore, saving being equal to investment and investment being monetary counterpart of the capital (in its broad interpretation) to be formed, in the context of Bangladesh, given the level of revenue expenditure³, the quantum of finance usable for investment or capital formation, as per the profile of development programmes at any point of time, may be said to be the aggregate of the following:

¹Bor, M. Z : The Organisation and Practice of National Economic Planning in USSR ; in UN : Planning for Economic Development, Vol-II Part-2 ; 1965.

² Unfunded debt of the Government of Bangladesh consisting of net receipt on account of state provident funds, postal savings and life insurance, savings certificate etc., though theoretical components of public debt should be viewed as different from borrowing from the banking system in so far as borrowing in the form of unfunded debts, being embodiments of actual savings of individuals and institutions do not unlike borrowing from banking system necessarily mean creation of additional money : Vide: Government of Bangladesh, Ministry of Finance; Detailed Estimates of Public Account of the Republic (Receipts and Disbursements), for the year 1973-74, P-2.

³ Theoretically unproductive expenditure incurred primarily in running the Government; the main component of this expenditure in Bangladesh are, civil administration, defence, maintenance of educational and health facilities. Vide : Government of Bangladesh, Ministry of Finance ; Annual Budget for 1973-74 ; Budget Speech of Minister for Finance ; 1973, P.34.

$$(TR + OR + PP + CR) + (PSH + PSC) + (X - M) + (FLR - FLP + FG) + BB$$

wherein :

- TR = Tax Revenues,
- OR = Other Revenues,
- PP = Profit made by public enterprises,
- CR = Net (domestic) Capital Receipts,
- PSH = Private saving in the household sector,
- PSC = Private saving in the corporate sector,
- X = Export,
- M = Import of non-developmental goods,
- FLR = Foreign loan receipt,
- FLP = Foreign loan repayment including interest,
- FG = Foreign grant, and,
- BB = Borrowing from the banking system within safe limits.

Of the aforesaid, tax revenue (TR) consisting mainly of customs, excise duties, income tax (including corporation tax and agricultural income tax) and sales tax are easily understood. Other revenues (OR) consists of administrative and commercial revenues; of the administrative revenues chief components are various administrative fees and receipts on account of stamps and registration; while receipts accruing from Railway, Post Office and Telegraph and Telephone account for commercial revenues. At present public enterprises in Bangladesh are working in financial, commercial and manufacturing sectors. In the financial sector, profit made by Bangladesh Bank, nationalised commercial banks and specialised financial institutions namely Bangladesh Shilpa Bank, Bangladesh Krishi Bank, Bangladesh Shilpa Rin Sangstha and House Building Finance Corporation are expected to contribute to the profit of the public enterprises; in the commercial sector, contribution should come from commercial corporations and enterprises like Bangladesh Inland Water Transport Corporation, Bangladesh Road Transport Corporation, Bangladesh Biman, Trading Corporation of Bangladesh and Consumer Supplies Corporation, while in the manufacturing sector all public corporations and enterprises owned by the Government remain to yield by far the significant portion of receipt under this head (PP). Net domestic capital receipts (CR) consists of net receipts on account of state provident funds, postal savings, saving certificates, postal life insurance and receivable debt service charges.

Of the savings made in the private sector, the main problem in the context of Bangladesh as in case of other South-East Asian countries is to arrange for their canalisation to investment⁴. In the corporate sector private savings is mainly accounted by profit made by enterprises, lifeinsurance premia paid and time deposits kept in the banking institutions. It is assumed that private saving in the corporate sector is invested either directly by private entrepreneurs or indirectly in the form of loans taken from banks and specialised financial institutions. The main problem in this field centres around making private savings available for productive investment by the government and/or by private investors. Towards this direction in Bangladesh institutional facilities in terms of postal savings banks, sale of saving certificates, prize bonds, postal life insurance policies etc. are designed to mop up a part of the private savings in the household sector for productive investment in public sector. In the budget of the Government receipts on account of this accrue as receipts under 'unfunded debt'⁵.

The surplus of exports over the imports of non-developmental goods ($X-M$) should be understood in the context of a vital dependence of a developing country having low technological base on foreign trade. At the initial stages, given the inability of these countries to transform their physical savings into capital equipments, a part of savings needs to be exported and then transformed into capital equipments, through imports paid for by exports. In pure financial terms, savings in this sector are reflected in savings of public and private sectors. But at the initial stages of development, given the importance of foreign trade in the process of transformation of physical savings into much needed capital equipments the surplus of exports over imports of non-developmental goods needs to be mentioned separately under the assumption that saving in the government and private sectors as stated earlier do not include savings in the form of trade surplus defined in the aforesaid line⁶.

⁴ Vide: 'Design of Fiscal Policy for Increasing Government Savings': UN: Economic Bulletin for Asia and Far East, Dec. 1962.

⁵ Vide: Op. Cit: Government of Bangladesh, Ministry of Finance: Detailed Estimates of Public Accounts of the Republic 1973-74, P.2-3.

⁶ ($X-M$) in Bangladesh as per the existing arrangement is spelt out in Foreign Exchange Budget prepared by External Resources Division of the Ministry of Planning and reflected publicly in six monthly import policy announcements.

The net receipts of foreign loans (FLR - FLP) and grants (FG) is indicative of transfer of saving of the aid giving nations to augment the level of savings of developing/recipient nations. Investible surplus emanating out of foreign loans and grants may be regarded as residuary accretions to the total level in savings⁷. This, however, given the initial difficulties in generating exportable surplus in developing countries in order to make possible import of capital goods makes the role of foreign loans and grants vitally important to break through the vicious syndrome of poverty.

As has already been mentioned, within the safe limits defined by increase in monetisation of the economy and total output of goods and services (or even socially acceptable increase in price level) borrowing from the banking system may be said to be savings in so far as such borrowing saves a portion of consumption for further investment.

Within the aforesaid framework for generation of investible surplus in Bangladesh, the profile of revenue receipts and the pattern of financing programmes as reflected in the Budgets for 1972-73 and 1973-74 needs scrutiny. In Table 1, the contribution of various sources to the total of revenue receipts in two normal years after liberation has been spelt out. In Table 2 the sources of finance budgeted for development (including reconstruction) programme for 1972-73 and 1973-74 have been indicated⁸.

⁷ In the Budget of Bangladesh, accrual of foreign loans and grants is reflected in Foreign Aid Deposits Account: Vide: Government of Bangladesh, Ministry of Finance: Detailed Estimates of Revenue and Receipts 1973-74: P.48-52.

⁸ Figures for the first budget of Bangladesh for the period December 16, 1971 to June 30, 1972 have been excluded from these two tables, as this period is regarded as too abnormal a period to be indicative of a pattern or profile.

TABLE 1

CONTRIBUTIONS OF VARIOUS SOURCES OF REVENUE
RECEIPTS 1972-73 AND 1973-74

in Percentage

Sources of Revenue	1972-73 (Revised Budget)	1973-74 (Budget)
A. Tax Receipts		
a) Customs	41.24	34.04
b) Excise duties	25.19	28.33
c) Income Tax Corporation Tax & Agricultural Income Tax	3.45	3.98
d) Sales Tax	12.37	11.26
e) Land Revenue	1.44	1.10
f) Other Taxes	7.50	5.54
B. Non-Tax Receipts		
a) Nationalised Banks and Industries and other Enterprises	4.21	6.80
b) Stamps and Registration	4.25	2.60
c) Post Office Department		
d) Telegraphs & Telephones Department.	(-) 0.05	6.35
e) Other Receipts		
	100.00	100.00

= Tk.242.50 crores = Tk.411.31 crores

TABLE 2

FINANCING DEVELOPMENT PROGRAMME
IN BANGLADESH : 1972-73 and 1973-74 *

(in crores of Taka)

Head	Revised Budget 72-73	Percentage of total	Budget 73-74	Percentage of total
Revenue Surplus	7.08	1.78	88.01	16.75
Net Domestic Capital Receipts	(-) 1.55	(-) 0.39	38.74	7.37
Foreign Loans and Grants Borrowing from Banking System	318.33	80.01	352.00	67.01
Receipts from Nationalised Sector	63.75	16.03	18.60	3.54
Total	10.21	2.57	28.00	5.33
	Tk. 397.79	100	Tk. 525.35	100

It will be evident from Tables 1 and 2 that the contribution of domestic savings for savings for financing investment programme in the public sector in the year 1972-73 and 1973-74 has been small; as a matter of fact if one takes into account the losses incurred in state trading in foodgrain and in public enterprises (other than those who contributed to the exchequer) that were/are financed through bank accommodation obtained on the basis of direct or indirect guarantee provided by the Government, the quantum of domestic savings generated in Bangladesh in 1972-73 and to be generated in 1973-74 appear to be low.

* The estimate of revenue surplus for 1973-74 in this table is inclusive of additional taxes etc. proposed in the budget speech of the Finance Minister but excludes, for analytical reason, the initial estimate of profit of public enterprises to the tune of Tk. 15 crores, which has been included in estimated receipt of Tk. 28 crores from Nationalised Sector. An addition of Tk. 13 crores was later made as additional receipt from the nationalised sector. In the same way the figures for revenue surplus for 1972-73, as mentioned, is to the exclusion of Tk. 10.21 crores received as profit from the nationalised sector. Net capital receipts for 1973-74 as mentioned in this table, includes additional receipt to be emanating out of proceeds from abandoned properties; Vide: Opt. cit.; Government of Bangladesh, Ministry of Finance; Annual Budget for 73-74; Budget Speech of the Finance Minister, P.37.

In terms of surplus of export over import of non-developmental goods (mainly foodgrain) the position, due mainly to the predatory effects let loose by the occupation forces earlier, has not been upto the expectations making the country heavily dependent on inflow of foreign aid and loans to finance its development programmes¹².

The financing pattern of the First Five Year Plan of Bangladesh (which includes fiscal, 1973-74) as indicate in Table-3 is not very different from what has been the pattern in 1973-73 and 1973-74.

TABLE 3
Financing Pattern of First Five Year Plan of Bangladesh¹³.

Head	Tk. in crores	Percentage
Revenue Surplus	778.00	17.47
Net Domestic Capital Receipts	350.00	7.86
Receipts from Nationalised Sector	384.00	8.60
Foreign Loans and Grants	1757.00	39.44
Private Saving (excluding non-monelised saving and time deposit)	720.00	16.17
Borrowing from Banking system	360.00	8.08
Others	106.00	2.38
Total	4455	100

¹² Vide : Government of Bangladesh, Planning Commission : Annual Plan, 1973-74. P.21-23.

¹³ This table is based on Table IV-1, IV-2 and IV-5 of Ch-IV of the First Five Year Plan. In this Table contribution from the nationalised sector, is shown separately while foreign loan earmarked for private sector is included in the total of foreign loans and grants. The figure for foreign loans and grants is the domestic resource equivalent of external capital inflow which is less (by Tk. 42 crores) than C & F value of such capital inflow. The receipts from the nationalised sector as projected by the Planning Commission is inclusive of debt service charges and income tax payable to the Government but excludes depreciation charges, which means in terms of profit, the contribution of the nationalised sector will be less than Tk. 384 crores. Tk. 360 crores, shown as the extent of borrowing from the banking system is inclusive of Tk. 503 crores to be borrowed by private sector in the form of long term development finance ; the extent of borrowing by the Government from the banking system is projected, therefore, to be Tk. 157 crores. Vide : Government of Bangladesh, Planning commission ; The First Five Year Plan, P.47-48.

It will be evident from Table 3 that compared to the extent of dependence on foreign aid in 1972-73 and 1973-74, the First Plan period as a whole will reflect less dependence on such residuary accretions. Towards reducing the extent of such dependence, a major thrust in export earnings representing an increase of about 43% in the terminal year over 1969-70 benchmark level i. e. at a rate faster than the growth of GDP has been projected. In the Plan, the surplus of exports of nondevelopmental goods over the five year period has been estimated at approximately Tk. 1023 crores²². Given the requirements of growth, this surplus transformable into imported development goods and services is small and reflective of our high dependence on import of consumer goods, but nonetheless indicates a consciousness of our planners to reduce, by stages, the extent of dependence on foreign aid and loan. This increase in exports matched with maximum reduction in imports of non-developmental goods, calls for an application of determined will of the people and the government, which may go to indicate the success or the failure of the Plan.

An ambitious thrust at increase in export surplus over import of non-development goods, however, does not go to compensate the low level of projected surplus in Government receipts, which is quite low given in comparison with other developing countries in Middle East, North Africa and South America. The relatively low level of Government receipts should also be contrasted to a situation obtained in USSR and other socialist countries. In USSR, the state's main source of revenue is income from the socialist sector of the economy collected in the form of turnover tax and profit of state enterprises²³. In Yugoslavia for example, following in essence the same principle, the income or newly created values of industrial and other enterprises is subject to distribution between the enterprise and the community so as to yield along with other tax receipts the major portion of

²² Vide : Government of Bangladesh, Planning Commission : The First Five Year Plan : 1973 P-52-58.

²³ Turnover tax is not a tax as is usually understood. The amount of turnover tax is determined by the state on the basis of economically valid prices and of enterprises' cost and profit level. In the context of Bangladesh the major amount otherwise collectable as turnover tax may be said to be going to the middlemen as scarcity premium. Op. cit. Bor, M, Z, The Organisation and Practice of National Economic Planning in USSR, P. 162

investible surplus of the economy¹⁴. Considering the limitation in terms of a weak traditional tax base, low income and ceiling on private industrial investments, the rise in the tax yield as has been projected in the Plan, may be viewed as reasonable. In view of institutional division in collection of individual savings¹⁵, simultaneous increase in savings in corporate sector and low rate of increase in per capita income, the net domestic capital receipts as projected in the Plan should also be viewed as the very best that can be accounted for under this head. However, the projected receipts from the nationalised sector, leaves a scope for reassessment.

In Bangladesh the public/nationalised sector operation, though not all comprehensive as in case of USSR, Yugoslavia or other socialist countries, should be regarded as quite extensive. In the manufacturing sector, 313 medium and large industrial enterprises having fixed assets of Tk. 900 crores, have already been taken in the ambit of public sector. In the field of finance, banks, insurance companies and specialised financial institutions (excluding foreign banks and insurance companies) comprising the overwhelming major areas of operation have been taken under the ambit of public sector, while in case of trading and commercial operations, the most significant part, specially, in respect of foreign trade and transport, has been covered by nationalisation measures. In spite of this extensive public sector operation of the economy, it has been estimated that in the course of First Five Year Plan period, nationalised sector will contribute not more than Tk. 384 crores. This inclusive as it is of income tax and interest payment, should be admitted as a low return on capital investment in view of the prevailing level of scarcity premium in the domestic market and given the fact that in Pakistani days the average net profit was estimated to be roughly 30% in case of

¹⁴ Jelic, B. & Albin, O: Some Characteristic Features of Economic Planning in Yugoslavia: Op. Cit. UN: Planning for Economic Development: Vol. II Part 2. 1965.

¹⁵ As indicated earlier, investible individual savings in Bangladesh is usually distributed between Government sector (in terms of provident fund, postal deposits, saving certificates and postal life insurance etc., and the corporate sector (in the form of time deposits in banks and life insurance premia paid).

large-scale industries and even higher in some other sectors¹⁶. Given a basic premise that during the days of Pakistan the corporate sector invested 50% of its gross profit and that such gross profit in large and medium scale industries even today reflects value of income transferred from rural to urban areas via the over-valued exchange rate and commercial policies¹⁷ and the facility with which increase in productivity in public sector can be canalised for further investment by disallowing the newly created 'values' from finding way into the income flow of individuals whose consumption need is acute, more investible surplus than what has been estimated by our planners should have accrued under this head.

A higher contribution from the public sector appears to be imperative if the country has to attain a higher rate of savings compatible with the pattern of equitable distribution of income as enunciated in the Constitution as fundamental principles of State policy¹⁸. The experience over two years has opened up two avenues following which the yields from the public sector may be increased. Through a process of strict and dispassionate cost-control and faithful collection of the scarcity price state ownership of means of production should be utilised to account for by far the major quantum of investible surplus. Unless this is done adoption of an alternative process of planning through private enterprise may lead to a heavy concentration of economic power in the hands of so-called robber barons. For a time, such a process may yield result as it did in Pakistan in 1960's but as the experience has gone to prove if it is encouraged to take its own course in this age of socio-political ferment, its consequences may be too predatory to allow for the participation and contribution of the less affluent to the painful process of generating savings required for increase in gross domestic product without any reference to distributive justice¹⁹.

¹⁶ Mahbabul Huq: *The Strategy of Economic Planning: A Case Study of Pakistan*, P.41.

¹⁷ Vide : Griffin, K, *Financing Development Plans in Pakistan*, *Pakistan Development Review* : Winter 1965.

¹⁸ *Constitution of People's Republic of Bangladesh: Articles 13-17.*

¹⁹ Vide; Rahim A. M. A.: *The Development Strategy of Pakistan : The Case for Revision*; *Asian Survey*, June, 1973.

As has been indicated, borrowing from the banking system within its safe limits may be said to be generation of saving in the context of economic development. A political alternative to taxation as it is, it may be noted that its application in Bangladesh, has in real terms, been much more than what may be read in budgetary figures. The deficit on account of foodgrain and cumulative losses incurred in public sector operation in the manufacturing and commercial field have been and are being met through borrowing from the banking system over and above the level of deficit financing which was envisaged in the budgets for 1972-73 and 1973-74. As a result the money supply (consisting of currency in circulation and demand deposits in the banking system) has since liberation gone up by about 100% in the face of an almost stagnant level of production. The underlying hope of the monetary authority that production will respond to increased money supply remain yet to be fulfilled²⁰. The consequence has been an inflationary situation which has come to threaten distortion of the present package of development programmes. Viewed in this context, the projected borrowing by the Government from the banking system to the tune of Tk. 157 crores in the Plan period, should be regarded as avoidable, and may not be taken resort to if the yield from the nationalised sector is made to show up at least matching increase. The room for mistakes and wastes being severely limited and total commitment of the people, being the pre-requisite for success, the problems centering around an immediate increase in efficiency of operation of the nationalised sector encompassing the whole gamut of societal motivation and milieu as they do, will remain as the greatest challenge to be met in the course of the first quinquennial development of the new country.

²⁰ Rahim A. M. A. : Some Aspects of Inflation Theories in the Context of Bangladesh : Bangladesh Bank Bulletin : September, 1973.

The Import Policies within the Framework of the First Five Year Plan : A Critical Evaluation

By

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The purpose of this paper is to make a critical evaluation of the import policies within the framework of the First Five Year Plan. It will involve the following issues:

- 1) Whether the composition of imports satisfies the criteria of rational choices ?
- 2) Whether the recent price-hikes in the international markets will disturb the estimates regarding the cost of imports ?
- 3) Whether financing of import through export-earnings and foreign loans will meet shortfall in reaching its targets ?
- 4) Whether the institutions and processes of imports are decided in the right direction ?

I

The First Five Year Plan envisages visible imports to the tune of Tk. 3787 crores. The plan projects the import-requirements in the following way¹.

Capital goods	Tk. 1275	crores
Intermediate goods	Tk. 1283	„
Consumption goods except food grains.....	Tk. 779	„
Foodgrain	Tk. 350	„
For lags, delays, etc.	Tk. 108	„
	<hr/>	
	Tk. 3787	„

¹ FFYP. Page—52

The above table apparently suggests that the capital goods and intermediate goods were given more prominence over the consumption goods. But the problem is that the plan does not spell out the rationale behind this import-projection. With the passage of development, the import-needs will change; but the chain of reactions has not been clearly shown in the import projection of the Plan. The plan seems to have failed to spell out how the development of consumer goods industries will gradually substitute the imports of consumer goods.

The plan seems to be uncertain about agricultural development programme. The plan boasts of self-sufficiency in foodgrain by 1977-78 and it has phased the expansions in agricultural productivity accordingly. Each phase of development indicates the food-gap and corresponding imports of food grains. The foodgrain imports to the tune of Tk. 350 crores however has not been phased in the plan document. It gives a feeling that the plan is not certain in its food programme and that is why, foodgrain imports have not been phased year by year.

One wonders whether the composition of imports has been properly decided. The plan proposes to spend foreign exchanges on certain commodities, which could otherwise be stopped or minimised. Let us take the example of sugar import. Plan proposes to import sugar worth Tk. 74.3 crores, while during 1965-75, it was Tk. 15 crores². One wonders what induced the Planning Commission to put scarce foreign exchanges on the import of sugar. Contrary to this view of the Planning Commission, the exports on the sugar industries believe that if proper measure are taken to utilise the existing capacity of the gugar industries, we can not only stop the imports of sugar, but also make some surpluses to export. This example suggests that the composition of import has been decided quite arbitrarily without examing our productive capacities.

The doubts also center around the planned estimate of 32 lakh tons of rice-imports during the next five year. The plan has seriously underestimated the actual food shortage. As far as the present despenstation of circumstances are concerned, the food shortages during the next five year may run well over 60 lakh tons. We have seen that in 1972-73, 28 lakh tons of foodgrains were imported³. According to government sources, this year's food shortage is 20 lakh tons. There is no reason to believe that this food-shortage will not persist in the subsequent years,

² FFYP, Page—53

³ Annual Plan Report, 1973-1974.

Therefore, the plan may require to import more than stipulated amount of foodgrains. Since food is non-dutiable item, this situation may result in the reduction of government duties from import-duties.

II

When the plan is formulated, the planners could not foresee the future rises in the international prices. Within a year, price in the international markets rose up very high and undoubtedly, it has disturbed all the estimates of the plan-estimates. The general price-levels in the international markets have risen by more than 30 per cent. The international rice markets showed extreme volatility in prices and food prices rose by 300 per cent.

As the things are going on, price-reversal in the international markets is not very likely. The high price of imports may persist for the following reasons :

- (1) The oil crisis has triggered off inflationary price-spiral. High price of importables will persist, because the costs of production have risen due to higher labour costs and higher costs of materials. As far as rice is concerned, retreat of price to double the level of 1971 is a highly optimistic one and for some time, bullish sentiments are expected to predominate in the world rice centres.
- (2) Secondly, shipping difficulties have contributed to the dislocation of international trade and higher freight rates have helped to push up prices.

The costs of the planned imports will make an upward shift to the extent the international price-level shift. If proper adjustments are made for this price-like, the actual costs of imports will exceed the plan-stipulated amount of Tk. 3787 crores. The question is, how we can meet this inflated cost of imports. To meet this inflated import-costs, we have to raise either export-earnings or foreign loans or both. On the other hand, if we want to keep the import costs at the money-value of Tk. 3787 crores, then the physical volumes of imports are to be reduced. Whatever may be the direction of adjustment, one should not have any doubt that price hikes at international level and hyper-inflation at domestic level have seriously disturbed the plan targets and estimates.

III

The import-capacity is a function of export-earnings and availability of foreign loans. The plan envisages that out of Tk. 3787 crores, Tk. 1988 crores will be financed by export-earnings and the rest by foreign loans. The major share of exports stems from raw jute-goods. Out of the plan estimates of exports, raw jute and jute-goods would bear more than 75 per cent. The capacity to earn foreign exchanges depends on the behaviour of raw-jute production and performance of jute industries. Though actual figures are not available, but, it is being feared that a substantial portion of better-quality raw-jute is being smuggled out across the boarder. Our jute-Industries also give a very dismal picture. If the present trend of export earnings is maintained throughtout the plan-periods, then the plan-target of export-earnings may not be reached. A lower export-earnings will mean a lower-capacity to import.

The import-capacity will largely be dependent on the availability of foreign loans, which constitutes about 48 per cent of the total imports, One doubts whether the plan will be able to realise the stipulated amount of foreign loans. The recent tendencies show that the quantum of loans to developing countries is remaining stagnant over the last few years, while the expectation of these countries are running very high. Coupled with high degree of uncertainty of foreign loans, conditions of these loans are hardening day by day. The Underdeveloped countries are so such in need of loans that they can absorb as much as they can get. But the main constrain is, how much the aid-giving countries can afford to offer to the aid-receiving countries. The forward momentum of growth is constantly threatened by the bleak aid prospects. The debt-servicing liabilities add more anxieties for the developing countries. The debt-services of the aid-receipients have been growing at 17% per annum, absorbing much of the increase in export-earnings, which is about 6% per annum⁴. The First Five Year Plan run the risks of these problems as far as the foreign loans are concerned.

The past trends of imports-financing since independence can be discussed here to justify the skepticism regarding the fulfilment of the import-targets. The annual import-programme is usually being implemented

⁴ Lester Pearson : *Partners in Development*, Reports of the Commission on international development.

through import-policies covering periods of six months each. We have observed that all the import policies in the past did face significant short falls. The gap between "promises" and "actuals" is a regular phenomenon in all the past import-policies.

Out of projected Tk. 175 crores of imports in July-December' 72, actual imports took place to the tune of Tk. 100 crores. During the period of 1972-1973, the total non-food imports were between Tk. 400 crores to Tk. 450 crores⁵, against the projected requirement of Tk. 635/00 crores.

Import-performance during July-Dec 1973 also shows the same picture of substantial shortfalls. While the import-policy of July-Dec, 1973 project the import-requirements at Tk. 215 crores, actual imports took place to the tune of Tk. 195 crores⁶. For the fiscal year of 1973-1974, the Plan projects the non-food import-requirements at Tk. 710 crores. But, the actual imports of July-Dec, 1973 (Tk. 195 crores) and the projected import of Jun-July 1974 (Tk. 323 crores) taken together will still yield a shortfall of Tk. 192 crores⁷. The shortfalls would certainly exceed the level of Tk. 192 crores, because, it is apprehended that current imports policy will entail more shortfalls.

All the import policies after independence did suffer from significant shortfalls due to the following factors.

- (1) There were shortfalls in the targets of export-earnings.
- (2) The foreign loans did not flow in the projected direction. Out of the projected inflow of foreign loans during July-Dec'73, only 53% came in.
- (3) There were institutional bottlenecks. The slow processing of imports from the opening of L/Cs upto the end uses also caused shortfalls in our import policies. The capacity to import always faces the above-mentioned constraints. The First Five Year plan fails to ensure that these opposing forces will not disturb the targets of imports.

⁵ Annual Plan's Report, 1973-74,

⁶ Import Policy of Jan-June 1974.

⁷ Annual imports during July-Dec. 1970—Tk. 195 crores.

Projected	" "	Jan-June 1974—Tk. 323	" "	Total ; Tk. 518	" "
Plan-stipulated imports for 1973-1974 — Tk. 710 crores.					Tk. 518
					Shortfalls ; Tk. 192

IV

The institutions and processes of imports need careful analysis. The Annual Plan (1973-1974) has rightly observed that "the actual arrivals of imports, both under aid and from our foreign exchange resources were slow due to the time-lag between (a) actual allocation of funds and issues of licences, (b) issues of licences and opening of L/Cs, (c) opening of L/C and retirement of L/Cs and (d) retirement of L/Cs and arrival imports"². Though the problem has been rightly pointed out but, the remedy has not been suggested in concrete terms and the Plan cannot ensure that these institutional lags will not affect the Plan-target of imports. In fact, the Plan fails to suggest institutional measures in the right direction for removing the procedural bottlenecks of importing.

In respect of utilisation of barter resources of imports, we have also seen that many handicaps do arise to disturb the targets of imports. These handicaps are: high prices of importables, inferior quality compared to prices, irregular supply, delay in shipments etc. The Plan, however, fails to view these problem in an objective way.

As regards the import-mechanism, the Plan conceives an institutional policy in which increasing participation of state in the trading activities has been suggested. The past trends, as has been shown in the following table, also shows that more imports had been increasingly brought under government control.

Year	% of public sector participation in importing
Up to June ...	50%
Jan-June 1973.....	70%
July-Dec. 1973	82%
January-June 1974	85%

The Plan seems to justify increasing participation of state on the plea that it is helping the cherished goal of socialist transformation. It seems to be a high-sounding principle. But if one goes deep into the activities of state agencies, one would get the fair understanding that mere expansion of the activities of public sector cannot be equated with a

² - The Report of Annual Plan, 1973-74.

step towards socialistic order. The socialist order will mean the end of the exploitative system through the process of socialisation of the means of production. Aimless and misdirected participation of government sector under a basically capitalistic system cannot be reasonably conceived as a step towards socialism. In fact, this institutional policy has two dangerous implications :

(1) For lack of managerial and technical know-how regarding import-processes, the state trading agencies face many handicaps. Not only that it results in lags in imports and under-utilisation of importable resources, it also leads to one of the highest forms of corruption, malpractices and disorders. If this continues unabated, it may create general apathy towards socialism. It is a historical truth that the abuses of socialism are more widespread than the uses of socialism and abuses of socialism are consciously made to thwart the growth of socialism.

(2) The bogey of socialism has also discouraged the growth of nascent investors. As a matter of fact, the Plan has not concretely suggested any measure to improve the investment climate in such a way so that the investors are attracted to gravitate their resources in genuine economic activities.

The expanded role of TCB has been justified in the First Five Year Plan on the plea of socialist transformation and also, on the plea of shortage of established traders. It is true that, due to the repatriation of many of the established traders who had their origins in Pakistan, there was a temporary shortage of genuine importers right after independence. This vacuum was a temporary phenomenon and this vacuum could be filled up by genuine importers, if proper policies were evolved in the past. The TCB's expanded roles will definitely obstruct the growth of genuine importers, and it will result in the influx of 'briefcase businessmen'. In fact, inefficiencies of TCB in making proper channelisation of imports to end-uses are largely responsible for the price spiral of importables. As a result, we have witnessed the phenomenal growth of unearned income in Bangladesh. In one hand the Plan fails to suggest proper policy-packages to streamline the understaffed TCB. On the other hand, the Plan fails to ensure increasing participation of genuine investor in trading businesses.

CONCLUSION

(1) The structure of import, as envisaged, in the First Five Year Plan, leaves much room for rationalisation. Certain import requirements have been calculated on basis of unreliable facts. These importable items should preferably be produced domestically.

(2) The upward shift of price-levels in the international markets has disturbed all the Plan-estimates regarding import-costs. This problem seriously calls for revision and re-adjustment of the First Five Year Plan.

(3) There are some reasonable grounds to believe that the targets of foreign exchange earnings and estimates regarding the availability of foreign loans may remain unattained. There may be adverse effects on the availability of importable resources, which may result in the scarcity of capital goods and intermediate goods that are vitally needed for development purposes.

(4) The processes of imports leaves much to be desired. The institutional policies regarding import-mechanism involves some basic contradictions and loopholes that will ultimately sustain the present faulty distribution of import-items with all attending evil-effects, like corruption, high prices, unearned income, etc.

Internal Resource Mobilisation

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The success of any short-run or long-run development plan depends on how effectively the government can mobilise the internal resources of the country. Private savings, public savings i. e. excess of government receipts over non-development expenditure and deficit financing are the main components of internal sources of financing. Of these three sources of financing development projects, deficit financing is the worst. Unless otherwise compelled we should not think of inflationary financing process. So the private and public savings remain as the main sources of internal resource mobilisation. This paper attempts to discuss a few ways of increasing the volume of internal private resources and their effective mobilisation.

Accordinging to the First Plan of Bangladesh, total private savings including both monetised and non-monetised savings average above 6 % of total personal income¹. Of this, private monetised savings form only 4 %. Because of exorbitantly high price level and very low interest rate offered by banks this negligible percentage of private savings is quite obvious. During the entire plan period the yield from income tax (nothing is specifically mentioned about the inclusion or exclusion of business income tax either in the First Five-Year Plan or in Annual Plan 1973-74) is taka 70 crores² and that from land revenue is Taka 23, crores³. This insignificant contribution from income tax, either including or excluding business income tax is in complete pursuance of our government's policy of fixing up an upper limit of the salary scales. From the fixed salaried groups fighting with the present sky

¹ The Firist Five-Year Plan 1973-78, Planning Commission Nov. 1973, page 44.

² *ibid.*, page 38.

³ *Ibid.*, page 38.

high price level, government cannot obviously expect much. The insignificant contribution from land revenue is also commensurate with government's socialistic policy of exempting 25 bighas from land revenue.

From the low contribution of income tax during the plan period it appears that a very nominal amount of tax is to be collected from private business corporation, large or medium sized traders and shop-keepers. After liberation, this community emerged as the most fortunate one in comparison with others in the society. Existing price increase being within the range of 300% to 800%, for which defective distribution system, a chain of unwanted middlemen and creation of artificial crisis by a few profiteers are no less responsible, total running capital of the business corporation, traders and shop-keepers has been increased by 3 to 8 times. Business being the tremendously profitable concern, the number of new comers to business has been increasing at a very high rate. These new comers with minimum professional honesty, experience and sincerity are simply adding to the list of already existing dishonest and inexperienced fellows. While there is a need for businessmen with professional honesty and skill, there is no more need for dishonest and unskilled brief-case businessmen that have flooded the market. This group is only after amassing money overnight. Government can immediately bring a halt to this trend by imposing a very high amount of license fee for opening a new shop or starting a new trade or business. Increased fee will, on the one hand bring more revenue to the Government exchequer and on the other will encourage those shop-keepers, traders and businessmen with genuine interest, experience and initiative.

To increase the volume as well as coverage of business income tax, Government should cautiously fix the exemption limit on the basis of total running capital of a business unit. One fails to understand why having the same number of family members, equal number of school, college or university going children, with an yearly income of say, Taka 10,000 or 15,000 a service holder should pay taxes more than that of a businessman. At present tax evasion has become a very common practice among the business houses. Even taking into consideration the high cost of collection, administration and other difficulties, sincere and co-ordinated efforts among the income tax officials can do a lot to increase the yield of tax. Sufficient care should be taken by the Government so as not to allow the business houses to shift the newly imposed entire tax burden to the shoulders of consumers. This can only be done by enforcing the businessmen to keep a detailed price list of their items, maintain exact stock records and issue receipts to each and

every buyer. For implementing this policy Government's strictness and in some cases legal action against the defaulters will, by wiping out the inefficient and dishonest businessmen from the market save the helpless consumers. To reduce the malpractices of the businessmen and shop-keepers, Government can impose a flat rate of tax, say Tk. 100 and more and not less than 500 Tk. for total running capital lying within the range of Tk. 10,000-15,000 and Tk. 500 and more and not less than Tk. 800 for total ranging between Tk. 15,000-20,000, and so on.

Agriculture providing more than 50% to the gross domestic product contributes little or nothing in the form of direct taxes. In the last decades agricultural income tax became a great debatable issue in the sub-continent. There are lot of arguments both in favour and against the imposition of direct tax on agriculture. Of course, there had been sufficient grounds for that. Before 1970-71, the terms of trade in our country were unfavourable for those engaged in agriculture rather than industry. Agriculture was relatively the neglected sector of the economy because of low farm income and hence low standard of living of those engaged in it. Very recently, as a result of the galloping rate of population growth world-over and excessive natural hazards in some regions and also because of world-wide low productivity, the agricultural income of affluent farm owners have increased two to three times. As a matter of fact the terms of trade have turned favourable for affluent farmers. Moreover as a result of the introduction of High Yielding Variety, affluent farmers have become more affluent. While on the other, most of the poor and uneconomic land holders in the face of high prices of the necessities and agricultural inputs have been reduced to pauper. In many cases poor and uneconomic land owners in order to maintain a minimum level of living prefer to dispose off their lands to those having already more. This is really going to be one of the social disutilities of High Yielding Variety in Bangladesh. In some cases particularly in Chittagong it has become a trend that the affluent farmers show more interest for HYV than poor farmers. Government can check before it gets out of control by a sweeping land reform policy and by imposing progressive income tax on affluent farmers. Recently it has become a fashion for the affluent farmers to spend huge money for "unproductive purposes", namely, marriage ceremony, social customs, etc.

The total number of farms having more than 8.3 acres (i. e. 25 bighas) and less than 33.3 acres (i. e. 100 bighas) as one can keep by the

present Government land policy, will be approximately around 2,09160⁴ with the total cultivated area of 32,27,540 acres⁵. The average size of a farm lying beyond land-tax-free limit is about 10.5 acres. More than 15% of the total cultivated area lies beyond 25 bighas of land-tax-free limit. This calculation is based on 1960 agricultural census. Because of present high prices of farm products, this average farm size of 10.5 acres must have been within the range of 12-13 acres now. Agricultural income tax imposed on the basis of productivity on roughly more than 2 lakh farms will bring a lot of revenue for the Government since productivity of land varies in different areas, flat rate on acre basis may do injustice to farms having comparatively low productivity. Hence there must be differential tax rates for different areas for a normal season. While imposing agricultural income tax on affluent land owners, Government should make provision for either upward or downward adjustment of the tax structure in case of bumper crops or flood or draught affected areas.

Absence of rainfall during winter season has posed a great problem on the way of increasing coverage under HYV. The average intensity of land use in Bangladesh is around 150%⁶. Although this intensity is a bit higher in southern and eastern part comprising Dacca, Chittagong and Khulna division of Bangladesh, it is around 125%⁷ in northern part comprising Dinajpur, Rajshahi and Bogra of Rajshahi division. Again, interestingly enough, in northern part, both the total number of farms and the total cultivated farm area beyond land-tax-free limit is comparatively higher than other part⁸. All these will definitely provide important means of

⁴ Pakistan Census of Agriculture. Volume 1, East Pakistan, 1960, Agricultural Census Organisation, Ministry of Food and Agriculture, Government of Pakistan, page-29.

⁵ Ibid., page-29.

⁶ Ibid., page-114, Table 13.

⁷ Ibid., page-114-115, Table 13.

⁸ Ibid., page 29-34. Table-3 which looks like the following.

Division	Total No. of farms between 8.3 acres and 33.3 acres	Total cultivated area in acres
Rajshahi	76,530	11,59,178
Khulna	54,510	8,82,366
Dacca	44,410	6,62,999
Chittagong	33,730	5,22,296

mobilisation of private savings. This can be achieved just by organising the contribution of local resources to public sector projects namely irrigation, flood control, social services, etc. As such Government by providing tax holiday accompanied by other types of co-operation can induce the affluent farmers to adopt permanent improvement for their lands such as installation of tube-wells and setting of power pumps etc. A comparative study made by Irrigation and Agricultural Consultants Association (IACA) and IBRD in West Pakistan⁹ speaks much in favour of profitability of private tubewells over public tubewells. Low cost of installation, high rate of return, more intensive and cautious use of water, less problem regarding size of land holding and high rate of installation¹⁰, etc. all speak in favour of private tube-wells rather than public tubewells. This sort of policy will, on the one hand increase the rate of installation of private tubewells and setting of power pumps by affluent farmers and on the other will prevent the affluent farmers from buying the land of poor and uneconomic land owners. To make the scheme a success Government should, of course, extend necessary co-operation in the form of making these things available to the buyers. This is how the Government can create environments for the private savers to channelise their excess income towards most productive investment.

There is another way of mobilizing private saving. A compulsory levy in the form of tank tax accompanied by tax holiday on affluent farmers can help increase the coverage of irrigated land. At present the amount of irrigated land hardly exceeds 8,00,000 acres¹¹. In this regard Government can give a serious thought to the suggestions made by

⁹ Ghulam Mohammad Programme for the Development of Irrigation and Agriculture in West Pakistan. An Analysis of the Public and Private Ground Water Development Programme and the IBRD Draft Report. Pakistan Institute of Development Economics, Research report No. 59,P.2.

¹⁰ Ibid, page 15-56. and Ataul Huq—Water—a two dimensional problem in our economy—Morning News October 4, 1970.

¹¹ Professor Rene Dumont, Institute National Agronomique, Paris, Grignon, France, "A Self-Reliant Rural Development Policy for the Poor Peasantry of Sonar Bangladesh", The Ford Foundation, Dacca, 1st May, 1973.

Professor Rene Dumont. In his estimation, Bangladesh has got tanks and ponds of 6,33,000 acres, of which 74% i.e. 47,4750 acres are derelicts and of no use. The area of presently irrigated 8 lakh acres of land can just be trebled by fully utilising these derelict tanks within next five or six years. This tank excavation scheme will not only provide additional work to 4 million landless disguisedly unemployed people but will also help cultivate a huge amount of fish of about 16,00 tons, winter vegetables and crops of a tremendous volume. That this tank excavation scheme is more productive compared to investments in brick streets in the villages which proved a total failure of "Community Development Scheme" in India is justified on the basis of a study made by S. A. Rahim and Shamsul Islam on "Institutional Framework for Agricultural Development in Bangladesh."¹² In order to mobilize private savings by organising the contribution of local private resources to public sector projects, members of the local institution namely, Union Council can be employed as a great catalytic agent for accelerating the rate of development, materialising Government's desired policy and maintaining proper links with the relevant authority.

¹² In E. A. G. Robinson and Keith B. Griffin (eds.), *Economic Development of Bangladesh*, Proceedings of the Conference International Economic Association held in Dacca, January 1973.

Institution-Building in Agriculture-Implicit Social Theory in The First Five Year Plan

by

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One of the stated "basic objectives" of the First Five-Year Plan is, "To transform the institutional and technological base of agriculture with a view to attaining self-sufficiency in foodgrains, widening employment opportunities in agriculture and stemming the flow of labour force to the cities." (The Plan, page 10).

Another, more long term objective of the Plan is, "To reduce rural poverty and promote equality of income distribution." (P. 87) The planners are perfectly well aware that this may conflict with the plans for raising output through the seed-fertilizer revolution. (The Plan document is indeed distinguished by its awareness of basic problems, though its attempts to grapple with those problems are usually anti-climatic). The measures they suggest to resolve this conflict include the following :

"2. Special attention will be paid to developing rural institutions at a rapid rate. The small farmers, tenants, share croppers and landless agricultural workers will be drawn into all credit and co-operative organizations by providing incentives and carrying out intensive promotional work. They will be given special representation in the management of such bodies. The depressed class of people will be allowed to save and repay loans in kind and by contributing labour"

"3. A Rural Works Program will undertake a large number of labour intensive projects all around the country. It is expected that this program will generate a substantial volume of employment during the plan period. This program will equally benefit the large and small land-owners by ensuring better drainage, irrigation and transportation facilities," (page 89, emphases added.)

It is recognized further down the page that these and other measures suggested are "necessary but not sufficient to significantly increase rural equality and lead Bangladesh towards the cherished goal of a socialist economic order. Radical land reform measures will have to be implemented"

Some questions naturally arise. Under Ayub Khan we saw a rapid development of rural institutions as well as a fairly successful Rural Works Program. It is clear by this time that neither had any great equalizing effect. About the Works Program, Akhtar Hameed Khan's recent assessment is worth quoting in this connection. "... it was by no means a panacea for the misery of the landless. Nor was it, as I have recently heard, an attempt at redistribution of income. It could neither furnish full employment nor lessen the disparity between owners of land and hired hands. In fact, better drainage, link roads and irrigation substantially enhanced the value of land and its rent. The unearned increment of the landowners was a hundred times more than the wages earned by the labourers. Even an elementary student of economics should know that it would be so long as ownership is not transformed. I did not tout the Works Program as instant socialism"¹.

What tangible reasons do we have to believe that things will now go better with simply more of the same? The answer is likely to be that it will not be simply more of the same. The approach to institution-building will be different and so will the priorities of the Works Program. In any case, have not our planners recommended a "transformation of ownership" through "radical land reform" ?

Indeed, the plan does contain an incisive analysis of the reasons for the failure of earlier attempts at institution-building and by implication suggestions on how to overcome these deficiencies. However, I shall try to show that after the analysis, the recommendations smack of a prescription of aspirin for a patient of leukaemia.

Says the plan, "In our analysis the major mistakes of institutional policy pursued in the past were as follows :

- (i) The rural institutions were imposed from the top and treated as an extension of government bureaucracy rather than peoples organization.

¹ Akhtar Hameed Khan, *The Comilla Project: A Personal Account: Paper presented at the Workshop on Rural Development at Addis Ababa, 1973.*

- (ii) The local institutions failed to provide a forum for collective decision making and action. People's participation and control at the local level were missing. This happened because the supremacy of "workers" (cultivators, fishermen, weavers, etc.) rather than "owners" was not recognized.
- (iii) The main purpose of the rural institutions was seen as distributing and utilizing resources injected from outside, rather than mobilizing internal resources. The principles of self-management and self-reliance were forgotten." (P. 155).

Still more to the point: "It is well known that serious class differences exist in the rural society of Bangladesh. The rural power structure is authoritarian dominated by the vested interest groups. If these groups continue to dominate and make decisions regarding choice of new technology and institutions, the interests of the lower stratum and the majority of rural society will not be safeguarded, class differences may be magnified and bitter class struggle will become inevitable." (P. 155).

As a description of the real problems that beset any attempts at creating truly people-based institutions, this could hardly be bettered. The only thing that remains unsaid is the crux of the matter: that this "vested interest groups" are also the political brokers between village society and national policy and that a government that depends on them to mobilize opinion and votes cannot possibly antagonize them. The only way to break their hold on rural society would be precisely to intensify the class struggle, to mobilize directly the poor and landless peasantry against the jotedar and the money-lender. This follows logically and directly from the analysis provided by our planners and for this they are certainly to be congratulated.

This is not, of course, to say that the planners draw this conclusion. Far from it, having opened their eyes wide and caught a glimpse of reality, they hurriedly shut them tight again and proceed to preach a sanctimonious doctrine of class harmony that would have gladdened the heart of Gandhi. Their panacea for all ill is the co-operative system as developed at Comilla and now due to be multiplied all over the country under the IRDP. Though the plan recognizes that in the past the co-operatives tended to become tools in the hands of the rural power elite, but it thinks it knows the way out. The way out according to the plan is worth quoting at some length.

"The village level co-operative will have a broader base by bringing together three categories of people pursuing identical objectives into a single organization. The three categories are as below:

- (I) Category A: those who practically have no means of production, who depend entirely on their own labour and work as hired hands;
- (II) Category B: those who have small means of production; who depend on their own labour, occasionally employ hired workers when the need arises; and
- (III) Category C: those who have appreciable means of production, who work themselves but also employ hired labourers, but do not work as hired labourers themselves. They tend to work more as managers of their enterprises rather than as manual workers.
Money-lenders, rentiers or contractors of hired labour will not be eligible for membership in the cooperative." (P.157).

The social theory implicit in the strategy seems to be that rural development is being held up by the semi-feudal elements in the rural structure and that the need of moment is a broad alignment of all anti-feudal elements. It is being assumed that at this incipient conflict of interest between rich and landless peasants (categories C and A) is secondary importance and can be ignored. The real enemies of the people are the "money-lenders, rentiers or contractors of hired labour." Capitalism has not developed sufficiently to make the capitalistic mode of exploitation very important and the cooperatives can be used to ensure that it does not develop.

This analysis seem to have points of similarity with Mao's analysis of Chinese rural society, and with his exhortations to "base firmly on the poor peasant and unite with the middle peasant." The difference is crucial, however. What is really being recommended here is that the urban power elite should base itself firmly on the middle peasant and with the poor peasant.

How well does this analysis tally with the reality of Bangladesh rural society? Is it really possible to distinguish a class of rentiers and money-lenders distinct from category C? More important, even if it is possible, will the cooperatives really be an effective weapon in fighting them? Will the cooperative movement satisfactorily substitute for the

class struggle which has traditionally been the only effective method of of dislodging an entrenched class and which our planners seem so anxious to avert ?

I know of no hard empirical work that would permit one to answer the first question. Even if the Planning Commission position is right, this may dictate a temporary alliance between the poor and middle farmer, but this can by no means be accepted as a final solution to the agrarian problem. But perhaps that is all the planners are suggesting. Certainly their talk of radical land reform, in whose implementation "the local organizations of the people benefited" should actively participate seems to point in such a direction. The question of course remains whether this can be done, whether the "three-class alliance" can be given responsibility for implementing land reforms, without overriding the "short-run objective of avoiding dislocation." (p. 191). And without, it may be added, sowing the seeds of disintegration of the three-class alliance once the immediate objective has been achieved.

Questions may also be raised as to whether the troika will run at all, whether it may not repeatedly trip over its wheels. Will a normal democratic structure really ensure that categories A and B will have power in proportion to their number ? Is there really any guarantee that they will not again become pawns in the factional squabbles among members of category C as they scramble for political patronage and local power ? The only way to ensure this, paradoxically enough, is that categories A and B should be perfectly aware that their interests are opposed to and not identical with, those of category C. There must be "class struggle" within the co-operative if it is not to become another tool of domination.

Another line of thought will, I think, lead us to the same conclusion. This line of thought originates with the functions to be discharged by the primary co-operatives.

It does not appear that the planners have in mind any fundamental departures from the established set of functions discharged by the primary co-operatives.

The only innovations contemplated are : (1) tying up the co-operative to the local government institutions (though it is not made clear exactly how this would work in terms of organizational structure), and (2) helping the landless to find non-agricultural (though agro-based) employment within the rural sector (P. 157). Both are good ideas. On

the second point however there seems to be an anomaly. If the landless are to belong to the co-operatives, how can they collectively own implements to the exclusion of other landowning members of the co-operative? It appears that the relevant government agencies will have to deal directly with the landless as a distinct organised group, bypassing the co-operative leadership.

The main point I want to make, however, is that there are no plans to move in the direction of collectivizing land-use (if not landownership) within the co-operatives. The only hint that the planners ever had a thought in this direction is in the context of distribution of government land. It is suggested that the programme of distribution of land to landless cultivators be implemented by organizing the beneficiaries into co-operatives. In this way advanced form of co-operatives should be promoted. (p. 159). By "advanced form of co-operative" is probably meant a cooperatives where all the land available is owned and cultivated collectively. This is certainly a very welcome recommendation. But how far will it go? According to the most recent information available, in March 1973 total khas land available for settlement was 728,468.35 acres, of which 72,813.26 acres were non-agricultural land, and another 192,774.88 acres were classified as uncultivable waste.² Even if we assume that the last category is too pessimistic, this would mean a total of 655,655.09 acres of agricultural land which could be formed into advanced co-operatives. This of course is far too optimistic an assessment, since a great deal of this land would be scattered in small bits and pieces and not in the kind of compact blocks that would be needed for setting up advanced co-operatives. The problem of evicting trespassers is also likely to prove formidable. Even ignoring all this, it still comes only to around 3 percent of the total agricultural land of 20 million acres or so. Nor can we depend on diffusion effects to operate in spreading this advanced form of cooperation to already settled areas without some pretty drastic shake up of the existing rural power structure-which again is likely to involve quite a bit of "dislocation" at both local and national level.

Our planners, however, do not feel that collective land use is very important. They come out, in fact, fairly firmly on the side of the small

² Abu Abdullah, Land Reform and Agrarian Change in Bangladesh; paper presented at the FAO Expert Consultation on Land Reform, Bangkok, December 11-13, 1973. (mimeo); Appendix Table 9.

family farm, although with some hesitant probes towards other possibilities. They cite the usual arguments about farm size and productivity, and conclude. "Therefore, land reform measures should be directed towards a lower ceiling on land holdings, small but viable units, and at first on a pilot scale cooperative management of small farms. The present ceiling on land holdings, TIP groups, and the service and credit co-operatives are initial steps in this direction. But more is needed." (P. 191).

I could not agree more that a lower - a much lower - ceiling on land holding is needed. But not so that new private rights in land can be created. The planners' recommendation about the disposal of the land that would be acquired by a really drastic ceiling legislation should have been consonant with their recommendation about tying up land distribution with the formation of "advanced co-operatives." For I shall argue that the formation of fairly large (by Bangladesh standards) argo-industrial collectives with collective decision-making and operation is essential to economic and social development in rural Bangladesh. If I am right about this, then certain political consequences follow. Such a drastic land reform, with or without the consequent collectivization, will be violently opposed by the planners' category C people. (The collectivization part may also be opposed by category B, but probably not very strongly, particularly if the choice of pace is wisely made). Therefore any success in this direction will have to depend on successfully undermining their hold on rural society, a hold that is due not only to their economic pre-eminence but also to habits of Dependence and deference towards them which has been ingrained in the poor and landless peasants for generations. Again we see the need for bypassing the existing rural political brokers and going directly to the rural poor for support.

I must then try to establish the economic and social necessity for relatively large and "advanced" co-operative units-"advanced" in the specific sense that decisions on what to grow where and when are taken collectively, and the whole cooperative area, which must be contiguous, is operated as one farm-firm. I shall run down a list of reasons why I think this is so, with the irreducible minimum of elaboration.

1. A larger decision-making unit will make more rational land-use possible. Given a 100-acre plot, with soil characteristics (chemical composition, elevation, proximity to natural irrigation etc.) varying

from point to point, the agronomist and the agricultural economist can recommend which parts should be devoted to which crops in what kind of sequence. This need not in general will not correspond with the actual land use when each member decides his own land use pattern. Theoretically the same results could be obtained if the cooperative offered instructions and a set of guaranteed prices perhaps in terms of rice. (A variant of guaranteed prices, in the form of insurance against losses, would in any case, have to be provided.) But this would mean that instead of being active participants in the decision process, the majority of members would become technocratically controlled isolated individuals.

Also, the fragmentation of holdings would be eliminated. Even if private ownership is retained, at least in the beginning, and total value of output is divided among members on the basis of some composite index of land and labour supplied, for operational purposes consolidation of holdings would become a fact. Indeed, any other approach to the problem of fragmentation is bound to founder.

2. Farm implements and farm cattle could be more fully utilized through pooling and proper work scheduling. In particular, by enabling fewer work-cattle to do the same work, thus would permit a higher intensity of cultivation by reducing fodder or grazing needs.

3. Works Programmes must be dovetailed in to the seasonal fluctuation in labour requirement for agricultural activities. This dovetailing could in principle be carried out by allowing individual farmers to make individual plans which they submit to a committee, who then derive labour availability by aggregating these individual plans and use this as a datum for phasing works programmes. Again, at an abstract theoretical level, overall optimality could be ensured by setting guaranteed product prices so as to elicit the needed pattern of labour availability. Apart from the fact that these things work better as numbered equation than in real life, there is again the objection that it will create a division between technocratic price-setters and atomized price-takers, instead of active participation and learning through errors by all.

The identification and elimination of surplus labour would be easier within a collective decision-making structure. Family members who get their board and lodging any way will not work on community projects without payment, unless they can clearly see that they are working for themselves, both the sense that they have a say in what

should be done and in the sense that indirectly they will also be beneficiaries. One could thus minimize the need for PL-480 wheat or inflation to finance a works programmes.

4. A related fact is that for most worthwhile investment projects, the planning area is far larger than a farm household' command area, or even a village by itself sometimes³.

5. A collective farming structure—which must also come to imply a collective way of life—could provide a personalized old-age insurance, thus eliminating one of the psychological pressures towards large families.

6. Related to the questions of labour utilization is the fact that within a collective framework, mechanization could be introduced which would alleviate drudgery without creating unemployment. Put differently, the collective could decide to have more leisure equally distributed among members. This involves a methodological point on which I would like to dwell for a moment.

Increasing labour requirement is usually unquestionable accepted as a goal. It is not, I feel, sufficiently appreciated that leisure is a value. The long-run goal of any society must be precisely to reduce the amount of socially necessary labour-time in producing the necessities of life. This contradiction arise because in a free-enterprize system, reducing labour requirement means reducing the number of human beings employed, i.e., the increase in available leisure is distributed unequally, with enforced and unpaid leisure falling to the lot of one group. A collective farming unit can ease the process of transition by ensuring that mechanization proceeds without creating unemployed for whom no non-agricultural employment has been made available.

7. Economy of organizational structure. Instead of having parallel and frequently deadlocked organizational structures looking after different aspects of rural development, the collective could be delegated to look after them all—including tax-collection, local government, education, civil defence etc.

³See discussion by Dandekar in *Paths to Economic Growth*, edited by Amlan Datta; Allied Publishers Private Ltd., New Delhi, 1973; pp. 44-50

I have suggested above that private ownership of land could be retained though in a somewhat restricted sense in that one no longer has complete freedom to determine land-use on one's own plot. However, I feel that this will do only as a short-term expedient. If, for example, one household owned fifty percent of the land of a collective, it would have more power than other households, since it could threaten to break up the collective by withdrawing. Also, it would be quite commonly the case that when, say, five hundred families join to form a collective, fifty out of those five hundred own not only the land they have contributed but also a good part of the land contributed by other households. This also will confer power on the "fifty families." Effective decision making power within the collective is then likely to devolve on these families. This will cause either apathy or anger on the part of the others, and I for one would rather see anger.

As long as private landownership and inequality remain, only constant, well-intentioned and efficient government intervention can ensure that the poor and landless are in fact given an effective voice in the Management of the cooperatives. But this will imply that the cooperatives are in fact maintained from the top and will be inimical to the growth of self-reliance and initiative at the local level. The planners make much of the role of a dedicated cadre, which would be relevant in this context. But to be truly reliable and dedicated, the cadre must be drawn from certain classes and not others. A dedicated cadre does not grow by itself, nor can socialism, be achieved by saying "let there be socialism."

Let me conclude on a note of sympathy for our planners. They really had two roads to redundancy between which to choose. They could either try to tender only such advice as it would be possible for the Government to accept and implement, or they could proffer ideal advice, knowing that it would remain on paper. (Steve Marglin refers somewhere to the second option as "offering recipes for baked ham to a rabbi's wife.") Our planners seem to have tried a compromise solution, but I am afraid that a convex combination of two utilities will lie in the subspace generated by them,

The Problem of Resource Mobilisation To Implement First Five Year Plan

by
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The First Five Year Plan was made public on November 27th, 1973 by the Planning Commission. The plan envisages a total outlay of Taka 4455 crores. It aims at eliminating poverty, breaking vicious circle that engulfs the economy and to achieve self reliance, self-sustained growth. Originally launched in July, 1973 the plan period is spread over from 1973-74 to 1977-78. The Five Year Plan will be phased over the five succeeding annual development plans that will be incorporated in the annual budget over the fiscal years. We are almost passing out the financial year 1973-74 with gloomy results. Already during this budget period we have incurred debt liability of 861.6 crore taka in foreign aid (till 30th June 1973). But it seems that the massive aid has been exhausted on current consumption and could not vitalise the war torn economy. This impresses upon the point that the country, ridden with acute food crisis, miserable infrastructure, sky rocketting price level, low level of living standard etc. cannot stand on its own feet unless the resources we have, are mobilised to fulfil the plan targets. That is why the assessment of domestic resources and their proper harnessing is very important. The present paper will explore our resource availabilities and the problems of resource mobilisation. Before that let us have a look at the objectives and strategy of the plan and the structure thereof.

OBJECTIVES

The objectives of the plan have been set forth as follows ;

- a) To reduce poverty ;

- b) To continue and complete the work of reconstruction ;
- c) To increase the rate of growth of G. D. P. to at least 5.5 per cent per annum and the target of increase in full time jobs is 41 lakhs, just in excess of the projected increase in labour force ;
- d) To expand the output of essential consumption items with a view to provide the minimum consumption requirements of the masses ;
- e) To arrest the rising price level ;
- f) To increase per capita income at the modest rate 2.5 per cent per annum ;
- g) To change the institutional framework of the economy of Bangladesh at a pace consistent with changes in social and political attitude, motivation, organisation and mobilisation of effort ;
- h) To reduce dependence on foreign aid over time through mobilisation of domestic resources ;
- i) To transform institutional and technological base of agriculture with a view to attaining self-sufficiency in foodgrains, widening employment opportunities in agriculture and stemming the flow of labour force to cities ;
- j) To accelerate the rate of development, diffusion of income and employment opportunities.

First Plan, pp.-9-10)

Spelled out, this would mean a fundamental transformation of the economy.

SIZE OF THE PLAN

It is expected that the planners took account of the resource constraints before formulating the size of the plan. The population in the country is increasing at the compound rate of 3 per cent a year. So investment is necessary merely to keep the economy from sliding backward. The plan provides for financial investment to the tune of Tk. 4455 crores in the plan period, moreover, an investment of about Tk. 585 crores is envisaged in the non-monetised sector. But is the plan size commensurate with the available resources in the country bled white by long history of colonial rule? Consequently it is a state of sordid picture-low income, low saving, low investment coupled with a rising population. The economy is still basically subsistent. Agriculture is still the main sector to generate the surplus to be invested. But the long period of exploitation practised in the past in the form of regimented savings has left the agriculture sector nearly at exhaustion level.

Moreover, loans on easy terms are not abundant. Given all these, one can plausibly bother as to how the development outlay will be met. Of the total Tk. 4455 crores Tk. 3952 crores will be spent in the public Tk. 503 crores in the private sector. Of this Tk. 3952 crores in the public sector and sector Tk. 3298 crores have been earmarked for investment and Tk. 654 crores for non-investment, of Tk. 503 crores in the private sector, Tk. 471 crores for investment outlay and Tk. 32 crores for non-investment outlay. Domestic resources have been calculated to be Tk. 2698 crores in monetized sector and Tk. 585 crores in subsistence sector. Out of Tk. 2698 crores, Tk. 1618 crores are expected to be emanated from public saving and Tk. 1080 crores from private saving and loans from the banking system. External capital inflow has been calculated to be Tk. 1799 crores. (First plan, p-13.)

CURSORY GLANCE AT DOMESTIC RESOURCES

Resources of Bangladesh are quite sizable if not abundant. From a pure academic point of view, we can divide the resources into physical and financial and again the physical aspect covers unemployed productive capacity, operating human skill, natural resources etc. Financial resources 'financial asset acquisition by various sectors of the economy' and foreign sector. Foreign sector is composed of export earnings plus net inflow of foreign capital (both project aid and commodity aid). The unutilised human resource can be utilised to transform financial resources into productive investment to generate economic development and finally resources can be divided into domestic and foreign. Domestic resources would refer to 'saving potential' of the country. An indirect estimate of domestic saving in Bangladesh during 1959-60 was 928 million Tk., during 1964-65 and 1189 million Tk.¹ during 1969-70 was 2266 million Tk. Direct estimate of savings in Bangladesh reveal that in 1969-70, savings in non-corporate private sector was Tk. 2044.6 million in the corporate sector Tk. 284.6 million and in the Government sector Tk. 666.3 million. ² The above figures show an increasing trend in savings by the people. Due to easy

¹M. Alamgir, "Resources for Development", in E. A. G. Robinson and Keith Griffin (eds.), *Economic Development of Bangladesh*, Mcmillan, 1974, P. 5.

²Ibid., P. 12.

money in the market especially after the liberation, saving potential of the country has increased. Total foreign exchange resources of Bangladesh in 1969-70 was 3034.9 million taka at current prices. Here also the economy registers an upward trend. Only raw jute cuttings contributed 762 million taka in 1969-70. During 1973-74 financial year, earnings from jute (raw jute and jute manufactureres) have been calculated to be 280 crores taka. Other sources of export are tea, hides and skin, leather, betelnuts etc.

DOMESTIC RESOURCES OVER THE PLAN PERIOD

Planning Commission hopes to finance 56 per cent of development outlay by revenue surplus likely to be derived from 'existing taxes, additional taxes and capital receipts'. The Commission calculates the amount at 2698 crores taka (Government revenue surplus with 1972-73 taxes and tax rates 537 crores Tk., New taxes and tax rates 625 crores Tk., Government domestic capital receipts 350 crores Tk., Private saving 720 crores Tk., Long term borrowing from the Banking system 360 crore Tk., and other measures 106 crores Tk). Revenue surplus from existing taxes is expected to generate about 43 per cent of total domestic resources. Customs Duty would give 757 crore Tk., Excise 626 crores Tk., Sale Tax 243 crore Tk., Income Tax 70 crore Tk., Land Rvenue 23 crore Tk., other Receipts 237 crore Tk., Gross Receipts from nationalised sector 384 crore Tk. Revenue surplus will run to the amount 537 crores Tk (First plan, Page 38). Revenue from taxes would increase each year of the plan. Custom revenue is assumed to grow at 8 per cent; Excise duty 15 per cent, Sales Tax 12.5 per cent, Income and Corporation Taxes 8.4 per cent, Receipts from stamps and registration 1.5 per cent per year. Land revenue is assumed to remain the same till 1977-78.

FOREIGN EXCHANGE EARNING AND FOREIGN CAPITAL INFLOW DURING PLAN PERIOD

Indeed the foreign exchange earnings and net inflow of foreign capital form a major part of country's resources, exports of raw jute and jute products are likely to be mainstay of export earnings. To join the series are tea, leather, leather products hides, and skin,

fish etc. Foreign exchange earning during the plan period will be near about 2129 crores Tk. First plan, p. 58). Already, export targets in 1973-74 financial year show signs of to be unfulfilled. Moreover, the main export item jute is going to face serious defacle as regards its domestic production and exodus to foreign markets. Farmers incur loss in cultivation of jute due to poor remuneration ; subsistence constraint in agriculture is likely to aggravate the situation. Although the planners have hinted increasing trend in foreign exports, things may turn out otherwise with consequent effects on development programme. This implies the necessity of a careful study of agricultural problems, mobilisation of rural unemployed labour force and a comprehensive foreign trade mechanism.

Required net capital inflow during the plan period has been calculated to be at 1799 crores tk. So we see total foreign resources (export earnings+capital inflow) stand out at $2129 + 1799 = 3928$ crore taka which is greater than what is expected in domestic sector. We are to more and more reduce our dependence on foreign aid and this can be achieved only through promoting foreign exports boosting internal saving etc. No self respecting nation can go long with external aid. Moreover, the country has already pledged ditself to building up a socialistic economy. So too much reliance on countries having no sympathy with the ideology of the country should be shunned. This again implies a breakthrough on national scale.

PROJECTION OF THE ECONOMY AFTER LIBERATION

The economy has not yet been able to cover up the losses and temporary set-backs inflicted by the war of liberation. The annual development plan 1973-74 has been described as a recovery plan essentially meaning 1969-70 level of production. But actual output level in various sector of the economy has remained 10 to 30 per cent lower in 1972-73 than the production level of 1969-70. Production in industrial sector has gone down by about 20%. This is solely due to shortage of raw materials, machines, parts, equipments and lastly industrial unrest. Production in agricultural sector has also gone down by about 17%. The deficit in foodgrains is about 2.5 million tons per year. During the annual plan period 1973-74, export earning have been calculated to be at 340 crore taka, total import bill (including foodgrains) stands at 710 crore taka, implying a deficit of 370 crore taka which has been planned to be financed through external assistance.

DEFICIT FINANCING

After liberation, the Government faced grave crisis in matter of finance and had to resort to deficit financing. In 1971 (17th December) money circulation stood at 388 crore taka. But the amount swung up to 697 crore taka in June 1973 (First Plan, p.46). Money supply is likely to reach 1122 crore taka over the plan period. We know, in a free market, the price of a commodity is determined by the volume of supply and demand thereof. That is to say the price of a commodity is determined by the interaction of supply and demand. Demand has increased but there is acute shortage of essentials in the market as a follow-up of anarchy in production. The effect of excessive supply of money has not been neutralised by a corresponding rise in production. Moreover, there is malpractice in the distribution channel; hoarding, profiteering and mugging only aggravate the inflationary disequilibrium. Bangladesh is now passing through acute inflation the extent of which is hitherto unknown in its history. Planning Commission hopes to establish price level in 1977-78 at 1969-70 level. The task will prove enormously difficult. Production must be increased and malpractices abolished. It would be necessary to progressively tax away the excess purchasing capacity of the people.

The inflationary way of development must be shunned and hence to cross the limit of present set up.

STRUCTURE OF THE ECONOMY

Any recasting on a country's over-all economic dynamism must include a look at the structural changes of it. For the last 25 years, its economy has had undergone changes in respect of growth, planning, position of labour force, employment and productivity. The structure of the economy can be referred to in matters of (i) sectoral output contributing to GNP and (ii) question of employment that implies sectoral distribution of total labour force and (iii) finally measure of productivity.

Our economy is a dual one. Agricultural sector played and continues to play a dominant role. There has been unbalanced growth between agriculture and industry in the past. Agriculture is still marked by primitive method of cultivation and it still contributes to GNP the

majority portion. Apart from agriculture and industry, there are other sectors such as construction, transport, power, services each having their share of GNP. In 1960-61, agriculture contributed 62.6% and industry only 6.4% to GNP. In 1969-70, industry contributed only 6% while agriculture contributed 55% to GNP. Among other sectors, service has contributed 23% in 1960-61, 25% in 1969-70 to GNP. Construction, power and transportation taken together contributed 7.5% in 1960-61 and 12.8% in 1969-70 to GNP. So we see, that only industrial sector has failed to register any increase in its contribution to GNP. But why? The Pakistani rulers did not feel the urge to shape the economy along industrial channel and the economy has remained almost subsistent with consequent effects. Domestic and foreign resources were not scientifically harnessed, so the stagnancy inherited from the past. We are to change it. Unless we can achieve a breakthrough in heavy industrialisation and modernise agriculture, things would not change as we set forth. A formidable industrial sector must be developed to absorb heavy influx of unemployed and underemployed labour released by agriculture.

MOBILISATION OF LABOUR

The economic growth of a country depends upon the availability of the necessary material and human resources as well as the social system that makes the use of these resources possible. The key to progress lies in effective utilisation of both. Of these two, the human resources are not less important. It is the hands of a man that makes or unmakes. It is painful if the hands are not provided work. At present we need work and hands are there. The economy is in crisis characterised by chronic unemployment mainly in the agricultural sector. The varieties of them are frictional, seasonal, disguised. Unemployment is truly underemployment in agriculture. Historically, the investible surpluses generated by the peasants were either squandered or unproductively used by the local rulers and chieftains. There is also lack of enough capital equipment to employ existing labour force. In spite of acute paucity of capital, Bangladesh industries are highly capital intensive. This happened because of factor price distortion.

The population as it is, a burden for us. It is seen that 3% of our growth in income is consumed by population increase with a capital output ratio 4:1. As such the economy must invest 12% of

national income only to persist in present level of living standard. But is it being possible? No. To be more specific, an annual growth rate of 3% in population signifies a yearly increase of 2.22 million. If the incremental population is to be provided only the minimum level of living, annual investment requirement will be 2494 million taka. It is equal to 2% of GNP. Therefore, this ordinary investment effort will be eaten up by growing population. Hence the importance of population planning. Population must be turned into a blessing by creating adequate opportunities in various sectors. Planning Commission has calculated that total labour force in 1972-73 stands at 25 crores of which agricultural labour is 1.2 crore and agricultural employment 1.2 crore. What about the rest? Unemployment in agriculture stands out of 73 crores.

It will be 72 crores in 1977-78. So we are left out with a certain store of unemployed labour force. The employment objective of the plan is to reduce agricultural unemployment from 37% to 32 % by the end of the plan period. Present land holding pattern is required to be changed and landless peasants must be given land to till. Small farms are to be encouraged.

Planning Commission has emphasized the formation of a labour mobilisation committee. The Commission has proposed to incorporate in national projects the programme for harnessing labour force. But much depends on the development of political motivation, the transformation of social attitudes and the emergence of local institutions.

বাংলাদেশ ভূমি-সংস্কার এবং কৃষি বিপ্লব

মোহাম্মদ আনিসুর রহমান

১। পঞ্চবার্ষিকী পরিকল্পনার প্রথম উপচ্ছেদে (২ পৃষ্ঠা) বলা হয়েছে “যে দেশে শতকরা ৮০ ভাগ অর্থনৈতিক কাজ কৃষির ওপর নির্ভরশীল দেখানে কৃষিকে সমাজিকীকরণ ছাড়া দেশে সমাজতন্ত্র আনার কথা চিন্তা করা চলে না”। এতদসঙ্গেও ভূমি সংস্কারের কোন পরিকল্পনাই পঞ্চবার্ষিকী পরিকল্পনার নেওয়া হয় নাই। এর ওপরে শুধুমাত্র পরিকল্পনা কমিশনের একটি উল্লেখ আছে (১৯৯ পৃষ্ঠা), আর বলা আছে-যে,

- (ক) জমির মালিকানার উচ্চসীমা আরো নীচে নামানো প্রয়োজন,
- (খ) জমির বন্টনের ও উৎপাদন-ক্ষমতার ওপর জরিপ করা প্রয়োজন,-
- (গ) ভূমি সংস্কার যাদের কল্যাণে করা হবে সেই স্থানীয় অধিবাসীদের সংগঠন করা প্রয়োজন যাতে ভূমি সংস্কারে সক্রিয় অংশ নিতে পারেন, এবং
- (ঘ) বর্গাশ্রমের ভালোরকম সংস্কার কোরে বর্গাদারদের অবিকারে উন্নতিসাধন এবং তাঁদের জন্মজনিত উৎপাদনের আরো বেশী অংশ তাঁদের দেবার ব্যবস্থা করা প্রয়োজন।

২। এ-সমস্ত পদক্ষেপ প্রয়োজন মনে কোরেও এদিক অগ্রসর হবার কোনো বাস্তব পরিকল্পনা নেওয়া হয় নাই। কৃষিভিত্তিক বাংলাদেশের প্রথম পঞ্চবার্ষিকী পরিকল্পনার এটাই বোধ হয় সব চাইতে বড়ো ব্যর্থতা।

৩। ভূমি সংস্কার কোরে সত্যিকার কৃষককে জমির মালিকানা না দেওয়া পর্যন্ত কৃষক তার নিজের উন্মোচনে কৃষি-বিপ্লবে অংশ নেবে না এবং ওপর-

থেকে দেওয়া প্রচেষ্টায় কৃষি-বিপ্লব হোতে পারে না। পঞ্চবার্ষিকী পরিকল্পনায় ১৯৭৮ সালের মধ্যে দেশে খাজে স্বয়ংসম্পূর্ণতার যে কল্পনা আছে তা আরো নানা কারণে-সম্পূর্ণ অবাঞ্ছন্য। এ-সম্বন্ধে বিস্তারিতভাবে আমি আর একটি প্রবন্ধে আলোচনা করেছি। অধিকাংশ স্থানেই জমির মালিকানা প্রথম পর্যায়ে কৃষককে এককভাবেই দিতে হবে কারণ যৌথ মালিকানার জন্যে বাংলার কৃষক এখনো মানসিকভাবে প্রস্তুত নন। তবে যৌথ মালিকানা ছাড়া বাংলা-দেশে কৃষির ভবিষ্যৎ নাই। এর ছুটি-বড়ো কারণ (১) জনসংখ্যা বৃদ্ধির সঙ্গে-সঙ্গে একক মালিকানার অধীনে গ্রামে ভূমিহীন শ্রমিকের সংখ্যা আরো বৃদ্ধি পাবে, এতে গ্রামে শ্রম-বৈষম্যই শুধু বাড়বে তাই নয় — এই ক্ষমত্বর্ধমান ভূমিহীন শ্রমিকের জীবিকার কোনো নিশ্চয়তাই থাকবে না একক মালিকানা ভিত্তিক কৃষিতে; (খ) কৃষির যাত্নী-করণেই কৃষকের উৎপাদন ক্ষমতা বাড়বে। কিন্তু একক মালিকানাধীন কৃষির জাতীয়করণে ভূমিহীন কৃষকের স্থানচ্যুতির সঙ্গে-সঙ্গে তার জীবিকার পথও চলে যাবে এবং এটাই কৃষির যাত্নী-করণের সব-চাইতে বড়ো সামাজিক আপত্তি হোয়ে দাঁড়ায়। যৌথ মালিকানার এই সমস্যা থাকে না, কারণ যাত্নীকরণের সুফল তখন সব কৃষকই সমভাবে ভাগ করে নিতে পারে এবং মালিকানাধীন কৃষকের মধ্যে উপরি উক্ত দু'ধরনের অবকাশ থাকে না। তাই ভূমি-সংস্কারের প্রথম পর্যায়ে প্রথমতঃ একক মালিকানা অকুণ্ঠ রাখলেও যেখানে সম্ভব যৌথ মালিকানা নিয়ে কিছু বাস্তব পরীক্ষা করা বাঞ্ছনীয়। ভূমি সংস্কারের ফলে উৎকৃষ্ট জমি ভূমিহীন কৃষকদের মধ্যে বন্টন করার সময় অনেক জায়গাতে যৌথ বন্টন সম্ভব হোতে পারে যেহেতু ভূমিহীন কৃষকদের একক মালিকানার প্রতি আসক্তি যারা এখন একক মালিকানা ভোগ করছেন তাঁদের মতো ভীত নাও হতে পারে। তবে যৌথ মালিকানার ভিত্তিতে জমি চাষের অর্থনৈতিক ও সামাজিক প্রক্রিয়ার ওপর দেশে যথেষ্ট অভিজ্ঞতা নেই এবং আশে-পাশে একক মালিকানার ভিত্তিতে চাষ চোলতে থাকলে তার থেকে একটা পিছু টান থেকে যাবে। এই জ.স্ব. যৌথ মালিকানা নিয়ে যেখানে যেখানে পরীক্ষা করা হবে সেখানে সুযোগ্য নেতৃবৃন্দের (কাডারের) প্রয়োজন হবে, কারণ যৌথ মালিকানা ব্যর্থ হোলে একক মালিকানায় ফিরে আসলে আবার ভবিষ্যতে যৌথ মালিকানায় যাওয়া অনেক বেশী কঠিন হবে। একথা

মনে কোরে যৌথ মালিকানা নিয়ে মালিকানাভাবে পরীক্ষা না কোরে নেতৃত্ব এবং মানসিকতা এই-তুইএর বিচার কোরে এ-দিকে পদক্ষেপ নেওয়া বাঞ্ছনীয় হবে।

৪। কিন্তু আসল কথা ভূমি সংস্কার কে কোরবে। ভূমি সংস্কার যাদের স্বার্থে আঘাত হানবে দেশের রাজনৈতিক ক্ষমতা প্রত্যক্ষ বা পরোক্ষভাবে তাদের হাতে কতোটা রোয়েছে এর ওপরই নির্ভর করে বর্তমান রাজনৈতিক কাঠামোতে ভূমি-সংস্কারের কোনো দৃঢ় পদক্ষেপ সত্যি-সত্যি নেওয়া সম্ভব কিনা। পঞ্চাধিকারী পরিকল্পনায় ভূমি-সংস্কার সহজে কোনো পরিকল্পনা নিতে ব্যর্থতা এই ব্যাপারে বেশ সুস্পষ্ট ইঙ্গিতই করে। এর পূর্বে জমির মালিকানার উচ্চসীমা ১০০ বিঘার বেধে দিয়ে যে আইন জারী হয়েছে তার মধ্যে বিরাট ফাঁক রোয়ে গেছে, কারণ ভূ-স্বামীদের তাদের জমির হিসাব গোপনে আমলাতন্ত্রে এর কাছে দাখিল কোরতে বলা হয়েছে। এভাবে ভূমি-সংস্কার হয় না। প্রথমতঃ রাজনৈতিক দক্ষতাসম্পন্ন ভূ-স্বামীদের তাদের বিরুদ্ধে স্থানীয় ছোট আমলারা এমনিতেই অসহায়। দ্বিতীয়তঃ আর্থিক ক্ষমতাসম্পন্ন ভূ-স্বামীদের সঙ্গে আমলাদের মধ্যে যাঁচা তুনীতি পরায়ণ তাঁদের একটা আঁড়াত হয়ে যাবেই এবং জমির মালিকানার হিসাব ও বন্টনে এরকম আঁড়াতের খবর প্রায়ই দেশের সংবাদপত্রে বেরোচ্ছে। সত্যি-সত্যি ভূমি-সংস্কার কোরতে হোলে মালিকানার হিসাব ও বন্টন—ব্যবস্থা সরাসরি গণ-জমায়েতে কোরতে হবে। কিন্তু রাজনৈতিক ক্ষমতাসম্পন্ন বড়ো ভূ-স্বামীরা কখনোই গণজমায়েতের হাতে এই ক্ষমতা দিতে রাজী হবেন না, কলে বর্তমান রাজনৈতিক কাঠামোতে ছিটেকোটোর বেশী সত্যিকার অর্থে কোনো ভূমি-সংস্কার হওয়া সম্ভব নয়। এই কাঠামোতে জমির মালিকানায় কোনো মৌলিক পরিবর্তন আসবে না, এমনকি বর্গাচারীদের অধিকার ও তাঁদের অমজবুত উৎপাদনের ফসল তাঁদের ঘরে আরো বেশী আসবারো কোন সম্ভাবনা নেই। অপরদিকে বরঞ্চ ধনী ভূ-স্বামী এবং দেশের যুক্তোত্তর নবধনী সম্প্রদায়ের একাংশ ক্রমে-ক্রমে ছোট চাষীদেরো উচ্ছেদ কোরে জমি, এবং সঙ্গে-সঙ্গে অর্থনৈতিক ও রাজনৈতিক ক্ষমতা আরো বেশী করায়ত্ত কোরবে। এই প্রক্রিয়া-য়ে ইতিমধ্যেই শুরু হোয়ে গেছে তারো খবর নানান জায়গা থেকে পাওয়া যাচ্ছে।

৫। এই প্রক্রিয়া অর্থাৎ চলতে থাকলে হয়তো কোনো একদিন কৃষির অর্থনৈতিক ও সামাজিক কাঠামো সামন্তবাদী থেকে পুঁজিবাদী কাঠামোতে রূপান্তরিত হোতে পারে এবং পুঁজিবাদী নিয়মে কৃষির উৎপাদন বৃদ্ধি পেতে পারে। কিন্তু তাতে সমাজের কোনো কল্যাণ হবে না, দেশের গণ্য মুঠমের পুঁজিবাদীদের ঘরে উঠবে এবং তাদের বাসগৃহের আবর্জনা থেকে অন্ন খুঁজে বেড়াবার লোকের সংখ্যা বাড়বে। বাংলাদেশে সমাজ পরিবর্তন 'সোনার বাংলার' এই নিদারুণ বিকৃতির জন্য অপেক্ষা কোরবে, না তার আগেই সুযোগ্য নেতৃত্ব সমাজের মুক্তি আনবে এটা একটা বড়ো প্রশ্ন।

The High-Yielding Variety Programme and The First Five Year Plan: Some Comments

by

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Growth in foodgrain production in Bangladesh had been very slow in the past. At times this sector even remained virtually stagnant. In the decade of the fifties, production of rice which demand most of the cultivated area rose by only 15.5% implying a compound rate of growth of only 1.4% per annum. During the next decade, rice production gathered some momentum and grew at around 2.2% per annum. The latter half of the sixties was most vibrant with growth as the per annum rate during 1965/66 to 1969/70 rose to around 2.6%. All these years, population had been growing and even during the best years of production, the rate of growth in production fell short of the yearly rate of population growth which was 1.93% during the fifties and 2.93% during the sixties¹. The result had been a widening gap between the demand for foodgrains and its domestic supply. The inevitable result was that by 1969 around 22% of the total commodity imports into Bangladesh consisted of grains like rice and wheat². Undoubtedly this was far from a happy state of affairs. The problem has multiplied in proportion in the very recent years because of the political turmoils in 1971 and a draught in 1972. It is only natural that rational and sensible planners will try to solve the problem of food deficit in as short a time as possible. The First Five Year Plan (hereafter Plan, for short) has accordingly devised what may be called a HYV programme proposing to bring the maximum possible area under the command of High Yielding Varieties of seeds of grains. An attempt will be made in this paper to some of the implications of this programme.

¹ Khan, Masihur R, "Bangladesh Population During the First Five Year Plan" in Bangladesh Economic Review, Vol. 1, No. 2, 1973.

² Government of Bangladesh, Statistical Digest, 1970-71, p.p. 170-171.

The agricultural strategy of the Plan has two specific goals. One is to attain self-sufficiency in foodgrains while the other is to create new employment opportunities in the rural areas. An effort will be made here to see how the HYV program along with other programmes like that of cooperatives fit into this scheme.

Before discussing the HYV program it may not, however, be out of place to say a word or two about the qualitative aspect of the first goal stated above.

The first thing that comes to one's mind is that the Plan has stressed self-sufficiency in foodgrains and not in food. This has led the planners to, should I say, overemphasize the role of rice and encourage monoculture. Vegetables, an important item of food containing essential nutritional elements, have been neglected if not omitted from the plan for agricultural production. This certainly does not conform to Plan's anxiety over nutrition standards and the likely effects of HYV rice on it.

As this nation is yet unable to control the natural calamities like floods, cyclonic storms and draughts, the emphasis should be away from monoculture and on diversification. Encouragement for production of vegetables will help raise nutritional standards and also act as a hedge against risks and uncertainties.

We now turn to the topic proper.

HYV rice accounted for some 17% of the total production of the rice in the benchmark year. This percentage is planned to increase to 60 by the terminal year, 1977-78. In terms of acreage the shift will be from 10% to 39% of the total under rice. The Plan, it is clear, hopes for a radical structural shift in rice production.

HYV rice will be grown in both irrigated and rainfed areas. Mechanically irrigated area in the benchmark year was only 10.12 lakh acres i. e. only 4% of the total acreage under all rice crops and almost 39% of that under HYV. By 1977-78 total area under irrigation will increase to 61.50 lakh acres that is around 24% of the total area under rice. This will, however, be around 61% of the area under HYV. We find that the area under irrigation will increase at a compound rate of about 43% per annum. This is a high rate indeed if achieved will be a feather in the cap of the Bangladesh Planning Commission. Let us examine the prospect in more detail.

22.50 lakh acres or around 54% of the total land to be brought under irrigation by 1977-78 will be commanded by low-lift pumps,

BADC will provide 45,000 pumps for this purpose. Evidently each pump will irrigate, on an average, 50 acres of land. If past records are any indication, then this target is not likely to be achieved.

A recent investigation³ shows that after taking into account various factors like pumping efficiency, field efficiency and channel efficiency⁴ a two-cusec pump which is the type used most frequently can irrigate about 80 acres. There are regional variations, however, from 60 acres in Rajshahi to around 118 acres in Habiganj and Sunamganj in Sylhet. Capacity utilization, however, is very poor. The maximum in boro season of 1971-72 was only 68.62% in Habiganj. The average area cropped was only 20.69 acres implying a capacity utilisation of only 25%. Considering that the boro season in 1971-72 i. e., the period immediately after liberation was a difficult one, one may perhaps double the capacity utilization rate in a more stable period i. e., capacity utilization becomes 22% of the rated capacity of 80 acres. This comes to 41.38 acres per pump which is still 17% lower than the capacity assumed in the plan for irrigation.

In the present situation when there is a world wide oil crisis, it is unlikely that capacity will be utilised at such rates. Already one newspaper⁵ controlled by the State authorities has reported that BADC has failed in producing high speed diesel in sufficient quantity. According to the report, it has procured only 12 thousand tons where the requirement during the the present boro season is 50 thousand tons. If true, such situations will spell doom for the irrigation plan and affect HYV program adversely. The Plan accordingly should devise ways and means to combat such uncertainties.

A review of the policy for agricultural credit may now be in order because most of the material inputs for HYV cultivation have to be bought in the market and credit is required to finance that purchase.

The Plan estimates that peasants will require some Taka 255.20 crores (excluding Tk. 2.00 crores for tea-gardens) as short-term credit by 1977-78. The estimate is based on the assumption that 30-40% of the cost of production needs to be financed from credit. In case of High Yielding Varieties the production is understandably higher. It is

³ Alam, Mahmoodul, Capacity Utilization of Low-lift Pump Irrigation in Bangladesh, Research Report No. 17, B. I. D. S., 1974.

⁴ See Alam, op. cit., for the definitions.

⁵ Dainik Bangla, February 19, 1974.

suggested that some 46% of this credit will be provided by institutional sources by the terminal year. Thus these sources will play a much more prominent role in the future. A very important position for the co-operatives have been reserved in the program for distribution of institutional credit as more than three-quarters (75.7%) will be obtained through the Samabaya Bank and IRDP. The role these institutions are likely to play will be discussed shortly.

The plan also proposes a liberal loan policy. There are however, some inadequacies to which attention should be drawn.

The Plan admits that consumption loan may not be avoided in the present situation. Indeed a recent survey⁶ shows that more than half (56%) of the total amount borrowed was for consumption. Surveys in other places⁷ put the figures at 27% (Phulpur) and 42% (Thakurgaon). Thus consumption needs may account for roughly between a quarter to a half of total credit obtained. So the mere assumption by the Planning Commission that 'it is impossible to insist that cash loans be associated with specific production purchases' is not enough. It should have provided for something like a distress fund at least for the first two or three years. Then, it could always insist that small farmers who, it is hoped, mostly will get this type of loan cultivate at least a part of their land with high-yielding varieties. The Plan, instead, has provided only for production credit with no categorically specified funds for distress loans.

Let us now examine the likely roles of the credit institutions in the HYV programme with specific reference to the provision of credit to small farmers.

It is often argued that the 'bio-hydro-chemical' technology is divisible and neutral to scale. Of course seeds and fertilizer and to some extent water is divisible. However, it has to be kept in mind that seeds, fertilizer, pesticides, all have to be bought. At least fertilizer and pesticides will always have to be bought in the market. Credit will have to be provided for this purpose. It has been observed that owners of large land-holdings 'tend to pay less than the social opportunity cost of capital,

⁶ Asaduzzaman, M., Kaliganj Villages: An Economic Survey 1973, Table 21, p. 35 (Mimeo). September 1973.

⁷ Unpublished Data from P.I.D.E. Survey, 1969-70.

while small peasants often pay substantially more⁸. Available data show that there are indications that this is true in case of Bangladesh too. Tables IA and IB throw some light on the problem.

TABLE IA
ACCESS TO CREDIT IN BANGLADESH

Farm Size	PHULPUR			THAKURGAON		
	% of holding	% share in I. S.	% share in N. I. S.	% of holding	% share in I. S.	% share in N. I. S.
Below average	67	48	63	68	41	42
Above average	33	52	37	32	59	51

Note : Average size of holding is around 4 acres in Phulpur and 5.5 acres in Thakurgaon.

I. S. = Institutional source ; N. I. S. = Non-institutional source.

TABLE IB
INTEREST RATES

% Rates	PHULPUR		THAKURGAON	
	I. S. (%)	N. I. S. (%)	I. S. (%)	N. I. S. (%)
Below 25 %	100	25	100	69
Average 25 %	—	75	—	31

Note : All the institutional loans in Phulpur carried interest at rates less than 10 % p. a.

Source : Unpublished data from P. I. D. E. Agricultural Survey, 1969-70, B. I. D. S. Dacca.

The loans from institutional sources were much less costly than the non-institutional ones. Even in Thakurgaon where loans from non-institutional sources seem to be cheaper, fully 31% of them bore interest at more than 25% p. a. The maximum rates to be found in both places were more than 200% p. a. More than 30% of the noninstitutional loans

⁸ Griffin, Keith, *The Green Revolution ; An Economic Analysis*, 1973, P. 20.

carried interest at rates above 100% p. a. In Thakurgaon no quantification for about 11% of the non-institutional loans was possible because the terms included transfer of land to the creditor. In such cases, the rates are, no doubt, fantastically high.

The tables also show that about one-third of the loanees with holdings of size more than average grabbed more than half of institutional loans. Thus, it may be said that there are indirect indications that farmers with larger holdings pay less for the capital they borrow than those less fortunate to own smaller holdings. Thus there is what may be called a 'social lumpiness' in the provision of the input package. Needless to say, this lumpiness must be removed if the authorities desire to spread the use of high yielding varieties among all strata of the farmers. The institutional policy in the plan, however, seems to more or less neglect the issue.

The institutional policy speak about social control of the means and processes of production and distribution. The recommendations made for achieving this are 'a strong representative local government' and cooperatives in the line of Comilla experiments. It is suggested that 'the village level cooperatives will have a broader base by bringing together three categories of people pursuing identical objectives into a single organization'. The categories included, it seems are the landless, the poor peasants and the middle and rich peasants and jodars. What is here is class collaboration, pure and simple. Will those in the lower two categories be enthusiastic about it? It is hardly likely.

Previously there had been no legal bar to any one from any of the classes above joining the cooperatives in Comilla. Still the experiment in Comilla failed to establish a significant control of the landless and the poor over the cooperatives. Data from various studies clearly show that farmers in the upper strata gained much of the control over them.

Traditional leaders, it has been found in a study² occupy 18% of the leading positions in cooperatives. This seems to be a low percentage. The same study however, asserts that

² Ahmed, Badruddin, Leadership in Village Cooperatives, BARD April, 1972.

'A further investigation into this aspect recalled that a great majority of the positions have gone to the kinsmen and relatives of the traditional leaders'. The lack of control is more apparent than real.

Another study¹² reveals that the average holding of managers is just above 5 acres while the size of average holding in Comilla Kotwali Thana is 1.86 acres. Generally it is the big farmers who control the affairs of the cooperatives. Not only that, they are quite entrenched in them. The following table taken from the same study shows that more than half of the managers interviewed were manager for five terms or more. The study asserts "on further analysis it has also been found that among these 32 managers 19 (59%) are founder managers and they are continuing without any break."

TABLE 2
DISTRIBUTION OF COOPERATIVE MANAGERS BY NUMBER
OF THEIR TERMS OF SERVICES

No. of terms	Frequency	Percentage
Upto 1	3	9
2-4	12	38
5-7	8	25
8-10	9	28

Source: Mannan, M. A., *op. cit.*, p. 16.

The control of the managing committees has earned the large land owning farmers rich dividend. A study¹³ on Comilla cooperative found the following,

i) The Managing committee members constituting around 37% of of the sample of loanees obtained 65% of the total loans.

ii) Per capita outstanding loan of the members of the managing committees in three different types of societies, viz, high, medium and

¹²Mannan, M. A., *Rural Leadership and Its Emerging Pattern in Bangladesh*, BARD, October, 1972.

¹³Khan, Ali A., *Rural Credit Programme of Agricultural Cooperative Federation*, PARD, November, 1971, pp. 25-33.

low, was Rs. 3,218, Rs. 1,518 and Rs. 502. The corresponding figures for ordinary members were Rs. 684, Rs. 631 and Rs. 275.

iii) The most striking finding was that the loan received by managers and Chairman had been Rs. 7,76 and that received by members of the managing committees had been Rs. 2,571. Ordinary members received Rs. 1,588 only. The control of the society by the Kulaks was complete.

The basic character and functions of the cooperatives at the grass root levels are likely to remain unchanged because the Plan wants to implement the program initiated by Comilla experiments. Hence, it is hardly likely that the village poor will be much attracted to it. Those of them who will become members will get proportionately less benefit than those at the top because it is primarily those at the top who are running it. Thus access to credit whether in cash or in fertilizer or seed or pesticides will remain very much biased in favour of farmers with larger holdings.

The consequences will be a greater income inequality and 'bitter class struggle' which the Plan desires to avoid.

Turning to the problem of generation of additional employment in the rural areas, it may be said that the pious hope that labour displacing mechanism may be avoided may not materialise fully. The continuation of institutional policy, in its Pakistani essence if not in Pakistani form, will ensure that.

Greater control of the institutions and easier access to the credit and capital markets lowers the price of material input package to the large landowner compared to the price (wage) he pays for labour. Thus even if the small and the large landowner face the same wage rate¹², the factor price ratios will be different for them¹³. The result will be that

¹² Evidence from a survey show that wage rates do not differ much for farms of various size. See Khan, I., *Modernization of Small Farms in East Pakistan: A Study in Allocative and Structural Efficiency*, PIDE, October 1971, pp. 47-49.

¹³ Griffin, K., *op. cit.*, pp. 29-34.

large landowners will use more material input and less of labour while small peasant will try to do the opposite. Thus the HYV technology may be more labour intensive than the traditional one, but those who are more likely to adopt the practice are likely to use techniques which are less labour intensive than others. The hope that the HYV programme may generate substantial employment may be found to be frustrated to a significant degree.

No plan of action for economic development can be divorced from its social context. The HYV program is no exception. Previous experience in this country as enunciated above and elsewhere testify amply to this. The disadvantages of a HYV program in an unchanged or only marginally changed power structure in the villages can be minimized only in the context of a radical institutional reform. The emphasis of this reform should be centred around the most basic means of production i. e. land. Only a well planned land-reform can ensure the equality of ease of access to the market for capital and hence to the market for material inputs. This is a necessary, though not a sufficient condition for the success of the HYV program in the Plan.

Agricultural Credit and The First Five-Year Plan of Bangladesh

By

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The First Five-Year Plan of Bangladesh has an ambitious programme of raising agricultural output by 8.4% per annum over the actual production level of 1972-73. Though this country is predominantly agricultural and rate of growth of agriculture is admittedly of crucial importance for the economic development of the country as a whole, unfortunately, little progress has so far been made in introduction of scientific methods of cultivation. This increase by 8.4% per annum in the growth rate of agriculture can be achieved only with revolutionary improvement in each sphere of agricultural activity and this will call for massive investment in this sector.

The introduction of High Yielding Varieties and improved farm practices like use of fertilizers, insecticides, better seeds, irrigation water etc. will make farmers dependent on off-farm sources of supply of most of these vital production inputs. In view of the fact that the equity, i. e., net worth of our farmers is declining and is even negative in some cases and as landlords seldom bear any part of the cost of production under the present barga-tenurial arrangements, the internal source of capital open to farmers is meagre. So agricultural credit facilities assume a vital role in the process of development of this sector. It, therefore, goes without saying that the provisions made in our First Five-Year Plan for agricultural credit deserve careful study.

It has been stated in the Plan that production credit requirements for agriculture will be about Tk. 365. crores by 1977-78 and that 45% of this amount, i. e., Tk. 162.7 crores will be met by institutional agencies. The Plan does not provide any detailed break-up of the annual require-

ments. Two questions crop up immediately. The first one relate to the definition of the term "agricultural credit" and the other is about the methodology of credit estimation. The concept of agricultural credit used in the Plan is of production credit, i. e., credit required only for land cultivation and production of crops. It need not be mentioned that most of the cultivators are proverbially poor and indebted and are living at a below subsistence level. As such their credit requirement for consumption purposes is very large. It is quite likely that part of the production credit made available to them will be diverted to meet their consumption requirements. The resultant shortfall to meet the production requirement will naturally affect the agricultural growth rate very severely. In this connection it may be mentioned that there exists no sharp line of distinction between production and consumption credit, especially in an underdeveloped country. Here most of the labour force used on land come from family. Hence increasing their level of consumption is likely to raise their productivity and agricultural production thereby. All the efforts of the government for improvement of agriculture must be supplemented by the whole-hearted co-operation of the farmers who will cultivate lands and grow the crops. To motivate them to work hard to achieve the projected growth rate, their minimum consumption requirements must be met. So their essential consumption requirements should have been given due consideration. It has already been mentioned above that the detailed break-up of the estimated credit requirements has not been given. It is not known what method has been used in calculating these requirements. The short-term credit requirement has been estimated to be a certain proportion of the cost of production (30%-40%). It has not been explained how this percentage and the credit figures for long and medium terms have been arrived at.

Credit is one of the vital "production inputs". At the same time our country is suffering from an acute problem of resource scarcity. As a result estimation of credit needs is an important issue and calls for precise scientific calculation. Any arbitrary or rule of thumb approach to it is likely to lead to either inadequacy or mis-allocation of resources.

Use of a sophisticated method of estimation and inclusion of consumption credit could have given birth to a different magnitude of credit demand. Nevertheless, assuming the estimates of Planning Commission to be reasonably correct or using it as a starting point in the absence of an alternative or a better one, we can proceed to examine the steps outlined in the Plan to reach this credit at the hands of the farmers. Institutional

sources are expected to supply a total volume of Taka 162.7 crores, i. e., 45% of the total credit requirements of the country at the terminal year of the Five-Year Plan. This implies that the institutional sources will leave a credit gap to the tune of Taka 202.3 crores by 1977-78.

Failure to provide requisite amount of credit by the institutional agencies may lead to either of the following undesirable consequences :

(i) Part of credit needs will remain unsatisfied. In "package programmes" for agricultural development there exists certain amount of indivisibility. So if a portion of the package inputs remains outside the reach of the farmers due to non-availability of credit, output response in agriculture may not be satisfactory.

(ii) Alternatively, farmers may resort to non-institutional sources like village money-lenders for credit. Here again a different kind of problem arises. These loans are mostly static in nature. Indigenous money-lenders are seldom interested in improvement of farmer's economic condition and level of production. In majority of the cases, they offer credit either to exercise control over the loan receiver or to grab his property in the process. In addition, such credit is not linked with the supply of inputs. Hence farmers usually spend most of it without investing. As a result, they remain ever dependent on credit and the cycle of credit has to be repeated every year.

In either of the cases, net effect, is, therefore, the same : agricultural productivity remains static or shows a downward trend.

It is, therefore, strongly felt that in order to have the desired rate of growth from individual farmers, such number of farmers should be selected for receiving credit whose total credit requirements can be met out of the funds available. No fruitful purpose will be served if one farmer gets credit for fertilizer and not for insecticides and if another farmer gets credit for insecticides only and not for other inputs. In other words, the distribution of credit should be intensive and not extensive.

In a country like Bangladesh where over 90% of total population live in rural areas and where nearly 60% of GDP come from agricultural sector, problems and prospects of agriculture should receive priority in any respect. As credit is considered to be an important production input, agriculture must first be provided with adequate credit facilities. Insufficient credit is more likely to bring disaster rather than development.

The problems of institutional agencies are easily understandable. It is really encouraging that despite of host of limitations, these are expected to provide Taka 162.7 crores to the farmers as credit by 1977-78. Before suggesting an increase in its volume (which is by all means urgently necessary) an examination of the present state of affairs of these agencies is considered desirable.

Performance of different credit institutions during the initial six months of the plan period casts serious doubt over the prospects of credit distribution as per the programme. The disbursement target for 1973-74 was fixed at Taka 36.24 crores. But actual disbursement during July-December, 1973 was only Taka 10.53 crores i. e. less than 1/3rd.

Acute scarcity of resources is the major problem of our institutional agencies. Two factors are primarily responsible for this : Firstly, the repayment position is very unsatisfactory. Volume of outstanding loans is piling up every year. Apart from the slackness in management and inefficiency of the staff responsible for realising the loans, the tendency of the farmers to delay repayment as far as possible is considered responsible for this huge accumulation. Our farmers are basically good. There is no reason why they should refuse to repay the loans promptly if they are approached in proper time and if they feel that they have really benefited by receiving the loans and if they are made to realise that they will be all the more benefited in future if they make necessary future credit available to the agencies by repaying outstanding loans. They should therefore, be approached for repayment soon after the harvesting of any particular crop-when they have the harvested crop or cash in hand. It has been noticed in the past that the loanees are often approached for repayment towards the end of the financial year. It is extremely difficult for them to make any repayment at that time as that is not the harvesting season of any important crop. It has already been discussed above that a farmer receiving credit should get the credit required for all the different requirements of a particular crop. If after getting good seeds a farmer fails to have good harvest for non-availability of insecticides, Government will have no moral right to demand repayment of the loan advanced to him for the purchase of better seeds. There is every reason to believe that the farmers themselves will voluntarily and most gladly repay the loans advanced to them if they get better yield by utilising the same. So, credit giving institutions should make it a point to ensure effec-

tive use of credit and also to see that farmers get all the necessary inputs and can reap a good harvest.

Secondly, another major limitation of our credit agencies is that they rely too much on borrowed resources. This leads to inefficient management of credit on the one hand and it creates inelasticity in the resource structure of the agencies concerned on the other hand. There exists considerable savings potentiality in our rural sectors. Proper initiative and drive by agency officials may induce the rural moneyed people to deposit their savings in banks. To achieve this, existing institutional agencies need a thorough reorientation in that regard. They must shake off bureaucratic letharginess and work with dynamic spirit. Induction of commercial banks into village areas which is envisaged in the First Five-Year Plan, may usher in an era of increased deposits from rural population.

The methods of loan giving by various agencies also call for a careful study. Institutional credit is un-popular among many farmers as one has to go through a number of steps and formalities before obtaining it. This also reduces the net value of credit significantly in some cases by more than 50%. Credit agencies should try to bring these formalities to the barest minimum. Otherwise, Taka 162.7 crores may not mean even Taka 100 crores to the farmers in reality. The zones of activities of different agencies should also be carefully demarcated to prevent overlapping in jurisdiction. Otherwise, some farmers may succeed in securing credit from more than one agency, while needs of many more may go entirely unattended. Bangladesh Bank, which has been entrusted with the task of co-ordinating credit operations of various institutions must ensure that no person or family receive credit twice at the expense of others.

In this context it should be pointed out that an under-developed credit institution is one among a series of institutional barriers that stand in the way of agricultural development. Identification and solution of this problem is important, no doubt, but is not sufficient to enhance agricultural productivity. Therefore, attention should be paid to each of the individual institutions which can have an influence on agricultural development. Provision of credit alone without improving marketing facilities, ensuring steady supply of inputs, change in the system of land tenure etc. will not be enough to produce any appreciable increase in the growth rate. Unfortunately, the Plan has little to offer for removing these institutional bottlenecks

effectively—especially that emerging from a defective land tenure system. Land policy announced in the Plan is hardly progressive, if any. A bold land reform policy bringing about a drastic reduction in its ceiling and ensuring "land to the tiller" is, perhaps, too much to expect from our planners. However, the Plan should have been more straightforward with respect to tenancy reforms. Bringing the present tenorial arrangements in favour of a farmer by providing him security, reducing the large-share of landowner and improving terms of agreement and the like will have profound effect on agricultural productivity and a farmer's economic condition. This should have received due weightage in the Plan. In addition, if the existing terms of agreement can be changed to compel the landlord to bear a portion of the cost of production, farmers will show less dependence on external sources of capital. Progressive measures as indicated above are likely to result in reducing the credit requirement of the farmers.

RECOMMENDATIONS

The discussions made above lead to the following recommendations.

(1) Credit offered to a particular farmer must be adequate to satisfy his entire demand for producing a particular crop. In calculating the credit requirements, consumption requirements should also be given due consideration. To meet the total credit requirements of the farmers selected for distribution of credit, if necessary, the number of farmers so selected should be reduced keeping in view the total funds available for disbursement. In other words, the distribution of credit should be intensive rather than extensive.

(2) For realisation of loans, the farmers should be approached soon after harvesting of the crop for cultivation of which the credits have been arranged. All the inputs necessary for production of their crop should be made available in time so that by utilising the same properly, the farmers taking the credit can really have a good crop.

(3) Special attention should be given to mobilisation of resources from the rural sector by educating the well-to-do cultivators to keep their savings in the banks.

(4) The zones of activities of the different loan giving agencies should, preferably, be well-defined to prevent over-lapping. In view of the limited credit resources and vast demand, it should be seen that one farmer does not receive credit from more than one source at a time at the cost of others.

(5) On account of the sudden rise in the price level of almost every commodity due to the recent energy crisis, the Five-Year Plan might be required to be revised very soon. As volume of credit offered is already below the requirement, it should not be shranked further in view of the urgency of increasing the growth rate of agriculture in the interest of the economic development of Bangladesh.

Self-Sufficiency in Foodgrain

by
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The agricultural development programme for the First Five-Year Plan (1973-78) aims at attaining self-sufficiency in foodgrain¹. The self-sufficiency is defined as to provide 16 oz² daily consumption per head by 1977-78. Foodgrain include only rice and wheat. The following table² shows annual requirement and projected production of foodgrain during the Plan period :

Year	population (in crore)	Foodgrain consumption requirement (in lakh tons)	Gross production of foodgrain (in lakh tons)	Foodgrain available for consu- mption (in lakh tons)	deficit/ surplus (in lakh tons)
1973-74	7.62	120.4	120.5	108.4	-12.0
1974-75	7.85	123.9	132.2	119.0	-4.2
1975-76	8.09	127.5	137.9	124.1	-3.4
1976-77	8.31	131.1	144.1	129.7	-1.4
1977-78	8.54	139.0	154.4	139.0	-Nil

The above table was prepared on the following assumptions.

(a) Population will increase at 3% per annum compounded. (b) Foodgrain will increase at 6.4% per annum³ compounded. (c) 10% of gross production⁴ of foodgrain is deducted for seed, feed, wastage. (d) Normal weather and natural conditions⁵ will prevail. (e) Adequate supply of fertilizers, pesticides and seeds will be ensured. Fertilizers will increase three fold⁷ over the benchmark production. (f) Adequate supply of agricultural equipments such as pumps, tubewells, sprayers, tillers, etc, will be ensured.

¹The First Five Year Plan (1973-78), Planning Commission, Government of the People's Republic of Bangladesh, P. 87.

²op. cit. P. 91.

³op. cit. P. 91.

⁴op. cit. P. 91.

⁵op. cit. P. 91.

⁶op. cit. P. 92.

⁷op. cit. P. 92.

Let us examine the assumption (c) first. The plan observes, "10 to 15 percent of food crops are affected by pests and diseases annually. In order to prevent production losses, an extensive programme is envisaged to provide complete plant protection coverage in the areas with HYVs"⁸. The area under HYV (both irrigated and rainfed) is about 100.20 lakh acres i. e. about 38% of the total area under foodgrain cultivation. Optimistically saying that if we assume, the area under HYV will be completely protected from pests and diseases yet 8% of foodcrops is subjected to such damage at the end of the plan period. Since large percentage of land under foodcrops cultivation constitute the foodgrain producing area, it is reasonable to say that at least 5% of foodgrain is supposed to be affected by pests and diseases at the end of the plan period.

Seed is necessary for further production. This is to be deducted from the gross production of foodgrain to work out foodgrain available for consumption. It is estimated that 6% of gross foodgrain production is required for seed. This estimate is based on the assumption that on average 80 lbs of seed is necessary for one acre of land.

Actually there is lack of storage facilities in Bangladesh. Due to⁹ the lack of storage facilities 5% of foodgrain is damaged by rats, insects etc. after harvest. Until 1972-73 there were 314 local supply depots covering 264 thanas. The remaining 144 thanas would be provided with 153 godowns¹⁰ during the plan period. These godowns and local supply depots are generally used for distribution of relief materials, foodgrain instead of being used for the storage of foodgrain from the local peasants. Therefore the storage programme during the plan period is unlikely to reduce the foodgrain damaged by rats, insects, etc. significantly. Hence it can be reasonably assumed that even if these godowns and local supply depots are used for storage of foodgrain procured from the local peasants, it is likely that 3% of foodgrain after harvest may be damaged by rats, insects, etc., at the end of the plan.

Let us now examine the assumption (d) about normal weather and natural conditions. What the plan means by normal weather and natural conditions is not clear. But by this it is generally meant that there would be (1) no excessive rain (2) no drought (3) no flood (4) no cyclone (5) no

⁸op. cit. P. 97.

⁹Report of the the Food and Agriculture Commission, 1960.

¹⁰The First Five-Year Plan (1973-78), Planning Commission, Government of the People's Republic of Bangladesh, P.140.

tidal bore, etc. Unfortunately, all of these natural calamities visit Bangladesh very frequently both individually and collectively. During 1972-73, about 56 lakh¹¹ tons of Aman rice was harvested against an anticipated production of about 76 lakh tons due to inadequate rainfall and a severe drought at the flowering stage of the crop. Due to these factors, with the possible need to liberalise consumption beyond stipulated limits and additional provision of about 10 lakh tons¹² of foodgrain has been kept in the import programme. This 10 lakh tons of foodgrain is about 10% of the gross foodgrain production during 1972-73 and about 6% of the projected foodgrain production during 1977-78. Therefore it is logical to say that there should be a provision for deduction of 6% of gross foodgrain production due to natural calamities inspite of flood control measures undertaken by the government.

Therefore to work out foodgrain available for consumption, 20% (5% for pests and diseases plus 3% for lack of storage facilities plus 6% for seed plus 6% for natural calamities) of gross foodgrain production is to be deducted. Retaining all other assumptions if we deduct 20% of gross foodgrain production, self-sufficiency in foodgrain is shown by the following table :

Year	Foodgrain consumption requirement (in lakh tons)	Gross production of foodgrain (in lakh tons)	Foodgrain available for consumption (in lakh tons)	Deficit/surplus (in lakh tons)
1973-74	170.4	120.5	96.4	-24.0
1974-75	120.9	128.2	102.6	-21.3
1975-76	127.5	136.4	109.1	-18.4
1976-77	131.1	145.1	116.1	-15.0
1977-78	135.0	154.4	123.4	-11.6
1978-79	139.1	164.3	131.4	-07.7
1979-80	143.3	174.8	139.8	-03.5
1980-81	147.6		148.8	-01.2

From the above table it seems that the self-sufficiency in foodgrain production, under the assumptions (a), (b), (c), (f), can be attained at the end of 1980-81 we cannot conclude anything unless we examine the assumptions (a), (b), (c), (f).

¹¹Annual Development Plan (1973-74), Planning Commission, Government of the People's Republic of Bangladesh, P.32.

¹²The First Five-Year Plan (1973-78) Planning Commission, Government of People's Republic of Bangladesh, P.92.

The plan assumes that foodgrain production will increase at 6.4% per-annum compounded. The production of foodgrain during 1972-73 is 99.4 lakh tons¹³ while the projected foodgrain production target during 1973-74 is 120.4 lakh tons.¹⁴ This means the foodgrain production will increase during 1973-74 by about 21% over last fiscal year. But the achievement of 21% increase in foodgrain production is quite absurd. This absurdity is further confirmed by the observation of the Plan itself which runs thus, "As the existing deficiencies in communications, transport, organisation, and institutional facilities cannot be eliminated quickly, foodgrain production is not expected to increase initially as fast as it could by mere introduction of HYVs in the rainfed areas. With increasing efficient infrastructural supports, the production is expected to gain momentum from the third year onward."¹⁵

The rate of population growth is assumed to be kept at 3% per annum by extensive family planning programme. During 1972-73 the performances of family planning programme as reported was extremely poor.¹⁶ Unless the family planning programmes are successfully implemented during the plan period, our aim to achieve self-sufficiency in foodgrain is likely to be frustrated.

The supply of agricultural inputs such as fertilizer exceeded the target during 1972-73 but pesticide and seed only fulfilled the target. But frequent power failure and labour-management problems are to be considered for fertilizer and chemical factories to achieve the production target during the plan period.

Regarding the supply of agricultural equipments and provision of irrigation facilities the target was not achieved¹⁷ during 1972-73.

In the light of the previous discussion it can safely be concluded that the achievement of self-sufficiency in foodgrain would not be attained at the terminal year of the plan although the two strategies to increase foodgrain production are correctly adopted by the plan under the prevailing circumstances in the country.

¹³Annual Development Plan (1973-74), Bangladesh, P.2.

¹⁴The First Five-Year Plan (1973-74), Bangladesh, Table VIII-4, P.91.

¹⁵op. cit. P. 93.

¹⁶Annual Development Plan (1973-74) Bangladesh, P. 152.

¹⁷"Against the target of 2,400 two cusec deep-tubewells and 2040 half-cusec shallow-tubewells, up to the end of May 1973, only 774 deep-tubewells and 1000 shallow-tubewells were sunk". op. cit., p. 2.

Agriculture and Co-operatives in the First Five Year Plan of Bangladesh

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Metaphorically speaking, a national plan takes the nation as a whole on a journey along some stipulated path of action toward reaching a pre-determined destination. In this sense, it has got to spell out clearly three things; where to go, how to go and when to go. A unique goal must be clearly defined and focussed upon in order to concentrate efforts and give the resource utilisation a definite direction. If there are more than one objective they must not be conflicting with one another and set in order of priority. Consistency and coherence of objectives help achieve dynamism in growth effort. Once the goal is clearly stated, it must work out the details of implementation mechanism—how to achieve the goal set out. Then the entire plan must be broken into component programmes and projects which must be started and finished within a specific time limit. Time is very crucial, since it determines the rate of growth.

Now in the light of above mentioned criteria, we shall review different dimensions of the national scheme laid out by the architects of our future for the agricultural sector in general and co-operative in particular. To have a bird's eye view of the sectoral programme in agriculture, in brief, these are some of the basic outlines of the agricultural plan. The plan is engineered to create a "modern agriculture"¹ "by gradual structural transformations within agriculture",² thus envisages increased agricultural income, creation of more employment, promotion of equality of income distribution, achievement of green revolution, increased foreign

¹ The First Five Year Plan, p.86.

² The First Five Year Plan, p.87.

exchange through increased agricultural export, improvement of nutritional standard and development of forest industry. However, the long-term objectives are self-sufficiency in the production of foodgrains³ and creation of employment opportunities to rural unemployed and underemployed.

The strategy for growth is to focuss attention on increasing yield per acre by introducing High Yielding Varieties of seed (like IRRI) under rainfed conditions because, the planners believe, that irrigation capacity will take some time period to expand to accommodate a larger area under HYV. Over all growth rate for food production has been contemplated to be 36% over the plan period and 6.4% per year annually compounded.³ To develop agriculture and water, an investment outlay of Tk. 198 crores has been envisaged.⁴

So far so good. The plan has many distinguishing features. For the first time major emphasis has been laid on the increased use of High Yielding Varieties of rice and wheat—a right step in the right direction. The experiences in Bangladesh and in other developing countries substantiate the rationale behind this "seed-based technology."⁵ The plan has also made significant emphasis on research and training under Bangladesh Academy for Rural Development at Comilla. Thana Training and Development Centre (TTDC) is planned to be expanded. It has also taken a very practical step by suggesting strengthening of co-ordination process at Thana level officers to form single development team to prepare short-term and long-term plans.

But excepting some minor deviations, the over-all strategy is just traditional one. The plan was designed against a political revolution, and fundamental change in the plan strategy was what the people naturally expected. But in this plan, we come across with same things like 'Agricultural Extension Programme' training of model farmer, TIP, IRDP, TTDC, etc. though in a little bit magnified way. By and large, one merely feels that the First Five Year Plan of Bangladesh is nothing but an

³ "..... by implication self-sufficiency is being defined as 16 oz. daily consumption per head". The First Five Year Plan, p.91.

⁴ See First Five Year Plan p.91.

⁵ The First Five Year Plan p.32.

extension of the Third Five-Year Plan of Pakistan. Of course, the plan offers a threadbare discussion of problems and prospects, and sometimes it makes some startling hints. But on the whole, as far as agricultural sector is concerned, it failed to reflect the aspirations of the common man and ignored the spirit and environment of the period we are living through.

IT LACKS IN AN ORIGINAL AND DYNAMIC APPROACH

As a matter of fact the First Plan lacks in an original and dynamic approach. To cast a shadow of the plan over the field of the farmer requires full control over land use. Without such control, the plan would remain a paper-work. The planners must make sure that the farmers would use their land in accordance with the objectives laid down in the plan. For example, the planners have assumed that 61.50 lakh acres of land would be brought under irrigated HYVs of rice, 38.70 lakh acres of land would be brought under rainfed HYVs of rice etc., and 30 lakh acres of flood-free areas would be brought under IRRI-20. Can the government guarantee that so many acres under such HYVs would be really brought under cultivation? Since land is privately owned and managed, such assumption is unrealistic and the plan is thus nothing more than a Guess Plan. In fact, the root-cause of all evils in the agricultural sector in Bangladesh is the improper land use by the farmers who form a zone of ignorance where planning machinery can hardly make penetration. Now if agriculture, the major sector of the economy, virtually remains outside our scheme, then the latter becomes merely a petty partial plan. To achieve therefore, an effective control over land use the entire society of farmers must be brought under control. This could be done in two ways: transfer of ownership of land from private hands and bringing the farmers under some co-operative or collective organisation. This would ensure successful implementation of government plan to achieve self-sufficiency in food and make the entire-economy going. The planners, in fact have not forgotten all about this. In the opinion of the Planning Commission, "A social transformation of the agricultural and rural economy of Bangladesh requires that the means and process of production and distribution be socially controlled and regulated"⁶ Thus, notwithstanding the fact that the planners have a full view of things, they have ultimately given

⁶ The First Five Year Plan, p.156.

themselves to a game of hypocrisy. They have just made some pious intentions and vague pronouncements like 'this should be done' and 'that should be undertaken' with a wonderful tapestry of literary jargons. If wishes were horses, then every one could ride them. Where is the action programme? How to socialise means of production? And when to do it? These questions are agitating the minds of the people. The time schedule and work-schedule have not been correlated with the pious pronouncements incorporated in the plan literature.

IT LACKS IN A CONSISTENT APPROACH

The test of consistency of objectives renders clarity of action, confidence in effort, and concentration of resource utilisation etc. So far as the test of consistency of objectives is concerned, we find that the plan fails to give a planned direction. As many objectives as there could exist found their place with their inherent conflicting character. "Modernisation of agriculture" has been envisaged with employment creating labour intensive methods, growth strategy has been related with income equalising considerations and heavy reliance on High Yielding Variety (HYV) of rice has been partially explained in terms of irrigated HYVs. We could have led to believe that these objectives would not come to conflict, had there been an assumption of a different economic system. Under this system there is every reason to believe that they would do so.

The objective of self-sufficiency in food could be set as the only objective, and the entire resources in the agricultural sector could have been mobilised to achieve that single object. That would ensure concentration and seriousness of efforts which the problem demands for its solution. The nation could be cent percent satisfied with a just one object as that, because in the words of the planners themselves, "this would bring an end to dependence on foreign sources of food".⁷ Moreover it is difficult to understand why such an urgent problem as self-sufficiency in food has been made a long-term objective. This shows lack of seriousness in the effort, since it would not have been difficult for each of the 19 districts on an average to contribute within 2 years' time at least 2 lakh tons of food to the food basket of the country and close the food gap of 2.5 million tons, "if a determined effort was made" simply through

⁷The First Five Year Plan p. 87.

diffusion of HYV of rice, not to speak of other strategies.⁸ The inconsistent strategy is also reflected in the planners' suggestion for implementation mechanism. The plan emphasises upon democratisation of the decision making process in the village and upholds the case of Peoples' Council elected by local people. Thus it is bent upon curtailing bureaucratic influence. But at the same place and at the same time, it notes with bitterness; "Locally elected bodies were never fully representative because the richer and influential class managed to win the election. The election system failed to recognise the authoritarian nature of traditional power structure..."; therefore, the planners conclude: comes the inevitable and unavoidable role of co-operative "to formulate policy and implement programmes". But again a cloud of doubt and pessimism overcomes them so that they are pleased to dismiss the latter too, since they are "dominated by vested interest". What next? The planners are silent on this issue. As a matter of fact, they failed to establish a workable and smooth relationship between government officials, elected representative and co-operatives. Who form the nucleus of rural development? Who will take orders from the Government to mobilise resources to implement projects within the National Economic Plan? In other words the force to spearhead the capsule of people's effort to achieve plan target is yet to be identified. The plan thus makes room for conflict among the pockets of power in the rural economy.

Again, the planners have categorised the farmers under three classes; category 'A' who have no means of production; category 'B' who have small means of production; category 'C' who have large means of production. And at long last they went ahead with the recommendation that category 'A' being landless class be provided with land. But is this in conformity with socialist philosophy of collective ownership and regulation which the planners have generously mentioned about?

⁸"A Rice self-sufficiency Plan for the District of Chittagong (1974/75)" drawn up by FTCCA, Chittagong aims at increasing production to 10 lakh tons in 1974/75 from 6 lakh tons in 1972/73. Another "Two Year self-sufficiency in Food" Plan for Bangladesh drawn up by Dr. Anisur Rahman and Mr. Mahboobul Alam Chashi is available.

In fact, the inconsistency in the plan has originated from the very fact that the planners could not adopt any approach at all—either capitalistic or socialistic. Be it capitalistic or socialistic, the approach must have been a dynamic one. A capitalistic strategy would have called for liberal credit policy, mechanisation, subsidy etc. where as a dynamic socialistic one would have necessitated a drastic land reform abolishing private property, collectivisation or co-operative farming etc.

ROLE OF AGRICULTURE NOT DEFINED

Though the plan admits that the economy of Bangladesh is predominantly agricultural in terms of its contribution to GNP (58%), employment (75%) and export earning, its place in the total scheme of things has not been determined with respect to other sectors. If planning means determination of scale of priorities, then there is total absence of planning with respect to sectoral allocations. Though the plan claims that agriculture and water sector including flood control received the "highest share of resources" the schedule of financial allocation gives a different impression. An investment of Tk. 898 crores has been envisaged for the agricultural sector, whereas for the industrial development less amount, i. e., Tk. 798 crores have been earmarked. But if investment for power and natural resources including oil refining, transport and communications and housing including sewerage and water supplies was then considered it seems that investment for industrial sector far outweighs the investment for agricultural sector.

THE STRUCTURE OF PLANNED DEVELOPMENT OUTLAY

(Taka in crore)

Sector	Investment	
1. Agriculture and Water	...	898
2. Industries	...	7.8
3. Power & Natural Resources	...	415
4. Physical Planning & Housing	...	299
5. Transport	...	469
		3769

*The First Five Year Plan, p-32

EMPHASIS ON IRRIGATED BORO

The seed-based technology of the plan gives major emphasis on HYV of rice. But HYV of rice cultivation in Boro season is a function of mainly irrigation which must be supported by a mechanisation programme embracing power pump scheme, tubewell scheme, etc. Such a mechanisation programme is a long term phenomenon and is dependent on foreign aid. So, emphasis was laid on HYV during Aus and Amon when rain-water is sufficiently available. This is but natural in the context of growing demand by the progressive co-operative farmer's in Bangladesh, especially at Comilla and Chittagong.² The plan itself comes out with an admission that transplanted Amon¹ constitutes 38 p. c. of the area sown and contributes about 41 p. c. of the total rice production and Aus constitutes 32 p. c. of total rice acreage and contributes 25 p. c. of production, whereas Boro constitutes about only 9 p. c. of total rice acreage and contributes about 16 p. c. of total rice production. But nobody knows what impelled the planners to shift their emphasis ultimately on to Boro season which was the case by receiving the greatest consideration i. e., 300 p. c. increase planned during the period). If this is due to the fact that it is "the most stable season of the year" then such irrigation-based strategy must be supported by a Comprehensive Mechanisation Programme. But since there is no correlated investment programme on a significant scale for the expansion of agro-based industries like power pumps, power tillers, tubewells etc (an investment of Tk. 1,400 crore in this respect is very insignificant) we are going right on getting on somebody's neck for obtaining necessary accessories. Already foreign capital requirement of Tk. 1,800 crores has been a deadweight burden on us. In the language of the planners: "the magnitude of such loans is subject to vicissitudes of a changing economic and political environment of the rich, developed nations. An overwhelming dependence on foreign capital inflow trend to create uncertainty in the implementation plan". Therefore, planned reliance on HYV of rice during Boro which is a function of political weather is no less uncertain than rainfed Amon and Aus HYV.

²"Farmers' Experiences with IR-20 Rice variety and complimentary production inputs: East Pakistan, Amon 1970" prepared by Refugio I. Rochin with assistance from members of Department of Agriculture, Agricultural University, Mymensingh, BADC & IDE.

¹Amon (transplanted): Planted July/December harvested. Aus: Rice crop planted from March 1st would be considered Aus. Boro: planted in December and harvest in March. 3. First Five Year Plan p. 12.

NO PROVISION FOR INPUT CHANNEL

Who knows better than the most learned circle of economists who form an august body like Planning Commission that the distance between the pages of the plan and the fields of the farmer is quite long. The input packet of fertiliser, seeds, water & insecticides has to traverse a long path to reach the field of the farmer. Several bottlenecks are there on the path. The planners have put heavy reliance on HYV of rice. This simple replacement of low yielding variety of seed by HYV one, requires right quantity of fertiliser at the right time. An effective channel of input-flow from the factories and ports to the farmers' field must be evolved. Presently, the channel starts from factories/ports and runs through BADC storage points at district, thana and village level. Presently, the system of distribution is cumbersome, since it involves so many elements; viz., 1. BADC; 2. District, Thana and Krishi Unnayan Committees; 3. 2,800 private retail traders; 4. Thana Central Co-operative Associations and Primary Co-operative Associations. This system has been okayed by the planners. But as far as experience goes, last year self-sufficiency drive in several district succumbed to the delayed distribution of whatever amount of inputs were available.¹¹

EDUCATION AS A TOOL OF CHANGE IN AGRICULTURE

Of late, several educational institutions including Chittagong and Dacca University have come forward with programmes of student's participation in the agricultural productivity. Suggestions were made to make work-study a part of the syllabi of the students. But the plan makes no reference to education that could be a tool of change in agriculture. The students, at last, could be utilised to motivate and teach the farmers.

¹¹The self-sufficiency Plan in Chittagong District (1971/72) drawn by Federation of Thana Central Co-operative Association, Chittagong was a failure due to scarcity of inputs and delayed distribution. See, The Self Sufficiency Plan for the District of Chittagong (1974/75), sponsored by FTCCA, Chittagong.

A PROGRESSIVE CO-OPERATIVE POLICY

In fact, without a progressive co-operative approach the achievement of either agricultural revolution or socialism in agriculture is a distant possibility. This is because the farmers are not organised and farming operations are 'micro' in character. The plan can not be implemented if effective contact with and control over each of the farmers are not established. Only co-operatives can ensure with their organisational coverage and group enterprise the requisite degree of contact and control. The Planning Commission of course highlighted the role of co-operatives, especially Thana Central Co-operative Associations. But logical conclusions were not reached at. The planners are very much right when they observed that co-operatives as other rural organisations are dominated by people within upper income bracket. As a solution they suggested distribution of land to the landless. But would this put an end to what the plan termed 'Class struggles due to class distinctions'? In every rural organisation, the planners were awed by money-clique. But without going down at the root-cause at the bottom of everything, i. e., private ownership of land-holdings, the planners preferred to make superficial suggestions which do not touch even the fringe of 'class struggle' about which mention has been made quite often. Secondly, though the co-operatives were recognised as the appropriate bodies to formulate plans and policies, the role of local elected bodies of people's councils was not less emphasized. This would create a dualism in the village politics resulting in constant power struggle which would frustrate the planned development and output will be negative.

Thirdly, the IRDP has been assumed to play an instrumental role to regulate the co-operatives which have been promised free play. This is because IRDP has a monetary weapon. Though some sort of Co-operative Development Board has been set up with declared objective of controlling both IRDP and co-operatives in a balanced manner and Co-operative Development Board is supposed to have majority of co-operators as its members. In the ultimate analysis the CDB under the Ministry of Co-operatives etc., is nothing but an extension of the IRDP in disguise. However, the difference is that the very sugar-coated name 'CDB' make things easy for the co-operators who were fighting shy of

begging finance. As a matter of fact, co-operatives have been envisaged, to be covered by the official organ IRDP phase by phase. In the name of training IRDP is engulfing the co-operative leaders one by one who are made to forget what they learnt on the field and become officers rather than better co-operators.

In fine, the planners could not frame a district co-operative policy for the government to follow. By removing the main obstacle on the path of co-operative i.e., private ownership in land, the planners should have gone for full coverage of the agricultural sector under co-operative phase by phase, area by area, under an specified period of time. The outmoded Co-operative Act of 1940 (later modified) is yet to be repealed. The Planning Commission, of course, made some suggestions with respect to the reformation of co-operative system. Co-operative societies have been suggested to be made agents for procurement and distribution of supply of fertiliser besides the private dealers. Membership is to be made open to all farmers. Political machinery is to be made an ally of the co-operative movement etc. These will undoubtedly go a long way to make some headway in the co-operative movement. But there is every doubt whether those steps could establish "Socio-economically viable primary units". For example, open membership won't solve problems, as free primary education could not make all children in our country educated. As a matter of fact, it is the economic and social system which is at fault and the co-operatives are to play their role against this background. No doubt, these steps should be taken to improve the position of cooperatives, but in addition it is suggested that ownership of the resources land, labour and capital be transferred to the primary societies as a whole. At least the latter could acquire the right to utilise the land holdings and capital of member farmers who would retain their ownership. The pooling of the resources would lead to economic viability of primary units, since that would make it easy for them to formulate plans and policies in accordance with the objectives laid down in the plan. Farming could be operated on commercial basis. The services of managers and office-bearers of the society could be remunerated. Only then 'Co-operative' would be a meaningful word leading to salvation of the farmers and our plan would also become realistic both from the standpoints of designing and implementation of plan. The mushroom growth of Co-operatives must be stopped and the too many existing co-operatives within single village must be merged to form village-based

co-operatives. The village-based co-operative would make things more easy for the co-operators to make P. S. economically viable. Since the Co-operative Banks and Agricultural Banks are almost non-existent in the far-flung villages, the commercial banks (whose branches have extended their services upto thana level) should be allowed to give advances both short-term and long-term for improvement in agriculture. The village market be developed as a centre where storage and godowns, branches of commercial banks, branches of the District office of Agriculture, BADC and Co-operative etc. must exist to reach the interior parts of the country. For this at least, all the village markets be connected with a network of roads. Thana level co-ordination must be gradually brought to the village level within the plan period.

In short, the co-operative must be made nucleus of the rural community.

CONCLUSION

To sum up the discussions we observe that though the plan makes pious pronouncements, time-schedule have not been correlated with respect to implementation. Two fundamental changes should be brought about : farmers' ownership of land, labour and capital be transferred to co-operative societies or the co-operative societies may be given legal right to utilise the resources of their member farmers without affecting private ownership. Secondly, the entire society of farmers be brought under co-operative organisations. (Surgical) Operation is always painful to the patient, but it saves the life of the patient. In the same manner, fundamental structural changes however, painful to the society are worthwhile. That would solve all problems relating to food, housing, education, communication etc.

Some Notes on The Institutional Framework for Development of Co-operatives In Bangladesh

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The co-operative organisation has a key role to play in removing the major bottlenecks in transforming the traditional agricultural economy of Bangladesh and especially in achieving a better income distribution in pursuance of the social objectives of the new nation. However, the scope of co-operatives encompasses not only organizations of agricultural producers but also those of non-agricultural producers including various professional groups. Thus, while considering the institutional framework of a co-operative system for Bangladesh both agricultural and non-agricultural co-operatives should be taken into account.

The First Five Year Plan has emphasized the need for having a strong and efficient co-operative organization in the country. It has also recognized the importance of an effective institutional framework for the co-operative system. However, in its proposals relating to the institutional set up for the development of co-operatives, a basic weakness of the existing structural and organizational set up of the co-operative system of the country has been utterly neglected. This paper aims particularly to discuss this specific aspect.

From the plan proposals it is apparent that the Co-operative Directorate and the Integrated Rural Development Programme would continue to exist as two virtually parallel organizations responsible for the development of co-operatives in Bangladesh, though some attempt has been made to bring about some differences in their scope of activities—the latter to deal with "peasants" co-operatives and the former to deal with other types of co-operatives.

This is either due to a lack of appreciation on the part of our planners as to the desirability of having an independent, strong and co-ordinated organization to deal with the overall problem of the development of co-operatives in the country or a lack of willingness to disturb the present set up irrespective of its inherent weakness, overlapping functions and ineffectiveness in ensuring a sound growth and smooth functioning of the co-operative system.

The Co-operative Directorate operating at present under the Ministry of Rural Development, Local Government and Co-operatives is primarily concerned with regulatory functions viz., with registration, audit, supervision, liquidation and other legal aspects of co-operatives both agricultural and non-agricultural. However, among its functions are also included training, research and extension activities in connection with the development of various types of co-operatives. Before the establishment of the IRDP it was virtually the sole guardian of the co-operative movement in the country.

The Integrated Rural Development Programme has come into being with the primary objective of replicating the two-tier "Comilla Model" co-operatives throughout the country in a phased manner. The primary function is thus agricultural extension work through co-operative methods. Activities like processing and marketing of agricultural goods of the co-operatives would be taken up by the IRDP, in course of time.

Since the scope of activities of the two above organizations are neither mutually exclusive nor strictly defined, there is obvious duplication of authority and overlapping functions involved resulting in conflict of interest, confusion and operational deadlocks. The continuation of this state of affairs is in no way conducive to the healthy development of co-operatives in the country.

To add to these anomalies it has been proposed in the plan to set up a Co-operative Development Board without explaining clearly its relationship with the two existing institutions mentioned above. Again, since the main functions of the proposed Co-operative Development Board would be limited to promotional, training and research activities, its position vis-a-vis that of the existing Jatiya Samabaya Union established for performing similar functions has not been clarified.

Finally, it may also be mentioned here that the present involvement of other nation building departments in rural development works involving farmer producers and their organization, anomalies and conflicts would be further accentuated.

The author believes that by multiplying the number of institutions and authorities, the cause of the co-operative movement in Bangladesh cannot be served best. In the best interest of the nation, and for the healthy and smooth growth of the co-operative movement a unified, strong and co-ordinated organization may be set up replacing both the Co-operative Directorate and the Integrated Rural Development Programme and by-passing the need for the establishment of the proposed Co-operative Development Board. This organization may be known as the Co-operative Development Authority (CDA)¹ which may have a number of divisions under it, viz., (i) The Administrative Division (ii) The Training and Research Division and (iii) The Development and Extension Division,

It may be headed by an full-time chairman who will be assisted by an Advisory Board consisting of both official and non-official members. The Directors of the different divisions of the Co-operative Development Authority would serve as official members of the Advisory Board while the non-official member would be appointed from among the representatives of the co-operatives in the country.

The Administrative Division may be in charge of the statutory duties of registration, audit, inspection and liquidation of the co-operatives. All other legal matters would also be dealt with by this division.

The Training and Research Division would be responsible for training of the officials of the C. D. A. and the members and office bearers of co-operatives, and conduct research on the various problem of co-operatives both independently and in association with other research institutions. The Co-operative College and the Zonal Co-operative Training Institutes would be placed under this division.

¹The proposal is a modified version of the Model presented by the author in his Ph. D. dissertation entitled "A Model Co-operative Organization for Agricultural Development in East Pakistan" (Texas A&M University, August 1964).

The Development and Extension Division would deal with all functions related to the organization and development of co-operatives in the country. These would include the functions now being performed by the Integrated Rural Development Programme. The extension activities of the present Co-operative Directorate would also come within the purview of the functions of this Division. Functions related to credit, marketing and warehousing would also be performed by this Division under separate sections for each.

The above outline for the proposed C. D. A. is tentative and an Expert Committee may be set up to work out the details of the internal organization, division of responsibilities and other problems of the organization. The Jatiya Samabaya Union may remain as the spokesman of the co-operatives and promotional activities of co-operatives may remain as the function of this Union.

The author does not claim that the acceptance of the above proposal will lead to a solution of all problems related to a healthy growth of the co-operative movement in Bangladesh which will require the fulfilment of a large number of pre-requisites besides reorganizing the institutional set up.

Discussion on these are kept outside the scope of this paper. However, it is believed that the proposals made here would significantly contribute in streamlining the existing set up and in removing various anomalies, duplication of functions, and many other bottlenecks which stand in the way of smooth operations of the institutional framework and a more healthy development of co-operatives in the country.

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Co-operative Framework for The Development of Marginal Farmers and Landless Agricultural Workers in The First Five Year Plan of Bangladesh

by

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In simple and general terms, a cooperative is a voluntary association of persons, operating on a democratic basis, to realize some common interest (s) (which are primarily economic and secondarily social) through united efforts and sharing the benefits on the basis of participation. It is considered to be a 'desirable mid way' because it is an economic organization where the distribution of income is on the basis of participation rather than of capital contribution alone. Thus, the ideology of cooperation is perceived as an effective and desirable means of achieving social justice in any field of economic operation.

Even when the cooperative organization is emphasized basically as an economic institution, the social thinkers in recent days are stressing more on the social dimension of cooperatives. And it is observed that, cooperatives are gaining more recognition as social institutions in the present day world. The following words of President F. E. Marcos speak to this effect :

".....cooperatives are institutions of human beings with deeply humanitarian philosophy and purpose with a firm and faithful commitment to the achievement of social justice and economic democracy on the strength of voluntary action, to satisfy common economic and social needs of people ... (cooperative system is). An ideology of change and development. An ideology of social reform and human reformation (cooperatives). As institutions of people, they can replace or at least balance the institutions of property that to-day constitute the citadels of the status quo. They can thus bring about the revolutionary change that the temper of the time demands." — President F. E. Marcos,

As an instrument for socio-economic advancement, the cooperative system then featured as particularly suited to economically small and socially weak people. Viewed from this angle, it can be claimed that the cooperative system has a prominent role to play in the development plan, especially the rural development programs, in the less developed and developing countries having basically a rural and agrarian economy and predominantly a traditional peasant society. As a result, in most of these countries cooperative organization has been taken as an important strategy of the national development plans. Particularly, it has been taken as the premise of the rural and agricultural development programs. In fact, in the developing countries cooperative organization to-day has gained almost universal acceptance as an ideal institutions for rural development and through which small farmers can improve their fortune and protect themselves from many odds and exploitations. Bangladesh is committed to building a socialist society through the democratic process. Thus the First Five Year Plan has accordingly taken the cooperative institutional framework as a strategy for the development of the rural sector in the country.

THE STATE OF AGRICULTURAL AND RURAL SECTOR

The conditions of agriculture and as such the rural sector in Bangladesh may be generally stated as follows :

1. Traditional method of farming with resulting low yield and income for the farmers.
2. Predominance of subsistence farming by illiterate mass of small insolvent farmers.
3. Most inadequate provision for essential farm supplies and services, and marketing of farm products.
4. Heavy pressure of the increasing population (working population) on the limited agricultural resources making the already extremely poor rural population more poor.
5. Chronic indebtedness of the hundreds and thousands of insolvent marginal farmers to the village money-lenders or well-to-do farmers as a result of which the largest section of the farming population is directly or indirectly dominated by the few well-to-do people in their decision-makings on most socio-economic and political matters.

Under the circumstances, higher productivity through the use of improved technology; higher farm income ; increased employment opportunities for millions of unemployed and under-employed population, and

thus, advancement of general rural welfare ; are the indices of the level of agricultural development. But, the application of modern technology leading to modernization of agriculture will essentially require improvement of transportation and communication system, (especially in the rural sector) provision for adequate amount of modern farm supplies and services, better marketing facilities, (like processing, warehousing, standardization, etc.) better credit facilities, adequate facilities for improving the skill and knowledge of the illiterate mass of farmers ; and on the whole, creating a favourable working environment so that the farmers individually and collectively can contribute their best for the betterment of their living condition and general welfare. The answer to the problem at some length has been sought through farmers' cooperatives—an association of farmers, organized and established on cooperative principles, for united action towards solving by themselves either one or many of their socio-economic problems. The farmers' cooperative is recognized as an effective way of giving small farmers access to the elements of modern agriculture, it is considered as a most desirable institution that can serve and facilitate active involvement of small farmers and landless agricultural workers in the process of growth.

MAIN FEATURES OF THE FARMERS COOPERATIVE FRAMEWORK

Under the cooperative institutional framework envisaged in the plan :

- a) The Integrated Rural Development Program (IRDP) will be concerned with village level farmers cooperatives and their thana federations (TCCA).
- b) All categories of people other than money-lenders, retirees or contractors of hired labourers are eligible for membership in the village and thana level cooperatives.
- c) Members in the managing committees of these cooperatives will be elected in a manner that three categories of people—landless cultivators, marginal farmers, and small and solvent farmers—are proportionately represented.
- d) The cooperatives will get preferences from the state in all matters.
- e) Landless labourers will be encouraged and helped to jointly own and operate implements and machinery. They will also be trained in various technical skills. The primary cooperatives will organize these programs.

- f) Cooperative Development Board (CDB) will build up a cadre of cooperative organizers who will be placed at different thanas for initial promotional and organizational work and to become the manager/ executive director of the TCCA. This cadre will be carefully selected, preferably from local field workers, and trained in ideological as well as operational matters.
- g) TCCA will arrange training for the members through informal discussions from time to time.

The plan recognizes that a 'bottom up' in place of a 'top down', nature of organization with initiative coming from farmers is essential for a self sustained and viable cooperative system. But it is also evident that state action, initiation, and support at the promotional stage are equally essential ; and this support has to be lifted gradually in a planned manner so that cooperatives are well founded with a sound economic footing. Because only after economic success has been achieved and a base has been strongly built can the full institutional leverage of a cooperative begin to have an influence on the greater social benefits. Unification of the marginal farmers and landless agricultural workers with the medium and small farmers in the framework, as such, is not likely to help achieve the objective of serving and facilitating the participation of the marginal farmers and landless agricultural workers in the growth process.

In order to solve their problems special programs outside the conventional cooperative framework have to be simultaneously undertaken by the IRDP. These schemes under suitable institutional setting have to be broad-based, action-oriented and problem-solving mainly for the beneficiaries (marginal farmers and landless agricultural workers). These will be ordinarily area development programs covering a wide area, may be, a sub-division, having a large number of these marginal farmers and landless workers. This has to be a more intensive and extensive program envisaged in the plan. The necessity of such a program has been realized in India and accordingly schemes like Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers (MFAL) have been promoted in some states.

Cooperation of the members is the primary determinant of the success, effectiveness, viability and longevity of the cooperatives. In fact the extent and intensity of the benefits of the farmers' cooperatives will depend on the degree of cooperation of the members attained.

The primary reasons for the failure of most cooperatives are lack of member participation stemming mainly from lack of understanding

and mutual trust among members, lack of realization of the cooperatives ideology and thus a change in attitude of the members towards group benefit, and lack of sound business principles.

The mass illiteracy and extreme poverty of most of the farmers, predominance of 'beyond a workable' level of dishonesty and a general distrust among people, and absence of a sizeable team of dedicated social workers feature the rural environment in Bangladesh. Under the circumstances very little managerial efficiency and sincere cooperation of the members can be expected in practice.

Therefore, the scheme of building up of a cadre of cooperative organizers for motivating the farmers to accept the cooperative system as an ideology, 'a way of life', and to bring about a mental change in favour of group benefits above individual benefits is the most correct step in the process of revitalizing the cooperative movement in the country. However, the process of learning and conceptualization of the ideology of cooperation and getting a sustained interest in cooperatives will certainly take time for the farmers. Because, farmers learn effectively only through practice and demonstration. They are most likely to learn step by step through small experiences of team works over a period of time.

This gradualness of the process, however, has not been fully stressed in the cooperative program in the plan.

The cadre building program should be given the top most importance and should be considered as the vital element in the cooperative institutional framework. Cadres, in fact, will be the backbone of the successful cooperative system. These cadres should be preferably free from any political affiliation, they should rather be designed as social workers. They should be selected and trained in cooperative ideology, rural economy and rural sociology. Preferably there should be one such cadre down the line, placed in each union with the task of continuous and intensive field work towards preparing and maintaining a congenial and workable environment for the cooperatives in his Union.

Recognizing the gradualness of the process, the less formal associations like the irrigation groups under BADC, should be included in the cooperative framework. These associations should be regarded as a first step towards organizing formal cooperatives, and should be entitled to get all the preferential treatments next to cooperative in all matters of credits, loans, dealerships of supplies, etc. from the state.

অর্থনৈতিক উন্নয়নে বাস্তবমুখী শিক্ষা ও কৃষি কাজ

মোঃ জাহিদুল হক
ঢাকা বিশ্ববিদ্যালয়

খুলনা সূকলা সোনার বাংলা আজ স্বপ্ন প্রায়। কৃষকের সবুজ মাঠে আজ নিরাশার ছায়া, কৃষানীর চাল ফুটো, গোলা শূন্য, অনেকের হাড়ি চকুনা উঠুনে। রোগ, শোক, অনাহার, দারিদ্র ও অশিক্ষা প্রভৃতি বিবিধ সমস্যার যাতাকলে পিষ্ট আজ গ্রামবাংলার মানুষ। অতীতে যে মাটি ছিল স্বর্ণ প্রসবীনি, সে মাটি হাতড়ালে স্বর্ণের পরিবর্তে আজ শুধু কাঁদাই মিলে। কিন্তু কারণ কি? কারণ অনেক। যুগ বিবর্তনের সাথে সাথে দক্ষিণ পূর্ব এশিয়ার গুরুত্বপূর্ণ এ অঞ্চলটিতে সামাজিক, অর্থনৈতিক ও রাজনৈতিক বিবর্তন সংগঠিত হয়েছে। পরিবর্তিত হয়েছে ভূতাত্ত্বিক এবং পানিতাত্ত্বিক নিসর্গ। আমাদের শূন্যতার বহুবিধ কারণের মধ্যে অন্যতম কারণ হচ্ছে জনসংখ্যার বিফোরণ। প্রতিদিন লক্ষ লক্ষ নতুন মুখের জন্ম হচ্ছে আর অল্প বয়সেই এসব নবজাতকের। অথচ জমির পরিমাণ রয়েছে একই এবং কৃষি পদ্ধতি রয়ে গেছে মাকাতা আমলের। তাই প্রতিদিনই আমাদের সীমিত জমির উপর জনসংখ্যার চাপ তীব্র থেকে তীব্রতর হচ্ছে।

বাংলাদেশ কৃষি প্রধান। এদেশের অর্থনীতি ও কৃষিস্থিতিক। দেশের লোকসংখ্যার ৮৫% জন প্রত্যক্ষ বা পরোক্ষ ভাবে কৃষির উপর নির্ভরশীল। তা ছাড়া দেশের মোট জাতীয় উৎপাদনের শতকরা ৬০ ভাগই আসে কৃষি থেকে। আর মাত্র বাকী ৪০ ভাগ আসে অন্যান্য উৎস থেকে। অতএব বাংলাদেশের উন্নতি করতে হলে কৃষিরই উন্নতি করতে হবে সবার আগে কারণ কৃষিই এদেশের মৌলিক লব্ধি।

বর্তমানে এদেশের কৃষিতে যারা নিয়োজিত তারা বৈজ্ঞানিক কৃষি পদ্ধতিতে অনভিজ্ঞ। নিরক্ষর, দুর্বল, নিঃশব্দ। এদেরকে জাগিয়ে তুলবার, শিক্ষিত ও স্বাবলম্বী করার দায়িত্ব শিক্ষিত সমাজের। শিক্ষার উদ্দেশ্যই হচ্ছে সমাজকে

ভাল করে চেনা, সমাজের সকলস্তরের লোকদের সাথে নিজেদের ঘনিষ্ঠতা বৃদ্ধি করে সকলের সর্বাঙ্গীন উন্নতিতে সাহায্য করা। শিক্ষিত হয়ে যেন সমাজকে কিছু দেওয়া যায় বা সমাজের লোকদের বিশেষ করে অল্পশিক্ষিত ও অশিক্ষিতদের যেন উন্নত ও শিক্ষিত করা যায়, সেটাই হচ্ছে শিক্ষার উদ্দেশ্য। কিন্তু আমরা বর্তমানে যে শিক্ষা লাভ করছি তা সম্পূর্ণ উল্টো। আমাদের শিক্ষিত সমাজ নিজেদেরকে উন্নত ও শিক্ষিত বলে এবং আন্তিজাত্যের দোহাই দিয়ে কৃষি ও কৃষক এবং শ্রম ও শ্রমিক হতে দূরে সরে যাচ্ছে। দেশের যারা চাষাভূষা, তাঁতি, জেলে সকলেই তাদের কাছে ছোট লোক, সকলেই অস্পৃশ্য ও উপেক্ষানিয়, কিন্তু তাদের শ্রমদানের ফলেই যে এ দেশ এখন ও বেঁচে আছে একথা তারা গভীর ভাবে উপলব্ধি করছেন বলে মনে হয় না। ফলে কৃষক দিন দিনই শিক্ষিত সমাজ থেকে বিচ্ছিন্ন হয়ে চলেছে। এ দেশের বিচ্ছিন্নতনগুলোতে কোন বাস্তবমুখী কৃষি শিক্ষার ব্যবস্থা না থাকায় প্রাথমিক বিদ্যালয় থেকে শুরু করে কলেজ তথা বিশ্ববিদ্যালয়ের শিক্ষার্থীগণ কৃষিকার্য থেকে দূরে সরে যাচ্ছে। ইহার ফলে পাঠা জীবনেই কৃষি ও কৃষককে উপেক্ষা করেই আমাদের চলনতমি গড়ে উঠেছে। পরবর্তী জীবনে তাই কৃষককে আমরা হীন চোখে দেখি এবং কৃষিকাজকে সবচেয়ে হীন ও নোংরা কাজ বলে ভাবি।

ফলে তথা কথিত শিক্ষিত সমাজ সত্যিকারের সমাজ থেকে অনেক দূরে থেকে যাচ্ছে। অনেক উচ্চ শিক্ষিত এমনকি অল্প শিক্ষিত লোকও চাকুরীর খোজে চারিদিকে দিনের পর দিন ঘোরাফেরা করে এবং শেখ পর্বন্ত অর্থের অভাবে নানা প্রকার অশুভ কাজ করতে বাধ্য হয়। এমনি ভাবে একটা কৃষকের সম্ভাবন শিক্ষিত হয়ে ও কৃষককে উপেক্ষা করে এবং বিভিন্ন ছুরবস্থায় পতিত হয়ে নিজের মূল্যবান জীবনকে সম্পূর্ণ ধ্বংসের মুখে ঠেলে দেয়।

আমাদের এই সামাজিক অনিশ্চয়তা ছত্রীকরণের জন্মে এদেশের যুব সমাজ তথা জনসাধারণ স্বাধীনতা সংগ্রামে ঝাণিয়ে পড়েছিলেন। আশা করা হয়েছিল স্বাধীনতার পরে হয়ত আমাদের মন ও মানসিকতার পরিবর্তন ঘটবে এবং আমরা সমাজের ছুরবস্থা থেকে মুক্তি পাব। আমাদের রাজনৈতিক স্বাধীনতা আর্জিত হয়েছে সত্য কিন্তু অর্থনৈতিক বা সামাজিক দিক থেকে আমরা সত্যিই যে কতটুকু স্বাধীন হয়েছি তা মূল্যায়নের সময় এসেছে। হিসাব করে দেখতে হবে আমাদের সাংস্কৃতিক দিক থেকে আমরা কতটুকু উন্নত হয়েছি।

স্বাধীনতা সংগ্রামের সময় যে ধ্বংসলীলা সংগঠিত হয় তার ফল আজ সমাজের প্রতিটি রক্তে রক্তে প্রবেশ করেছে। স্বাধীনতার পর থেকে ক্রমাগত তথা মূল্য বৃদ্ধি, নিত্য প্রয়োজনীয় দ্রব্যাদির অভাব, মাথাপিছু আয়ের নিয়মতি, প্রভৃতি সমাজে এক ছুঁসিসহ অবস্থার সৃষ্টি করেছে। এতে করে দেশের জনসাধারণ বিশেষ করে আশাবাদী যুবসমাজ বিশেষ ভাবে হতাশ হয়ে পড়েছে।

সামাজিক এই অনিশ্চয়তা বা দুরবস্থা ছরকরতে হলে প্রথমতঃ যুবসমাজকেই তাদের অনিশ্চয়তা বা হতাশার অবসান ঘটিয়ে গঠনমূলক কাজে অংশ গ্রহণ করতে হবে। যুব সমাজকে সামাজিক অনাচার থেকে ফিরিয়ে আনার জন্য গঠন মূলক কাজে তাদেরকে নিয়োজিত করাই একমাত্র পথ বলে আমরা মনে করি।

দেশের অর্থনৈতিক ও সামাজিক এই দুরবস্থা তথা যুব সমাজের এ অধঃপতন লক্ষ্য করে কি ভাবে তা ছর করা যায়, গোটা জাতিকে এ অশুভ পরিবেশ থেকে কি ভাবে মুক্তি দেয়া যায় সে পথ বের করার জন্য ঐতিহ্যবাহী ঢাকা বিশ্ববিদ্যালয়ের অর্থনীতি বিভাগের সভা জাগ্রত ছাত্র ও শিক্ষক সমাজকে চিন্তা করতে হবে। ঢাকা বিশ্ববিদ্যালয়ের ভূমিকা এদেশের যে কোন আন্দোলনে যে কোন বিপ্লবে অত্যন্ত গুরুত্ব পূর্ণ। তাই দেশের এই ছুঁদিনে সৃষ্টি ধর্মী সমালোচনার বিখ্যাত বিশ্ববিদ্যালয়ের সচেতন অর্থনীতি বিভাগের ৩০ জন ছাত্র এবং ৩ জন শিক্ষক জাতি গঠনে ছাত্রদের ভূমিকার অংশ হিসেবে ইন্নি-২০ চাষের একটি প্রকল্প হাতে নিয়ে ঢাকার অহুরে সান্তারের ছুটি পল্লীতে ছড়িয়ে পড়ি। সান্তারের অহুরেই জিরাবো এবং এনারেতপুর নামে দু'টি গ্রামে কৃষক ভাইদের সাথে কাজকরা, থাকা বাওয়া তথা এদেশের মেগনতি মানুষের সাথে একাত্মতা ঘোষনা করার প্রকল্প হাতে নিই।

সেদিন আমরা ক'জন। যেন অসীম সাহসকে সাথে ভেবে বৃষ্টিতে ভিজে ও রোদে পুড়ে কাজ করেছিলাম। পাথের ছিল শিক্ষকদের অমর বাণী : "গ্রাম বাংলার অর্থনৈতিক ও সামাজিক প্রক্রিয়া সমূহের সঙ্গে বাস্তব পরিচয় ছাড়া আমাদের শিক্ষা সম্পূর্ণ হতে পারে না। তাই ছাত্র ছাত্রীদের বিভিন্ন রকমের প্রকল্প নিয়ে গ্রাম বাংলার সাথে নিবিড় যোগাযোগ সাধন করতেই হবে। অর্থ

বাবস্থা বৃহত্তর সমাজ থেকে অবিলম্বে। সমাজকে বইয়ের পাতার জানা যায় না, পায়ে হেটে দেখতে হয়। এদেশের সমাজ মূলত ৬৪ হাজার গ্রাম। আসল বিশ্ববিজ্ঞানের 'শেখানেই'। এ ছাড়া ভাল নাগরিক এই গ্রামের উৎসাহী চাষী জাইদের সংগে কাজ করতে গিয়ে তাদের অন্তরঙ্গ জন্দের কাছাকাছি যেতে পেরেছিলাম। আমাদের যাওয়ার ব্যবস্থা হয়েছিল তাদের গৃহে। তারা গরীব চাষী, সবারই নিয়মানের খাজ। মরিচ, পাঙ্গা, স্ট্রুটিকি ইত্যাদি, সবই আমরা বিনা দ্বিধায় খেয়েছি। কারণ নিজের জীবনে এ সব অনুভব করাও যে আমাদের উদ্দেশ্য ছিল। সমাজকে চেনার জ্ঞান এ প্রকল্প এক পরম সুযোগ ছিল।

জিরাবো-এনায়তপুর ইরি-২০ চাষ প্রকল্পের কাজ সাফল্যজনক ভাবে শেষ হওয়ার পর আমরা তার পরেই শীতকালীন সজি চাষ প্রকল্পের কাজ শুরু করলাম। বিশ্ববিজ্ঞালয়ের পণ্ডিত জায়গার ছুটি প্লটে আমরা গোলআলু ও রসুন চাষ করছি, এতে প্রধানতঃ প্রথম বর্ষ অনার্সের ছাত্র ছাত্রীরাই কাজ করে যাচ্ছে। লেখা পড়ার ফাঁকে ফাঁকে অল্পান্ত পত্রিকা পত্রিকা করে যাচ্ছে। কাসিক পরিদর্শনের মূল্যবোধ ও কৃষক শ্রমিকের মূল্যবোধ শিক্ষার জ্ঞান এটা অপরিহার্য।

আমাদের শীতকালীন সজি প্রকল্প কয়েকটি বৈশিষ্ট্য মণ্ডিত। এখানেই বোধ হয় সর্বপ্রথম বিশ্ববিজ্ঞালয়ের মেয়েগণ হাতে কোদাল-কাঙে নিয়ে শাক-সজি চাষের তথ্য উৎপাদনমুখী কাজ করতে নেমেছে। এখানে বিশেষভাবে উল্লেখযোগ্য যে মাননীয় উপাচার্য আমাদের এ কাজে যথেষ্ট উৎসাহ দিয়ে বলেছেন 'ঢাকা বিজ্ঞালয়ের ছাত্র সমাজ এ কাজে যথেষ্ট উৎসাহ দিয়ে এটাই আমি চাই।' শীতকালীন সজি প্রকল্পই আমাদের চূড়ান্ত কাজ নয়। আমাদের ভবিষ্যৎ কর্ম-সূচীর মধ্যে আছে পেপে চাষ এবং স্কোরগা পাতার থেকে রেশমের চাষ। এ ছাড়া ছুটির তালিকা অনুযায়ী গ্রামে প্রকল্প নিয়ে যাওয়ার ইচ্ছাও আমাদের আছে। এ ব্যাপারে কর্তৃপক্ষের সহযোগিতা একান্ত প্রয়োজন।

আমাদের এ উদ্যোগ সম্পূর্ণ বেসরকারী। অর্থাৎ আমরা ছাত্র শিক্ষক মৌখ চিন্তায় এ উদ্যোগ গ্রহণ করেছি। অবশ্য কর্তৃপক্ষ আমাদের কিছু কিছু সহযোগিতা করেছেন। কর্তৃপক্ষ যদি এ ব্যবস্থাকে টিকিয়ে রাখার জ্ঞান কোন থাক্তব ব্যবস্থা গ্রহণ করেন তবে হয়ত এ ধরনের প্রকল্প ভবিষ্যতে আমাদের

উপর যে শ্রমের প্রসারী কল বিস্তার করবে (যা আমাদের ভবিষ্যৎ কর্ম জীবনে এমনকি জাতীয় জীবনেও অনেক কাজে আসবে বলে আমার বিশ্বাস) তার স্বকল পেতে পারবে।

কাজে কাজ বাড়ি, কথায় কথা বাড়ি। তাই মতুন দেশকে গড়ে তুলতে হলে এখন থেকে পুষ্টিগত বিজ্ঞা আর শুধু বড় বড় কথা নয় এবার সবাইকে উৎপাদনশীল কাজে নামতে হবে। দেশে আজ হাজার হাজার শিক্ষিত যুবক বেকার। অশিক্ষিতরাত আছেই। শ্রুতরাং আমাদের ধারণা, আজ যদি সারা দেশের সর্ব জ্ঞেপীর মানুষ এধরনের উৎপাদনশীল কাজে নেমে যায় তবে নিশ্চয়ই বেকার সমস্যা সমাধান এবং দেশের সার্বিক উন্নতি সাধন খুবই সহজ হবে।

উদ্দেশ্যাবলী :

আমরা এ ধরনের প্রকল্পকে জাতির সত্যিকারের মুক্তির পথে এক সঠিক পদক্ষেপ এবং ছাত্রদের প্রেরণা জীবনের জন্য এক সুবর্ণ সুযোগ বলে মনে করি। ছাত্র সমাজকে ভবিষ্যৎ জীবনের জন্য প্রস্তুত করতে হলে কাজের বাস্তব অভিজ্ঞতা নেয়া প্রয়োজন। অভিজ্ঞতা লাভের সাথে সাথে এক দিকে যেমন জাতীয় উৎপাদন বৃদ্ধি হবে, জাতীয় জীবন থেকে তুর্নোতি তেমন কমে যাবে। অপর দিকে জাতির জন্য কিছু কর্মঠ কর্মী সৃষ্টি হবে। এমনভাবে জাতীয় অর্থনৈতিক ও সাংস্কৃতিক মুক্তি তরাস্বিত হবে। শিক্ষা আরও পরিপূর্ণতা লাভ করবে।

আমরা মনে করি সমাজতন্ত্রের জন্য এ ধরনের প্রকল্প উৎসর্গকৃত কর্মী সৃষ্টি করে সমাজতন্ত্রের পথ উন্মরণকে সহজতর করবে।

প্রস্তাবাবলী :

১। এ ধরনের প্রকল্পে ছাত্রদের কাজের সুবিধার জন্য শিক্ষাকোর্সের ছুটির তালিকা যেন ফসল জন্মানোর সাথে তাল মিলিয়ে পুনর্বিভাস করা হয়।

২। আমাদের দেশের প্রায় প্রতিটি শিক্ষা প্রতিষ্ঠানেরই অনেক নিছক জমি রয়েছে। অতএব আমাদের আহ্বান, প্রতিটি শিক্ষা প্রতিষ্ঠান অবসর সময়ে এ ধরনের প্রকল্পের মাধ্যমে স্বনির্ভর হওয়ার চেষ্টা করুক এবং ছাত্র ও শিক্ষা

প্রতিষ্ঠান উন্নয়নই লাভবান হউক। ছাত্র অবস্থায় বাস্তব কাজের মধ্য দিয়ে যা কিছু উপার্জন সম্ভব তা দিয়ে পিতা মাতাকে পড়াশুনা খরচের ভার লাঘব করতে সাহায্য করুক।

৩। যেখানেই ছাত্রসমাজ এ ধরনের কাজ করবে সেখানেই একাজের স্থায়িত্বের জ্ঞান এবং বিবিধ সুবিধার জ্ঞান কৃষকদের মাঝে সমবায় সংগঠন গড়ে তুলতে হবে।

৪। সর্বোপরি ছাত্র সমাজকে এ কাজে অংশ গ্রহণ করতে হলে উপযুক্ত সার্টিফিকেট দানের ব্যবস্থা গ্রহণ করতে হবে যা ছাত্রদেরকে উচ্চতর শিক্ষাকোর্সে ভর্তি হতে বা চাকুরী ক্ষেত্রে সহায়তা করবে।

৫। শিক্ষাকোর্সের মধ্যে এ ধরনের প্রকল্প অন্তর্ভুক্ত করতে হবে। অর্থাৎ প্রকল্পের উপর কিছু নম্বরের ব্যবস্থা করা প্রয়োজন।

৬। প্রকল্পলব্ধ আয় দিয়ে প্রকল্পে অংশগ্রহণকারী ছাত্র ছাত্রীদেরকে বই কিনে দিয়ে বা শিক্ষা সফরের ব্যয়ভার বহন করার মাধ্যমে কিছু কিছু আর্থিক সাহায্যের ব্যবস্থা করতে হবে।

পরিশেষে আমাদের ধারণা এই যে এ ধরনের কাজে নিশ্চয়ই কারো দ্বিধা নেই। তবে তার পদ্ধতি বা বাস্তবায়নের বিভিন্ন উপায় সম্বন্ধে ভিন্ন মতামত থাকতে পারে। সুতরাং আজকে বাস্তবমুখী শিক্ষার উদ্দেশ্যে প্রতিটি ছাত্রকে নিজের জীবনযুদ্ধে ভাল করে প্রস্তুত হওয়ার জন্য ছাত্র জীবনে এ ধরনের কাজে নামা দরকার বলে আমরা মনে করি। তাই একাজে সরকারের সঠিক পদক্ষেপ নেয়া প্রয়োজন।

Strategy for Self-Sufficiency in Rice

by
MAHBOOBUL ALAM CHASHI

Against the backdrop of a critical world-wide food shortage a good deal of interest in our country has recently centered around the question of attaining self-sufficiency in rice production in the shortest possible time.

2. The strategies advanced for achieving this goal are mainly two. These are : i) Five year self-sufficiency Plan (A "balanced approach") by Planning Commission.

ii) Two-year self-sufficiency Plan (A "Self-reliant approach").

3. The basic issues involved need to be clearly understood. These are ; i) Bangladesh has one of the lowest rates of agricultural growth in the world. Yield of its main crop (rice) is 12 mds. per acre (1/2 ton), which is only 1/5th of that of Japan, Spain etc.

ii) Not surprisingly, the country has become increasingly dependant on import of food to meet its requirements even at a subsistence level. The import of food during 1972/73 alone was about 25 lakh tons. It involved an expenditure of scarce foreign exchange to the extent of Tk. 115 crores (in addition to food aid received).

iii) Production of food (the bulk of which is rice) can be increased only by an increase in per acre yield, very little additional land being available for new cultivation.

iv) Per acre yield can be increased significantly only by replacing local varieties ($\frac{1}{2}$ ton/acre) with High Yielding Varieties (1 ton—1 $\frac{1}{2}$ ton/acre).

4. Today there is a national consensus on the above analysis. Controversies, however, arise about.

i) The question of speed with which the expansion of HYV should take place and,

ii) The pre-conditions which must be satisfied for such expansion.

5. The Planning Commission feels that the expansion of irrigated acreage is essential for sustained growth of HYV on a scientific basis. It estimates that it will take 5 years to expand irrigation facilities (from 1.3 m. to 4.2 m. acres) and other infrastructural requirements to produce enough rice to meet our needs.

6. Those who disagree with this view, point out that HYV is being increasingly grown by our farmers over the last 4 years under RAIN-FED conditions in FLOOD-FREE areas of Bangladesh. They contend that based on this experience, the nation's food gap can be met within the next two years, provided a massive effort by the whole nation is made in this regard.

7. The questions that need to be answered in this controversy are as follows :

- i) Is irrigation essential for expansion of HYV ?
- ii) If not, can HYV be grown, on a large scale, without irrigation, in spite of the vagaries of flood and drought from year to year.
- iii) If yes, what is the maximum acreage in which Rainfed HYV can be grown ? Has this been determined scientifically ? If not, how to do it ?
- iv) Can the input supply, storage and extension work be speeded up to match the expansion of Rainfed HYV ? If yes, how ?
- v) Are there any unacceptable risks agronomically and administratively in such "hasty" expansion of Rainfed HYV ?
- vi) On the other hand, are there any unacceptable risks for the national economy, prestige, and even its sovereignty as the food gap creates foreign exchange crisis and increased dependence on foreign countries for our very living ?

8. In answering these questions, policy implications of the two approaches, from the overall national and international point of view would also have to be understood.

9. The Planning Commission's "balanced strategy" is expected to keep us dependant :

- i) On foreign countries for food import, (by purchase and/or aid) at a gradually declining rate, upto 1976/77.

ii) On foreign companies for supplies of power pumps and tubewells, for their installation machinery at the initial stage and for spare parts, oil, fuel and lubricants for a continuing period.

iii) On foreign aid to meet the expenditure on these accounts.

10. This price, if paid, may provide us "security" against the risks of floods and droughts.

11. The alternative "Self-Reliant approach", if successful, will attempt to :

i) Utilise unused and under-used human and material resources, by a massive national mobilisation, to provide the foundation for this programme.

ii) Wipe-out food deficit by 1974/75 and do away with our dependence on other countries for food import.

iii) Provide financing from our own resources (by foreign exchange savings) for irrigation and other needs for "scientific agriculture" and national development.

12. An intensive, inward looking programme of this magnitude can succeed only as a national movement.

13. A deep national awareness, massive organisation of the people and direct commitment and involvement of the administrative, political and social leaders as also of the youth force are essential ingredients for the success of this approach. Will these be forthcoming ?

The Management of the Nationalized Industries Sector in Bangladesh: Some Comments on the First Five Year Plan Proposals

by
QAZI KHOLIQUZZAMAN AHMAD*

A large portion of the large scale industrial sector of the country is under public ownership. It is, therefore, a major responsibility of the government to make sure that nationalized industries are managed efficiently as this is crucial for the success of efforts for industrial revival and progress. The Plan has assumed that substantial saving will be generated in the nationalized industries sector (p.38).¹ However, most of the nationalized industries are currently afflicted with numerous problems. Therefore, before we come to discuss the question of management of these industries, it is necessary to have a clear understanding of the purpose of nationalization.

The announcement on 26th March 1972 nationalizing 313 industries (in just over three months of liberation) appears to be more of a reaction to circumstances and popular expectations than a step for which adequate preparations were made. It has to be recognised, however, that a major proportion of the enterprises, which were abandoned after liberation by the non-Bangalee owners, needed to be taken over for operation anyway, and that the socialist outlook of the government demanded the nationalization of the Bangalee owned enterprises also. There should be no quarrel about nationalization as a necessary step, but the important fact is that at the time of nationalization there was no clear idea about the shape of management and organisational structure.

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¹All page references unless otherwise specified are to the First Five Year Plan.

As a result, there was confusion and poor sense of direction. After nationalization, in the absence of well defined policies and programmes, many ad-hoc measures had to be taken for controlling the operation of the enterprises concerned. Thus, for example, the former owners of many Bangalore-owned enterprises were asked to stay on in-charge of the management of the units an arrangement that created a great deal of confusion and produced poor results in many cases because the dethroned owners no longer had the motivation to give their best and in many cases they also used the opportunity to serve their own interests at the cost of the enterprises' interests. However, the government was soon aware of the need for a comprehensive set of policies for efficient management of the nationalized industries sector, and accordingly a number of steps were taken to fill in this gap. This is reflected in the proposals regarding institutional arrangements and various policy guidelines contained in the First Five Year Plan. Our purpose in this paper is to take a searching look at these proposals and guidelines.

1. It should be recognised that the Plan was prepared with a number of severe constraints. Only about a year was available to prepare the Plan, while the newly organised Planning Commission was suffering from personnel shortage. Also, comprehensive and reliable data were not available. Indeed, that a Plan document could be prepared in spite of all these constraints is a credit to the Planning Commission. To a great extent the Plan has succeeded in highlighting important issues and providing a sense of direction to the ultimate decision making authority in the country. It is a flexible document, as all Plans are, in the sense that it can be revised and improved upon as additional information and results of subsequent studies and analyses are made available. The chapter of the Plan on industry is a good job done, even if only for its success in identifying most of the important problems in this area.

2. The industry section began by reviewing the industrial performance since liberation. The production levels achieved in the post-liberation period have been presented relative to 1969/70. This shows the output recovery and progress relative to the pre-liberation base. But one would immediately notice that the main concern is about capacity utilization. Very little attention has been paid, except passing reference here and there, to the question of productive efficiency although it is well known that poor productive efficiency is a major problem in the post-liberation industrial performance. Planners' concern about output levels

is understandable because of the prevailing scarcity conditions, but the question of efficiency of resource utilization cannot also be ignored, more so in the present situation which is characterised by such acute resource scarcities. A review of the productive efficiency would have led to specific proposals for improving efficiency in different industries through identification of the bottlenecks and might have produced a different and a more efficient set of industrywise investment allocations.

3. The Institutional Framework

It has been proposed that the sector corporations should have maximum commercial autonomy and the authority to conduct business directly with other ministries under the direct supervision of the Minister-in-Charge (p.252). This will remove the present requirement of channelling everything through the Nationalized Industries Division (NID). Corporations, as guardians of assets of the enterprises, are also responsible for ensuring that the overall targets and objectives of the nationalized industries sector are achieved. This is not enough to clarify the freedom of action that an enterprise will enjoy. Enterprises are to function under the supervision, guidance, advice and assistance of the respective corporations (p.253). But from this the demarcation of responsibilities between the minister and the corporation and between the corporation and the individual enterprises is not clear. However, the Plan has recognised the need for such a clear cut demarcation of responsibilities. The present arrangements are full of conflicts and confusions. The sector corporations come within the purview of different ministries at one point or another.

- a. The Planning Commission coordinates and approves sector Plans. It is also responsible for the formulation of the overall industrial policy and working out of the investment schedule.
- b. The Ministry of Industries is responsible for planning and coordination of the industrial sector within the framework laid down by the Planning Commission. It has a Division called Nationalized Industries Division to deal with the nationalized industries.

- c. The Ministry of Finance controls the institutions such as Bangladesh Bank, Shilpa Rin Shangstha, Bangladesh Shilpa Bank and commercial banks which finance long-term and working capital for the industrial sector.
- d. The Ministry of Commerce controls imports through the licensing system and is also responsible for promoting exports. The office of the Chief Controller of Imports and Exports under this Ministry is the main channel for this.
- e. The Ministry of Labour is involved in matters relating to labour management.

The above mentioned ministries are involved in a major way, but other ministries may also be involved in specific matters. In a situation like this, productive sectors cannot function effectively if they do not have the authority to pursue their interests as needed. Under current arrangements, the NID handles the business of all corporations, except jute mills corporation which has direct access to the minister-in-charge. It is a common complaint of the corporations that the channelling of matters through NID is a lengthy process involving abnormal delays and many bottlenecks. The Plan proposal of granting appropriate status or the authority to the Chairman of the corporations to be able to deal with other ministries, if implemented, will certainly improve things. However, the suggestion to grant "appropriate status or the authority" is not a clear enough statement and may create considerable confusion. Does it mean that a corporation is proposed to be raised to the status of a regular government department or only to be given the minister's authority to deal directly with other ministries? Is it that chairman of some corporations are to be given the "status" and those of others only "authority" and, if so, what are the criteria for choice? It seems, however, that for a corporation chairman nothing short of the status of a secretary to the government is likely to bring about appreciable improvement in the corporations' effectiveness in its relationships with different Ministries. This is also likely to attract better brains and skills to the corporations.

In so far as the relationship between the Minister and the corporation is concerned, the Minister, who is accountable to the Parliament and hence to the people, for the performance of industries,

should be responsible for broad policy making. But the corporation may enjoy complete freedom within the policy frame to act in their own commercial interest and may not deviate from the commercial principles without precise instructions from the Minister. The line demarcating the responsibility of the corporation vis-a-vis the Minister should be clearly defined and adhered to so that the corporations' accountability to the Minister can be effectively implemented.

Since the enterprises are the productive units where quick decisions are of paramount importance, they must enjoy adequate freedom of action. On this point, the plan proposal (p.253) of corporation guiding the enterprises in determining policies to achieve targets, objectives and budgets sound too restrictive in nature. This may create resentment on the part of enterprise managers and may create complication in the proper implementation of enterprises' accountability to the corporation. The line of responsibility between the corporation and enterprises should be clearly defined and enterprises must be given full freedom to act on commercial principles within the framework of guidelines fixed by the corporation and government policies.

It may be mentioned here that although, consultants have been engaged and committees appointed to make recommendations, a satisfactory set of rules of business for the nationalized industries sector is yet to emerge. As a result, all the industries are suffering from management and communication problems. Inefficient and unmotivated functionaries are taking advantage of the situation; and competent people do not have an effective framework to make determined efforts. The net result is that corporations are not able to provide effective guidance to the enterprises nor can they effectively tackle the problems of enterprises and keep watch on their performance. The general picture at the enterprise level is that, there are many enterprises in any industry; well synchronised production plans are not prepared, adequate management information are not maintained; proper costing is not done; appropriate budgetary control is not applied and very little cost consciousness exists.

PERSONNEL PROBLEMS

There is critical shortage of able managers, engineers, accountants, economic analysts, marketing specialists and skilled workers in the nationalized industries. The main reason for this is the departure of non-Bangalees who filled most of these positions in pre-liberation days.

As a result, the manning of managerial and technical positions has been a big headache. Many of these positions in corporations as well as enterprises are now either still unfilled or filled with persons who are ill-qualified and inexperienced. There have been cases where individuals received several promotions since liberation although they would not perhaps merit even one under normal circumstances. This together with poor industrial management and law and order problems has created a situation in the industrial sector which if anything is not conducive to productive activities. Thus even the available management resources have not been put to the best use.

The First Five Year Plan (p.254-55) recognised the critical nature of the personnel problem and the need for urgent steps to develop managerial and technical skills and has also made some tentative proposals for management development pending the report of a committee set up to examine available facilities for management training and to work out programmes for developing existing and new institutions to cope with the responsibility of training for running socialist enterprises (p. 254). The need for an appropriate programme to meet the management resource gap within the shortest possible time cannot be over-emphasised. It should be noted that very little progress has so far been made in this respect. In fact, no systematic efforts have yet been made to ascertain the extent and nature of the present gaps in the sector. This knowledge is an essential pre-requisite for realistic programme to be worked out for achieving a satisfactory level of management and skill development within a reasonable time.

The Plan has proposed the creation of management cadres in all corporations and the recruitment into the lowest tier through competitive examinations. If implemented, this will go a long way to attract young professionals with potential. The Plan has also appropriately suggested on-the-job and in-service comprehensive management training. It has also been recognised in the Plan that the existing facilities for management training are very modest. There are only three organisations with limited capacity, which offer training in industrial management viz. Management Development Centre (MDC) offering training to middle and higher level executives, Industrial Relations Institute (IRI) offering training to trade union leaders and labour welfare officers and Institute of Business Administration (IBA) offering diploma courses to working executives and degree courses to would-be executives. The Plan has

proposed that, wherever necessary, these institutes should be reoriented to socialist goals. It has also proposed the establishment of another diploma level institute to train large number of socialist management cadres somewhat less intensively. Sure enough the training needs are much greater than the proposed expansion in facilities. But the development of training facilities, particularly training staff and training materials is a very difficult and time consuming proposition. A strong base is needed to be established first. The expansion that has been proposed is apparently modest in terms of needs, but will still be difficult to realise, its efforts do not match proposals. The most urgent need is an estimate of the extent and nature of training needed in different industries so that reorientation of existing facilities and expansion thereof can be properly planned with due emphasis on human and material resource constraints to achieve best results under the prevailing conditions. Needless to say, adequate efforts must be forthcoming for the results to be achieved.

It has also been rightly suggested in the Plan that training institutes should maintain close liaison with corporations and enterprises. The need for close liaison between training institutes and industries cannot be overemphasised as training programmes, to be useful, must be geared to the requirement of the industries. There must be institutional arrangements for constant feed back from industries so that training programmes can be reviewed and improved in terms of both content and design to suit the needs of the industries.

5. The Problem of Motivation and Incentive

There are serious problems of motivation and incentive in the reward structure of the nationalized sector. Although the Plan has recognised that without proper incentives adequate response from either management personnel or workers will not be forthcoming, it has failed to suggest necessary guidelines for creating appropriate motivation and incentive structure.

The same salary structure that applies to regular government departments also applies to this sector. The highest salary that a top manager or technician can get is Taka 2000.00 per month. In addition, a large proportion of the previous fringe benefits, both monetary and in kind has also been withdrawn. His present money income is about half of what he was getting before liberation. This coupled with mani-

fold increase in prices has reduced his real income to so low a level (compared to what he was enjoying previously) as to erode his motivation and drive badly. Moreover, he enjoys none of the powers and glammers of state officials and has to function since liberation in a situation characterised by institutional weakness, personnel shortage, labour problems, scarcity of spares and raw materials and financial problems. As a result, he is frustrated and even bewildered. This is not to argue that his salaries and other benefits should be the same as before in the present socialist system. The main point is that, in productive enterprises, there must be enough incentive and a favourable atmosphere for the managers and technicians to give their best.

Regarding labour again the problem is very acute. The importance of workers' cooperation for achieving objectives of nationalization cannot be overemphasized. A motivated labour force committee to raising productivity is essential to ensure success. But the motivation of labour depends on what he gets out of his efforts and how far he is involved in the decision making process. Very little progress has been made so far in the matter of workers' participation in management. The proposed policy is that workers' participation in management at both policy making and workshop levels in nationalized enterprises should be ensured through workers' representation on management boards and work committees (p. 257). It is expected that this will improve work atmosphere and efficiency of enterprises by breaking the traditional contradiction between labour and management and will thereby bring about a spirit of partnership and corporation among all. Labour policy is yet to be finalised. For a successful involvement of workers in management, a realistic system has to be developed keeping in view the currently prevailing mistrust between the two groups which needs to be removed first to prepare the ground. Awareness of workers' participation in management on the part of managers and realization of the importance of efficient management on the part of workers. No policy will work if it fails to identify and provide for the removal of the causes for the present poor labour-management relation in the nationalized industries and to create conditions in which both managers and workers find it worthwhile to work together continuously to improve the efficiency of the enterprise to which they belong. The purpose and the need of worker and managers working with a team spirit should be clearly known to both the groups and they should have their responsibilities clearly defined and also known what benefits to expect. It is no good otherwise to have a well-designed system.

In the question of reward also, he has reasons to feel frustrated. It is true that wage increases were granted once in May 1972 and again recently on the recommendation of Industrial Workers Wage Commission and his present monthly income, on average, is just under Taka 100.00 higher than before liberation. But price rise have eaten away more than the increase in his money income ; and he is now worse off than before. In addition, housing, sanitation and hygiene, medical and recreational facilities are extremely poor. No systematic study has yet been made to find out the level of these facilities available in different enterprises. The prevailing circumstances has provided genuine ground for workers to feel agrieved. Again, leaders of rival trade unions, are trying to win the loyalties of the workers in confused atmosphere by making promises such as complete workers' ownership of enterprises, a major share of profits for workers, complete workers' control over management etc. This has made a bad situation worse. The unfulfilled demands of workers, some genuine and some unfounded, fueled and fanned by different union leaders, have founded expression in labour unrest-strikes, hartals and gheraos. This has led to a serious breach of communication between management and workers. Thus, not only that workers could not be organised into a motivated social group committed to raising productivity, the situation has been allowed to take a shape that has threatened the very basis of industrial progress.

As the problem of motivation and incentive is so acute, one would have expected to find in the Plan a closer examination of the problem and appropriate guidelines for its solution.

6. The Pricing Policy :

The question of pricing policy for the nationalized industries, is a very involved issue. If the enterprises are to be allowed to operate on commercial lines, as is proposed, they should be free to make their production decisions and, hence, to fix their prices on the basis of market conditions. But most of the industries are now state monopolies and the government is concerned so that consumers get fair prices and also that inefficiencies are not covered by profits made through high prices in scarcity conditions, as are prevailing in the country now. In these circumstances, there may be a good case for the government to exercise control over prices. Particularly, there may be a genuine

need for supplying and agro-input like fertilizer at low prices. This can be done by the government fixing the price at an appropriate level or by allowing the industry to fix its prices with a profit margin within the guidelines fixed by the government and, then, compensating consumers by budgetary subsidies and distributional controls. The latter method will permit easy estimation of subsidy paid ; and the First Five Year Plan (p.261-62) has recommended this method. In practice, however, prices of products such as fertilizer, newsprint and sugar are still centrally determined. Whatever be the method used, if goods are to be provided to consumers at subsidized prices, it is essential to establish suitable distributional institutions to ensure fair distribution of goods at controlled prices and ensure against blackmarketing ; but the institutional arrangements are far from satisfactory fair distribution of goods has not been ensured and large scale blackmarketing is taking place.

The Plan has proposed a few guidelines for price fixation in the nationalized sector. It has been proposed that all corporations/enterprises are to free to fix their prices up to 10% over their costs of production ; and that a special Prices and Tariff Commission will keep watch on these costs and prices. In order to make sure that allowed markup limit is being adhered to an adequately manned Prices and Tariff Commission is essential. However, this Commission is yet to be established. It is also not sure that even if there was a suitably equipped commission, the method of price fixation by allowing a percentage markup on actual costs will be an efficient one. For one thing, there will be problems of obtaining reliable cost data for the purpose of keeping watch on prices. Moreover, there will be a wide range of costs for different enterprises in an industry and, if there is not to be a whole range of prices for a product, some kind of an average will have to be worked out on which to put the markup. Clearly this will be an extremely complicated procedure to follow. Changes in costs over time will make it even more difficult to handle. However, a more efficient way to handle the problem may be to have the Prices and Tariff Commission or perhaps the Corporations themselves, under the supervision of the Commission, work out standard costs of production for different products at a given time, which can then be adjusted as conditions change. It should be possible to work out standard costs relatively easily.

7. We have looked at the salient management issues within the context of policy planning. But all problems in any sector, particularly the nationalized sector, cannot be solved through policy planning alone. Policy planning takes place in a political context, which ultimately determines that planning. Therefore, solution of certain basic issues needs political attention. For instance, a satisfactory solution to the labour problem lies primarily in the political arena. It is, therefore, essential that the political framework provide the best possible environment for optimum management of the nationalized sector in the interest of the society.

First Five Year Plan Physical Targets For The Jute Industry in Bangladesh (1973-78)

By

RAKIBUDDIN AHMED

THE JUTE HANDLOOM INDUSTRY

Although the modern jute mill industry in Bangladesh started a few years after the partition of India, for several centuries before there had been an important jute cottage industry in Bengal and "Weavers used to dye the fabrics in red, black and yellow colours of their own", for local use as well as for exports". From the beginning of the 19th century hand woven jute goods appeared prominently in the export trade of Bengal. In 1805 the value of exports of gunny cloth and bags was Rs. 180,273. It rose to Rs. 2.7 million in 1849/50 and to Rs. 8.5 million in 1865/66. By then the jute mill industry had already been established in India and due to competition export earnings from hand woven products started falling. In 1880-84 the total export earnings from jute goods were Rs. 11.30 million of which hand woven products accounted for Rs. 269,533 only. By 1887/88, the value of total exports of jute goods was Rs. 11.52 million of which the value of hand loom products was only Rs. 89,220. Thereafter, the handloom jute industry declined and by 1908, it practically ceased.

MODERN JUTE MANUFACTURING INDUSTRY

Jute was first spun by machine by the Flax Spinners of Dundee in 1832 and the jute mill industry started in Scotland in 1833. It spread to France in 1843, U. S. A. in 1848 and to India in 1855 followed by Germany in 1861, Belgium in 1865, and Austria in 1869. At about the same time the industry sprang up in Italy, Holland, Spain & Czechoslovakia. Japan came to the scene in 1889.

The year 1855 is an outstanding landmark in the history of the jute industry in the Indian Sub-continent. In that year Mr. George Ackland previously a coffee planter in Ceylon started the first Spinning Mill at Rishra—the Rishra Yarn Mill Company, near Serampore in the

district of Hoogly on lands which afterwards became the site of the Wellington Jute Mill. The Rishra Yarn Mill gave an out put of only 8 tons per day or some 2,400 tons a year. From this humble beginning, in 1939/40 i. e., in the first year of the 2nd. world war, India produced 1.26 million tons of which 1.1 million tons were exported. In 1947/48 (the year of partition), India had some 67,000 looms, produced 1.07 million tons of jute goods of which 872,000 tons were exported & earned nearly Rs. 1280 million in foreign exchange.

JUTE INDUSTRY IN BANGLADESH

Pre-Plan Period (1950-55)

The growth of Industry in Bangladesh was largely due to the pioneering efforts of the PIDC which was set up in 1950. The first Jute mill—Adamjee Mill No. 1—went into partial production on December 21, 1951. In 1951/52 (December-March) only 1,400 tons were produced. In 1952/53 17,600 tons were produced and the first consignment of export of 200 tons was sent to the U. S. A. in May 1953. At the end of the Pre-Plan period in 1954/55, 8 mills were set up and 5000 looms were installed of which 3,300 looms operated, 61,000 tons of jute goods were produced; local consumption was 48,000 tons and 15,000 tons valued at Rs. 23.19 million were exported. The industry consumed 500,000 bales of raw jute and provided employment to 35,000 people.

First Plan Period (1955-60)

During the first Plan period another 6 mills were established and 3,000 new looms installed. Thus 14 mills operating at the end of the first Plan period in 1959/60 had altogether 8,000 looms of which 7,750 looms operated. They produced 256,000 tons of jute goods of which 196,790 tons were exported the foreign exchange earnings exceeded Rs. 232.00 million. The industry consumed 154 million bales and provided jobs to 50,000 people. This was a very encouraging result and another 10,000 looms were sanctioned for the Second Plan Period (1960—65) to bring the total loome to 18,000 by June 1965.

Second Plan Period (1960-65)

All the 14 jute mills spread over Dacca, Khulna and Chittagong areas were set-up with interest free Govt. capital and duty free import of machinery and spares, but were finally owned by West Pakistanis

and there was a pressure from Bangladesh (the then East Pakistan) to encourage local participation in the jute industry. PIDC was, therefore, bifurcated with effect from July 1962 and EPIDC came into existence. It was to set-up 6,750 looms and private Sector 3,250 looms, by the end of the Second Plan period, in June 1965 EPIDC set up 12 new jute mills in association with Bangalee entrepreneurs and installed 3,000 looms and another 2,320 looms were installed by the private sector. Thus 5,320 looms were installed during the Second Plan period, bringing the total number of looms to 13,320. Remaining 4,680 looms of the sanctioned capacity was carried over to the Third Plan period. Hence, at the end of the Second Plan period in 1964/65, 26 mills were set-up and 13,320 looms were installed of which more than 10,000 looms were operating. They produced over 289,000 tons of jute goods and after meeting all internal needs 253,000 tons were exported. The foreign exchange earnings were nearly Rs. 318.00 million. Employment in the industry rose to 76,000 persons.

Third Plan Period (1965-70).

Encouraging performance of the 2nd. Plan enabled Government to approve another 10,000 looms (6,250 in the Public Sector to be set-up by EPIDC and 3,750 looms in the Private Sector) bringing the total loomage to 28,000 flat looms. In addition, 2,500 broad looms were sanctioned for both Private and Public Sector.

By 1969/70, another 27 mills (14 mills Public Sector and 13 mills Private Sector) were established in Bangladesh, bringing the total number of mills to 53. As many as 8,719 new flat looms and 980 broad looms were installed making the total number of installed looms to 23,049. In 1269/70 average number of looms operating was 21,508. They produced 587,500 tons of jute goods and exported over 498,000 tons. The foreign exchange earning from jute goods were Rs. 770 million. The number of persons employed rose to 760,000 and consumption of raw jute by mills to about 3.5 million bales.

Thus the development of the jute industry has been very rapid indeed. It is shown below in a tabulated form :

GROWTH OF THE JUTE INDUSTRY IN BANGLADESH

I T E M S	Pre-Plan	First Plan	Second Plan	Third Plan
	Period (1950-55)	Period (1955-60)	Period (1960-65)	Period (1965-70)
ENDING OF PLAN PERIOD				
	1954/55	1959/60	1964/65	1969/70
1. No. of Mills	8	14	26	53
2. Looms installed	5,000	8,000	13,320	23,049
3. Looms operated	33,000	7,750	10,007	21,508
4. Jute goods produced	61,000	256,280	289,122	587,500
5. Home consumption	46,000	50,810	68,800	89,900
6. Exports (tons)	15,000	196,790	253,000	498,000
7. Foreign exchange earning (Rs. million)	23.19	223.30	319.50	770.40
8. Raw jute consumed (bales million)	0.50	1.54	1.70	3.50
9. Persons employed	35,000	50,000	76,000	160,000

The above table relates to the integrated jute mills which produce both yarn and fabrics. They do not include carpet units and Seven Yarn mills which have together 6,088 spindles. So, there were approximately 60 units with 23,000 looms and 332,000 spindles in 1970. Several other composite mills and separate broad loom units were under various stages of constructions.

Thus from nothing upto December, 1951 within 19 years from 1952 to 1970, the world's Second largest jute manufacturing industry came to be established in Bangladesh providing employment to 760,000 people and making an overwhelming contribution to the nation's foreign exchange earnings as shown below;

**SHARE OF JUTE GOODS IN THE TOTAL EXPORT EARNINGS
OF BANGLADESH FROM 1959/60 TO 1969/70**

(Earning in Rs. million)

Year July-June	Total Earnings from all Commo- dities	Raw Jute		Jute Goods		Yield Jute Goods	
		Earning	% of Total Earning	Earning	% of Total Earning	Earning	% of Total Earning
1959/60	1079.58	760.40	70.43	223.30	21.62	953.70	92.00
1960/61	1250.18	871.80	69.23	319.90	25.45	1191.70	94.64
1961/62	1300.56	869.70	66.86	338.90	26.58	1208.60	92.92
1962/63	1249.26	847.50	67.84	317.10	25.30	1164.60	93.32
1963/64	1224.14	775.70	63.36	341.20	27.80	1116.90	91.23
1964/65	1968.13	926.00	73.00	319.50	25.22	1245.80	98.22
1965/66	1614.13	977.80	64.55	591.70	39.07	1569.50	97.23
1966/67	1574.65	909.20	57.73	630.80	40.00	1540.00	97.73
1967/68	1484.15	798.40	58.79	580.60	39.12	1388.20	92.81
1968/69	1542.74	749.40	48.56	660.40	42.80	1409.80	91.38
1969/70	1640.00	765.80	49.69	778.40	46.97	1536.20	90.67

(estimated)

The above table shows that Jute and Jute goods contribute to an overwhelmingly large share of the total foreign exchange earnings of Bangladesh. From 1959/60 to 1969/70, in no year it was less than 91% and in some years it was as high as 98%. The average for the 11 years was 94%. The prosperity and adversity of the country therefore, moves with the prosperity and otherwise of the jute economy, prior to 1969/70 the earnings from jute goods were always less than those of raw jute. In that year the value received from jute goods exceeded that from raw jute by about Rs. 4.6 millions. An important feature is that while the share of raw jute is continuously falling, that of jute goods is continuously rising. But the export of raw jute continues to be as important as jute goods. Some 60 countries of the world buy either raw jute or jute goods or both from Bangladesh.

The real value of these foreign exchange earnings would be much larger than their nominal value when we consider the various types of goods and services we import in return. Most of these imports consist of commodities and services which we do not produce but which are most urgently needed by us to maintain the entire economic system and the continuation of its day to day existence and development programmes. In fact, jute brings for us food, clothing, building materials and life saving drugs etc. services as the mother industry of all other industries which depend on imported materials and equipments.

Other significant aspects of the jute industry includes our developing and friendly relationship with foreign countries, structural changes in the national economy, enhancement of technical skill and improvement of the quality and attitude of the human material. The social and educational values of these developments cannot be expressed in terms of money. An industry of such vital importance is now on perilous struggling for its survival.

This will be clear from the performance of the industry in the past 3 years as shown below :

POSITION OF THE JUTE INDUSTRIES DURING 1970/71 TO 1972/73

	1970/71	1971/72	1972/70
1. No. of Mills (worked)	69	71	73
2. Looms installed	24,000	24,315	25,026
3. Looms operated	19,148	15,188	20,033
4. Jute good produced (tons)	470,277	315,328	446,308
5. Home consumption (tons)	76,106 (a)	32,532 (c)	30,267 (c)
6. Exports (tons)	381,942	221,029	411,553
7. Foreign exchange earned (T/m.)	667.80	689.21	1400.00 (b)
8. Raw jute consumed (B/s. million)	2.77	1.85	2.70
9. Persons employed		154,000 (89%)	161,662(92%)
		(attended)	(attended)

(a) Includes consumption in Pakistan,
(c) Bangladesh only.

(b) Devalued currency.

Compared to 1969/70, the installed capacity by 1972/73 increasing by about 2,000 looms making the total loomage to over 25,000 capable of producing under normal condition 800,000 tons in two shifts but only 446,000 tons were produced, i.e., 142,000 tons less than that of 1969/70. The foreign exchange of Taka 1,400 million though looks large would be less than Taka 600 million in terms of 1970 currency rate. The worst year was 1971/72 when the performance was the poorest, when production was only a little over 315,000 tons and exports only 221,000 tons. The fact that the production in the first 6 months of liberation i. e., January-June 1972 was better (170,217 tons) than that of the 6 months of war period July-December 1971. (130,050 tons) shows that the industry was by and large intact. It was therefore, expected that by the end of December 1972, the jute industry will recover to the level of pre-war position, but even now it has not done so. Although the position improved in the 1st 6 months of 1972/73 (240,123 tons) it again fell to 202,180 tons in the last 6 months whereas logically speaking, it higher than that of at least the first 6 months.

One striking feature of the jute industry before liberation was continuous upwards trends, but after liberation, the monthly production trends have become very unstable. The maximum total production of jute goods was 587,487 tons in 1969/70 giving a monthly average of 43,957 tons with a maximum of 54,512 tons in January 1970 and minimum of 39,606 in the very next month. Comparative post-war trends are shown below :

	Total Production	Monthly Average	Maximum	Minimum
1969/70	587,487	48,957	54,512 (Jan'70)	39,606 (Feb'70)
1970/71	452,231	41,110	61,184 (Jan'71)	4,267 (Apr'71)
1971/72	315,028	26,277	41,384 (June'72)	2,213 (Dec'71)
1972/73	446,308	37,192	44,824 (Aug'72)	27,482 (Apr'73)

Press reports indicate (Bangladesh Observer March 10, 1974) that in the first 8 months of the current financial year (1973/74), total production amounted to 325,000 tons or a little over 40,000 tons a month. It is also reported that the target of production for the year 1973/74 is 560,000 tons. The year started with a steady production of about 47,000 tons a month, if these trends continue the target 560,000 tons may be

achieved, but still it would be 27,000 tons less than the production of 1969/70. The result is continued financial loss to the national exchequer and retardation of foreign exchange earnings. Question has, therefore, arisen and very pertinently, why not the industry been able to jerk out of the continued stale mate and reach the take-off position ?

According to the Planning Commission the installed capacity of the jute industry in 1972/73 was 792,000 tons against which only 446,170 tons were actually produced in that year. This represented 56.85% capacity utilization as against 74.18% in 1969/70. This slow recovery has been due to several causes emanating from war dislocation post-war pilferage and abrupt changes in industrial and commercial policies, besides organizational and management gaps.

In addition to colossal loss of life and human sufferings over 65% of the capacity owned and managed by Pakistanis was found abandoned involving serious management problems; and loss due to war damage and post-war pilferage in the jute industry's physical sector alone was estimated at Tk. 69.9 million. The immediate task of the nation was to restore normally and to bring the production to pre-liberation struggle level, i.e., 1969/70 position. For this purpose Govt. took up all the abandoned mills and later on, with the introduction of nationalization policy, the Bangalee owned mills as well. The BIDA was disbanded and several new corporations were set-up the BJMC being entrusted with the jute industries. As the new Corporation had to be set-up in a hurry certain organizational gaps between operational and decision making components became inevitable and still continue. The creation of a new Ministry of jute has considerably eased the situation, but the success of the Corporation or even of the jute Ministry itself largely depends on other sister agencies dealing with finance foreign exchange, power, transport and law enforcing authorities and the like-all of which have been vitally disturbed by war dislocation and post-war organizational changes some of which were obviously unnecessary and have now proved to be obstacle rather than aids to quick recovery. And with these may be added the inherited and inherent problems of a rapidly growing industry which in fact grew faster than the growth of the social infrastructure such as inadequacy of spares and accessories, insufficiency and irregularity of costly power supply, high cost of imported inputs and consumables heavy taxes and freights, lack of finance and difficulties and delays in the availability of imports licences and lack of institutional facilities

in the absence of agency houses for import and exports and lack of transport facilities like Railway wagons, barges and tugs and of course shipping space. And with these may be added the problems of insufficiency of managerial and supervisory staff on the one hand and militant labour problems on the other. And above all lies the running price hikes.

It is against this background that the Planning Commission thought it wise to recommend consolidation and strengthening of the existing position rather than Planning for any expansion, and a major emphasis is placed on research studies. "However, it has not altogether ignored expansion of production capacity; but its target in the terminal year 1978 is utterly inconsistent with the past 20 years' trends and completely irrelevant in the present context of the jute boom in the world arising out of the difficulties faced by jute's competitors (Synthetics) due to the oil crisis and steady increase in the demand for jute goods.

The targets and achievements in terminal years of the previous Plan period are shown below ;

LOOMAGE CAPACITY

	Pre-Plan 1950/55	1st Plan 1955/60	2nd Plan 1960/65	3rd Plan 1965/70
	H/S	H/S	H/S	H/S '03
1. Targets	6,000	12,000	18,000	27,000
2. Achievement	5,000	8,000	13,320	23,000

Out of 27,500 looms of the Third Plan target 25,000 were Hessain and Sacking looms and 2,500 were broad looms to produce respectively 800,000 tons of Hessain and Sacking and 120,000 tons of carpet backing—all in two shifts.

As against these expanding targets in the past, the Bangladesh Planning Commission has set the following capacity profile indicating the productions of 777,000 tons in 2 shifts and 966,500 tons in three-shifts in the terminal year 1978. As working three shifts has seldom been a practical proposition without causing damage to machinery and skill, the nation will virtually go back to the position of 1969/70 at the end of the Plan period. Bangladesh First Five-Year Plan capacity profile for the jute industry is as follows.

	Bench-Mark		Terminal Year (1978)			Remarks
	Physical Capacity (looms)	Actual Production (tons)	Physical Capacity (looms)	Production Target (tons)	Increase in Capacity	
1. Hessian	14,350	182,970	15,040	264,912 (341912)*	6.90	* includes 3rd shift operation.
2. Sacking	8,151	284,089	8,406	389,110 (503110)*	2.55	
3. Broad Looms	2,146	89,366	2,637	123,448	4.91	
	24, 647	556, 425	26,083	777,470 (06840)	1486	

After about 20 years of aggressive expansion under Pakistani rule, the Planning Commission of independent Bangladesh has set a target of stagnation till 1978 as circumstances forced them to do so.

Let us see in this context what has been happening with the jute industry in India which, with 60% of the world's jute manufacturing capacity as against 16% of ours, desires our economy to be complementary.

For many years India had been suffering from the cancer of excess capacity. Her maximum production was 1.3 million tons in 1964/65 following her record export of 918,000 tons in 1963/64. Since then her production and exports fell almost continuously and those of Bangladesh were rising rapidly. How desparate the position of the Indian industry was, can be seen from the facts that as late as in 1970, in 5 months between March & July (1970) production loss in carpet backing was 60,000 tons, exports dropped by 71% costing India nearly Rs. 38 crores in foreign exchange, upto September 1970. The position remains the same and nearly 75% of the capacity created by a total investment of Rs. 20 crores is now unutilized, (Industrial and Commercial Advice and news service (21.9.70) Calcutta). 'Three years' position prior to liberation war is as follows :

**PRE-LIBERATION PRODUCTION AND DISTRIBUTION OF
JUTE GOODS IN INDIA-BANGLADESH**

(hundred thousand tons)

	India			Bangladesh		
	1967/68	1968/69	1969/70	1967/68	1968/69	1969/70
1. Production	11.24	9.17	9.54	5.12	5.18	5.87
2. Exports (a)	7.08	6.27	4.67	4.25	4.54	5.21
3. Consumption (a)	3.50	3.70	4.16	0.78(b)	0.77(b)	0.89(b)

(a) In metric tons.

(b) Includes export to Pakistan, consumption in Bangladesh was about one third.

After liberation the relative position has reversed as can be seen from the following table :

**POST LIBERATION PRODUCTION OF JUTE AND JUTE
GOODS IN INDIA-BANGLADESH**

(hundred thousand tons)

	1970/71	1971/72	1972/73	1970/71	1971/72	1972/73
	1. Production	9.63	11.18	10.44	4.70	3.15
2. Exports (a)	5.79	6.56	5.96	3.82	2.21	4.12
3. Internal consumption (a)	4.58	4.92	4.64	0.45(b)	0.33	0.50

(a) In metric tons.

(b, Revised.

The trends are self explanatory. In the past three years, while Bangladesh industry has been struggling for survival, the Indian industry has not only checked the decline and consolidated its position, but also has significantly improved its performance in all sectors. Not only this, India is going in for rapid expansion, because the demand for jute goods has been rising rapidly at home and abroad.

It is stated in the Statesman of February 28, 1974 that 'In view of the tremendous loom in the jute goods market, both international and domestic, the Jute Industry has been asked by the Union Commerce Ministry to arrange for an investment of Rs. 120 crores during the next five year to achieve an expansion of production from the current

1.3 million tons to at least 1.7 million tons a year". A joint committee has already been set up with the representatives of the industry and the Ministry of Commerce under the Chairmanship of Mr. S. N. Chakravarti, the Jute Commissioner to administer the funds to be set part by mills and if necessary, from the financial institutions. Fifty crores will be spent for modernization and an equal amount of balancing of spinning and weaving by installing new machines. Another sum of Rs. 20 crores will be spent for setting up 5 new jute mills—one each in Andhra, Orissa, Bihar, Tripura and Assam, and each mill costing Rs. 4 crores. It is estimated that domestic requirement would increase from present 600,000 tons to 900,000 tons and export would rise from present 600,000 tons to 800,000 tons during the next 5 years. If necessary, more mills would be set up, existing mills would produce 200,000 tons and another 200,000 tons would be produced by the new mills.

The prospects of the Bangladesh jute industry has also brightened because international demand is rising and India's domestic demand is also increasing rapidly thereby curbing the position of her exportable surplus, while polypropylene, the chief synthetic competitor of jute has lost aggressive competitive strength on account of spiralling oil prices.

In view of this situation, the targets of the jute goods in Bangladesh in its first plan period should be raised from present 800,000 tons to 1,200,000 tons by 1980. Considering the market trends prevailing in the world the additional 400,000 tons should be produced in the following proportion :

PROPORTION OF ADDITIONAL 400,000 TONS

Hessian	60" to 100" wide	=30%
Carpet backing	100" to 130" "	=5%
Carpet backing	131" to above	=10%
Carpet, mats, and upholstery		=15%
Sacking		=40%
		<hr/>
		100%

This will bring an additional income in foreign exchange from jute goods alone of Tk. 1,600 million to Tk. 2,000 million at current prices.

The year 1974/75 should be exclusively devoted to salvage the industry from existing morass and a vigorous drive is to be started to achieve the revised targets. To do it there will be the need for affecting certain policy changes, in addition to meeting the financial and material requirements of the industry.

In 1972/73 the Jute Mills Corporation suffered a loss of Taka 255 million for a variety of reasons. It started with denuded stocks and inventories and a negative bank balance. It needed over Taka 1060 million and never got more than Taka 500 million; out of its foreign exchange requirements of over Taka 170 million, it received only Taka 40 million or less than 25%, about 15% of the 160,000 odd workers "Employed on their own terms" made the life of the officers miserable by "assault, Gherao, kidnapping and insult". Frequent power failures caused production loss of Taka 165 million and debarred two mills with 750 looms from going into production. Another Taka 100 million might have been lost due to labour unrest. Goods sold could not be shipped for want of tugs, barges and shipping space. Insurance claims of about Taka 112 million could not be received. BJMC had to hire BIWIC barges at 100% premium on fixed rates for reasons best known to these corporations; and being a Govt. sale Agent it could not adopt the tactics of price manoeuvrability so common in international deals. And it is going understaffed without the power to hire and fire and without support of market studies or product development research.

In addition to these, there are other problems arising out of fiscal, financial and monetary policies which are eating into the vitals of the industry. Hence, there should be no wonder why the Corporation could not salvage it in two years and the Planning Commission rightly could not look forward for higher targets.

In its anxiety to build "Sonar Bangla" Govt. has adopted a policy of wide spread nationalization. Questions have arisen as to its justification and efficiency as a measure for re-construction of the country's war-ravaged economy. The matter needs to be carefully and calmly re-examined.

Nationalization in itself is not undesirable. It is sometimes necessary in the case of utility services like water, electricity, transport, etc. with a view to supplying them regularly and at cheap prices. It also envisages the taking over of those establishments which are owned and

managed by foreigners engaged in exploiting natural resources like Oil, Gas, Coal. The erstwhile EPIDC set up the Muslin Cotton Mills with a view to supply cheap yarn to the handloom weavers and the EPIDC followed a no-loss/no-profit-price policy. The objective of the Karanaphuli Paper Mills was almost the same. But to-day they have become sources of consumer exploitation.

The Government of Bangladesh was fully justified in taking over mills which were owned and managed by Pakistanis and which were left by them. But they also nationalized industries owned and managed by Bangalees and BICD. At the same time they left the foreign establishments untouched for obvious reasons, and type of nationalization currently obtaining in the country, far from helping the industries seems to have proved as obstacles to them, resulting in continued financial losses on the one hand and curtailment of employment opportunities on the other hand. The investment climate has also ceased to be congenial. It is, therefore necessary to encourage private enterprise and allow people to participate in the reconstruction and development programme of the nation.

The Industrial policy of the erstwhile Pakistan Govt. was that, subject to certain conditions, industries should be developed by means of free enterprise. "Free play" will be given to private enterprise and individual initiative. Under this policy a few industries were established by the Govt. ; some industries were established jointly by Public and Private enterprise, but by and large, the private sector became dominant and the result was conspicuous. The Industrial exhibition now going on in Dacca is a partial testimony of the role Government in industries which should be one of assistance and guidance rather than of control.

Under a very compelling situation, Govt. had to take up the management of abandoned mills and quickly declare its policy of nationalization. As a result private enterprise has been replaced by one of State enterprise and state managements. This is a new experiment against a new national setting based on the wrong assumption that free enterprisers are grasping-profiters, forgetting the fact that society has to pay those who make sacrifice and save, invest capital and provide enterprise, skill and industrial leadership, bear all risks of loss and uncertainty and enhance labour amenities, stabilise working of commercial and industrial institutions and thereby create economic prosperity and employment opportunities. Today's capitalism everywhere is people's capitalism. Two world wars have proved that free enterprise, properly

directed and guided, is a precondition of quick economic recovery from war devastations. The cases in point are West Germany and Japan both of which suffered heavily in the second world war, but both are today respected and wanted by all. It is only free enterprise which liberate the energies of the people and inspire them to do hard and dedicated work so urgently needed for national reconstruction.

In the context of the prevailing industrial situation in the country it is advisable to relax Govt. control and management of industries and trade as far as practicable. Let the abandoned mills be kept by Govt. and managed by Bangladesh Jute Mills Corporation like former EPIDC. Let the Bangalee owned industries and establishment be returned to their owners and managed in the best way they think. This will let in motion forces of competition so urgently needed by the industry and finally let some thing like a Marshall Plan be inducted in the country on a national scale to salvage the entire economy, if possible by financial aids from Islamic countries. This will be perfectly in keeping with the developing image of Bangabandhu abroad and his avowed dedication to improve the lot of his people. This will also open the door of active co-operation with Middle East and West Asia replete with tremendous possibilities.

The First Five Year Plan of Bangladesh-- A Few Comments on the Price Policy and the Policy of Spatial Equity in the Industrial Sector

By

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The share of the manufacturing industry in the estimated actual GDP of 1972/73 is only 8.3 per cent.¹ It will remain relatively small at just over 11 per cent, even at the end of the Plan period. The benchmark GDP from the large scale manufacturing sector amounts to only 6 per cent of the total. The large part of the envisaged increase in the manufacturing sector will take place in small and cottage industries.

The importance of the sector is much more than what is indicated by its share in the total GDP, because some of the enterprises in this sector is backwardly linked to agriculture supplying critical agricultural inputs and agricultural implements and some are forwardly linked to agriculture, like those processing its agricultural output. So any shortfall in the linked industries of this sector will have its magnified repercussion in the economy. This sector also supplies constructional materials on which most of the developmental activities are so critically dependent.

The plan envisages a total financial outlay of Tk. 4455 crores, out of which an amount of Tk. 877 crores (which is about 20% of the total) is allocated to the industrial sector. It should be noted that

¹The First Five Year Plan 1973-78, (FFYP for short), Planning Commission, Govt. of the People's Republic of Bangladesh, Nov. 1973, p. 15. The benchmark percentage is 10.4 for 1969-70, the last normal year. The envisaged annual growth rate in the industrial sector over benchmark GDP is 7.1% and over actual 1972-73 GDP is 15.4%, the latter rate has to be higher to include recovery from lower level actual GDP of 1972-73 to the higher level benchmark level GDP.

petroleum refining is excluded from this sector while Cold Storage and a telephone and cables factory are included. Of the total outlay in the industrial sector, the private sector accounts for about one-sixth. As per govt. industrial policy as announced in January 1973, any undertaking requiring more than Tk. 25 lakhs of fixed investment will have to be set up under public ownership.

The Govt. took over all units abandoned by the Pakistanis and absentee owners and nationalised jute and cotton textiles and sugar mills and established sector corporations, one each for Jute Mills, Textile Mills, Sugar Mills, Steel Mills, Engineering and Shipbuilding, Paper and Board, Food and Allied Products, Gas, Oil, Minerals and Fertilizer, Chemicals and Pharmaceuticals and Tanneries. The public sector so constituted owns an estimated Tk. 517 crores of fixed assets as on 30th June 1973 (with estimated replacement value of Tk. 900 crores²) in terms of their original book-value in 313 industrial enterprises.

The nationalised sector includes all types of industries like (not only, for example, selected industries like basic industries, public utilities etc. as in a mixed economy) capital goods industry, intermediate goods and consumer goods. This sector is expected to generate, during the plan period, an amount of Tk. 347 crores³ as cash surplus. The gross cash surplus is projected to increase from 5 per cent (of current replacement value of assets in the public sector) in 1973/74 to reach 16% in 1977/78. In this context price policy of the public sector industries has quite a high significance.

One of the objectives of the plan is "to ensure a wide and equitable diffusion of income and employment opportunities throughout Bangladesh"⁴ and it is envisaged that in the industrial sector, small industries will "help to realise the plan objective of employment generation and development of less developed areas".⁵

My comments will be limited to these two aspects namely Price Policy and the policy of what may be called spatial equity. They will be taken up in section I and II respectively.

²FFYP, p. 39.

³This includes tax, debt service and profit, but excludes depreciation fund.

⁴FFYP, p. 10.

⁵FFYP, p. 209.

I

The discussion in the plan⁶ under price policy, it seems, gives an impression that nationalised industries are a homogeneous group and as such the same sort of price policy is appropriate for all types of industries. But, as we have already observed, the nationalised enterprises fall in different meaningful categories of industries, for example, capital goods, intermediate goods and consumer goods. Again some industries produce primarily for the export market and some only for the domestic market. In some industries there are fringes of private sector side by side with the public sector. Price policy for development purpose, as also for the purpose of resource mobilisation by generating cash surplus in this sector, should be different for different types of industries. The planners' analysis of the nature of the varied problems of different industries in respect of price policies could have fruitfully raised and illuminated interesting issues.

So long as corporations/nationalised enterprises fix their price within 10% permissible limit over the cost of production, they are free to do it—as if the only problem is that of enterprises raising mark-up higher than 10% so that it can be taken care of by making provision that price fixing involving mark up of over 10% must be referred to the proposed Price and Tariff Commission (PTC).⁷ What about the cost structure? Is no check necessary? Was it assumed that enterprises have little to do at the cost front because (a) "input prices are given", (b) "salary and wages are determined by the govt." (c) "Duties .. depreciation, interest are also pre-determined and (d) "... a fixed charged on fixed investment (7½ per cent"⁸) levied? Could PTC be empowered to undertake occasional efficiency audit short of things?

The enterprise is required to provide for standard 7.5% rate of depreciation on the basis of original investment cost.⁹ Does this original cost mean historical cost? If so, this perhaps cannot be justified. It

⁶FFYP, p. 661-263.

⁷When a subsidy is required in order to compete in the export market or for meeting temporary difficulties by an enterprise, it also must be referred to the Price and Tariff Commission.

⁸For all the quotations in this para see FFYP, p. 261.

⁹FFYP, p. 259.

is important that each generation of customers should be required to make good the real resources used up in serving it. Depreciation should, therefore, be calculated on the current values, otherwise depreciation charge on historical values presents a false picture of profit of surplus.¹⁰

It is stated in the plan "that the Government is genuinely concerned (to ensure) that consumers get a fair price and that inefficiency is not covered by profit".¹¹ The planner's concept of a fair price, as far as I could see, is nowhere explained. Nor was the criteria of efficiency. If for example, sugar can be imported at half/two-thirds the price¹² charged by our nationalised enterprises, could we say that the prices are fair for the consumers? And if on top of that sugar industry still requires subsidy from the government exchequer, which, in effect, means that poor man's tax subsidizes consumption of the relatively well off section of the population. Is it fair? The import price of a commodity is suggested to be the standard against which the domestic cost of production has to be compared in judging the efficiency of the domestic enterprise.¹³ The difference between the import price and the domestic cost of production is in effect a subsidy for the domestic enterprise.¹⁴

¹⁰For such a view please see R. S. Edwards and H. Townsend, "Business Enterprise" Macmillan and Co. Ltd., 1962, p. 514-15.

¹¹FFYP, p. 261.

¹²It should not be mistaken to be the existing national and international price relationship of sugar. Numbers are hypothetical just to point out the nature and direction of the problem.

¹³The Hindustan Shipyard in India charges what is called the U. K. parity price. Buyers are required to pay the price which they would have to pay if the ship had been bought in Britain. The Government subsidizes the higher cost of shipbuilding at the shipyard, please see S.S. Khera, "Management and Control of Public Enterprise", Asia Publishing House 1964, p. 128-29.

¹⁴W. A. Lewis, "Price Policy of Public Enterprise", in Problems of Nationalised Industries (ed). W. A. Robson, George Allen and Unwin Ltd. 1952, p. 185, opined that such a loss/subsidy can be defended on the ground of saving foreign exchange. It may be argued that if the existing rate of exchange is altered appropriately the difference between import price and domestic cost may go. But there may be other good reasons for holding on to the current rate. Moreover, the necessary alteration will increase the import-bill. So by holding on to the current rate and provision of subsidy saves foreign exchange.

Suppose a public enterprise producing cars is a monopoly. Then it can sell all its products in the protected market at a price which covers cost although it much higher than the import price. Further suppose that this enterprise can even make profit. Then it may give an illusion that it is being run efficiently. The management and employees there, in this case, will be under no strain to improve efficiency though in fact, it may be highly inefficient. So for efficiency purpose the public authority is required to keep in view the extent of the subsidy (enterprise cost minus import price) enjoyed by it, irrespective of the fact whether the enterprise receives any govt. subsidy or not. The car producing enterprise may not receive any govt. subsidy from the public exchequer, but it is (in our sense) in effect receiving subsidy. So it is suggested that the public corporation should estimate for each enterprise the level of the subsidy (in our sense) being enjoyed. The enterprise accounts should reflect this subsidy and the amount of this subsidy should be made known both to the employees of the concern and the public in general.

The alternatives to this subsidy may be (a) to make the consumers pay the full price of the product, or (b) draw upon the public exchequer, or (c) it may be shared between the consumers and the public exchequer. What principle should guide the public authority in deciding the question as to who should finance the subsidy? Naturally, this will be decided ultimately by the political authority. But there may be interesting public discussions these principles. Some relevant elements of discussion will perhaps, be, as follows :

- (a) Is the commodity a consumer good or a producer good?
- (b) Is the consumer goods meant for all income group of the society or it is consumed by some one income group?
- (c) Is it a producer good? If so, how essential is it in the development strategy?
- (d) Is it an intermediate commodity?
- (e) Is it an export commodity?

The calculation of this subsidy will be helpful to find out whether a particular industry is efficient. It will also help to find out the Inter-industry efficiency. In addition, the management will be under constant pressure (at least morally) to find out the causes of inefficiency and then removing them. They will always have a target in view so far as efficiency is concerned. The political authority will have a weapon to counter the frequent wage-hike demands by the labourers.

It is in the public interest that nationalised enterprises should be operated efficiently. Open-ended subsidization leads to waste of resources. It is possible in some of the nationalised enterprises to operate in a competitive environment. One may also think of competition between nationalised enterprises of the same industry regionally organised. For example, Bangladesh Road Transport Corporation (BRTC) may be organised regionally. Jute Manufacturing Mills which are more or less clustered at three centres—Dacca, Chittagong and Khulna—may be placed under three Corporations. Inter-corporation competition in efficiency may help the industry. Of course, before deciding to do so, one has to carefully see whether any economies of scale will thereby be sacrificed. Another competition may come from private enterprises allowed in the same industry—BRTC Bus and Private Bus may ply in the same road as they already do. Text Book Board could have allowed private enterprises on the same Syllabus. Given the same price quality may compete.

“The idea of competition between the nationalised and private sectors was part of the ‘philosophy’ of the New Economic Policy (NEP) in Russia in the early twenties. The intention was that large-scale industry and trade would gradually overcome the private sector (in the economic struggle) by their ability to deliver the better goods at a cheaper price. The idea itself should not be unattractive to a socialists”.¹⁵ In some East European countries some such things are tried in some fields. In this context one has to think of the desirability of nationalising the whole industry. After commanding heights are captured, nationalisation programme may, perhaps, accommodate (at least in the initial period of a Socialist Programme) the principle of competition of some form in areas where it is feasible.

II

It should be remembered that, geographically speaking, Bangladesh is a small country and with very minor exceptions, the people are homogeneous, culturally and otherwise. With slight incentive it may not be very difficult to have the necessary mobility of labour to take advantage of otherwise necessary and unavoidable development differentials between different areas.

¹⁵Alec Nove, ‘Efficiency Criteria for Nationalised Industries’, George Allen and Unwin, p. 137.

For an unemployed man in a depressed area, to at all move to a new area he must have reasonable hopes of finding a job there. In a country like ours, chances of gaining employment by moving, though greater, are still very small. So a worker will prefer to remain unemployed among relatives and friends rather than among strangers. The under employed also will feel the same way. So a pre-requisite for achieving a substantially more even distribution of unemployment between regions seems to be that there should be at least one region in which firms are expanding and in which there is near full-employment. This conditions hardly obtains in our country at present. So work opportunities must be expanded in less developed areas.

It should be remembered that only certain 'footloose', mainly manufacturing industries are amenable to locational alteration, because few other economic activities have a location pattern that can be altered. So it is natural that, in case of spital equity, manufacturing industry comes immediately to mind. In this connection two measures are required to answer the two separate questions ; (a) where, if at all, are industries concentrated and what degree, as compared to the general distribution of the population and (b) what industries, taking the country as a whole are concentrated or not concentrated and to what degree. Measurement of what is called 'location quotients' of various industries in different areas will quantitatively answer the first question, whereas the measurement of what is called the 'co-efficient of localization' for any industry will quantitatively answer the second question. By measuring where an industry localizes the 'quotient' throws light on the causes of localization. The 'co-efficient' on the other hand throws light on what industries can be planned at all in one place or another.¹⁶

No attempt is made in the plan to have any quantification of 'the quotient' and the 'co-efficient'. Only some vague descriptions are attempted in these regards. ¹⁷

Migration of firms to the depressed areas can be effected in two ways; The pull of bribes to firms who move to the less prosperous regions and the push of preventing firms from expanding within the prosperous regions.

¹⁶ For the concepts of location quotient and co-efficient of localization please see P. S. Florence, "The Logic of British and American Industry", Routledge and Kegan Paul, London, 1972 (third edition) p. 44-47 and also, Walter Isard et al. Industrial Complex Analysis and Regional Development, John Wiley and Son Inc, New York, 1959, p. 9-10.

¹⁷ FFYP, p. 265

Whether a government should embark on a push policy depends on the degree to which firms respond to the push by moving to the areas of high unemployment. One pre-requisite of such a policy is that firms in the prosperous areas must expand in the first place.

The main burden of achieving spatial equity, it seems, has fallen on small and cottage industries which are in the private sector. The public participation is limited to providing industrial estates and also the area-wise allocation of resources earmarked for the private sector within the industrial investment schedule.¹⁸ Fiscal incentives are provided to induce investors "to conform to Government's industrial policy of helping small investors and dispersing industry to less developed areas". Fiscal incentives are given for small investors, but some additional incentives and fiscal concessions are suggested to be given to the industries to be set up in areas other than the industrial zones of Dacca, Narayanganj, Chittagong and Khulna. The additional incentives are the period of repayment of loan may be extended by an additional grace period of upto 5 years, a tax holiday for 5 years provided 30% of profit, exempted (in stead of 60%) from tax, are ploughed back or invested in Government bonds and finally a higher percentage of debt equity ratio may be allowed. Additional incentives and concessions are flat for all areas and all scheduled industries. All other areas other than the so-called developed areas not at the same stage of development, nor are all areas equally good for all industries. Our suggested area wise quantification of 'location quotient' could have ranked areas on the basis of industrial development and the incentives then could be inversely related to the development of the areas. Similarly the calculation of 'localization coefficient' could be of use in designing meaningful industry wise concession and incentives for different industries unlike flat concessions for all.

The question is while it is possible to restrict development in a specific area by limiting allocation of investment resources, it is not possible to force fulfilment of the targeted investment in the private sector. Inducement, after all, may fail to achieve the desired objective. Unless care is taken short-fall in the sector may concentrate in certain areas only.

"In stead of delimiting the role of the private sector in terms of industrial sectors as in the case of mixed economies the Bangladesh Government has restricted the role of the private sector to small and

¹⁸ FFYP, p. 266.

medium size industrial units below Tk. 25 lakhs of fixed assets including land".⁴⁹ Expansion will be allowed up to Tk. 35 lakhs through re-investment profits. In this inflation ridden world the size of an enterprise in terms of monetary value of fixed assets means, in real terms, the size for the private sector would go down overtime in direct proportion to the rise in the price of these assets, otherwise if one has to stick to the size, in real terms, the monetary size limit has to be raised. The size earmarked index may be assets, value, employment, value added etc. of the enterprise concerned. The size of an enterprise in terms of employment is almost neutral to rise in price level. An enterprise with 200 employees will continue to indicate the same size. So employment size index may be, perhaps, considered to take care of inflation and its impact on the value of fixed assets. Some care, of course, would have to be taken to see that private investors do not choose relatively more capital intensive methods of production to avoid the employment ceiling.

⁴⁹ FFYP, p. 267.

Strategies of Industrial Development

By

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INTRODUCTION

The First Five Year Plan of Bangladesh does not directly spell out the strategies of industrialisation. From a discussion of the targets and policies, a few strategies can be indirectly deduced. These can be identified with regard to the following :-

1. Role of public and private sector.
2. Role of foreign investment.
3. Location of industry.
4. Industrialisation for export and import substitution.
5. Industrialisation and employment
6. Development of capital goods industry.

ROLE OF PUBLIC AND PRIVATE SECTOR

The emergence of Bangladesh radically changed the whole pattern of industrial ownership and policy. The public sector¹ expanded tremendously. It owns an estimated Tk. 517 crores of fixed assets in 313 industrial enterprises,² (in terms of their original book value as on 30th June 1973). Since Bangladesh is committed to establish socialism

¹ The public sector consists of those units which were abandoned by the Pakistanis and absentee owners and are now, placed under nationalised and sector corporations one each for Jute Mills, Textile Mills, Sugar Mills, Steel Mills, Engineering and Shipbuilding, Paper and Board, Food and Allied Products, Gas, Oil and Minerals, Fertilizers, Chemicals and Pharmaceuticals, Forest Industries Development, Small Industries, Fisheries Development, Film Development, Tanneries, and Cottage Industries.

² The First Five Year Plan (1973-78), Planning Commission, Government of the People's Republic of Bangladesh, p. 195.

the expansion of the public sector is a necessity. The public sector owns about 70% of the fixed investments while the private sector owns only 30% of the fixed investment³ in modern industry. The sectors where and the conditions under which the private sector may operate has been spelt out in the industrial policy and the Industrial Investment Schedule. The sectors are : food and allied products, textile goods, forest product and furniture, paper, printing and publishing, mineral, oil and gas, engineering, etc.

The financial limit to private industrial investment has been fixed at Tk. 25 lakhs worth of fixed assets which can be expanded to Tk. 35 lakhs through reinvestment of profits. To attract private investment in the industrial sector the government has offered a number of incentives⁴ which include :

(a) Exemption from import and export duties, sales tax on machinery, spares and imported raw materials including exemption from excise duties for enterprises exporting all of their output.

(b) A tax holiday for new local industrial investment for a period of five years after the unit goes into production, provided, subject to the ceiling of Tk. 35 lakhs, 60% of the profit exempted from taxes are reinvested in industry or invested in the purchase of government bonds.

(c) Payment of 50% customs duty on machinery may be deferred for a period up to six years from the date of import of the machinery.

(d) A rebate of 5% of the customs duty may be allowed on capital machinery of up to Tk. 10 lakhs against existing limit of Tk. 5 lakhs after the unit goes into production.

Added to these incentives additional fiscal concessions have been made for industries to be set up in less developed areas.

All these incentives may lead to a positive reaction in the field of investment in the private industrial sector, because suspicions regarding the fate of private investments will now be stilled. Any way we can only wait and watch for the response.

³ Op. cit. p. 267.

⁴ Op. cit. p. 270.

THE ROLE OF FOREIGN INVESTMENT

The government welcomes foreign investment in a project where 51% of ownership⁵ will be kept in the public hand and the foreigners will be given a free hand in management where their management and know-how are essential for the efficient functioning and growth of the project. The following is the policy regarding income of the foreign investors and remittance of this income ;

(a) All foreign investor will be free to remit (i) all post-tax dividend on capital, (ii) 50% of net salary of foreign nationals subject to a maximum of £ 150 a month per individual, (iii) savings from earnings, retirement benefits and personal assets of the individual.

(b) Repatriation of capital including capital gains and reinvestment out of profits will be permitted. However, within the first 10 years from the commencement of production repatriation cannot take place in one instalment but will have to be spread over a 10 years period.

(c) Government has extended a guarantee against nationalisation for a period of 10 years and also assures equitable compensation in the case of nationalisation after this period.

(d) Government has further expressed its willingness to enter into treaties to avoid double taxation.

(e) A tax holiday for foreign investment in the joint enterprises for a period of five years after it goes into production provided that 50% of the profits exempted from tax are ploughed back in to the project.

(f) Exemption from import and export duties, sales tax and excise duties on all imports for those enterprises which will export 100% of their output.

The government thus provides restricted incentives to bridge the foreign exchange gap by foreign investment which is also recognised as the channel for importing both technology and management.⁶ The government fails to decide specifically in which industries foreign investment would be welcomed. Unless this decision is taken, the actions of the foreign investment policy and incentives on foreign investors can-

⁵ *Op. cit.* p. 263.

⁶ *Op. cit.* p. 263.

not be analysed properly. To take this decision it should be taken into account that normally the foreign investors are interested in more profitable ventures with a stable domestic market : these are usually consumer goods industries and then why foreign equity investment had never played a significant role in the economy of Bangladesh during the last two decades must be understood. ⁷

LOCATION OF INDUSTRY

Industrial activity has shown a pronounced tendency towards geographical concentration in Dacca, Narayanganj, Chittagong, Khulna and thus there exists widely varying rates of growth among the different areas of Bangladesh. The policy of decentralizing industry is amply justified when we consider the additional costs and social problems of centralised industry and consequent urbanisation. During the plan period the location of industry in the public sector will be guided by the following considerations ⁸ :

- Development of backward areas
- Social benefits
- Availability of land
- Nearness to market
- Transport facility
- Availability of power
- Raw material if local raw material is used
- Port facilities if import or export oriented.
- Availability of sweet water (for textile and chemical sector).
- Inter-industry linkage

But the considerations or the criteria for location of industry cannot be arranged in order of priority in general for all industries ; because for different types of industry, different criteria govern the most suitable location. For some such as cement and steel industry nearness to raw-materials is essential while for others, other factors such as availability of skilled labour, and easily accessible markets are more important. Export industries, are more competitive if located near port towns, but this factor must be weighted against possible advantages for nearness to raw

⁷ Op. cit. p. 263.

⁸ Op. cit. p. 266.

materials, such as natural gas and power supply. Thus the plan should immediately spell out what criteria should be considered in the location of a specific industry and then the criteria should be arranged in order of priority. Unless this is done immediately the installation of industry may be delayed and the location of a specific industry may be influenced by the vested interests.

To decentralise the industrial location in private sector the following inducements⁹ are given :

(a) 50% of all resources earmarked for the private sector within the industrial investment schedule be tied to utilisation in industrial estates outside Dacca, Chittagong and Khulna.

(b) 20% of investment will only be designated for industrial estates in Khulna, Chittagong and Dacca.

(c) 30% investment will be left to the choice of the entrepreneurs. Here it is expected that some investment will go to backward areas where the following additional incentives and fiscal concessions¹⁰ will be given to the entrepreneurs :

(i) the period of re-payment of loan may be extended by an additional grace period up to 5 years,

(ii) a tax holiday for a period of five years after the unit goes into production provided 30% of the profits exempted from tax are ploughed back or invested in purchase of government bonds,

(iii) a higher percentage of debt equity than that obtaining in developed areas may be allowed.

All these measures are certainly a right step towards ensuring a balanced economic development in the country.

INDUSTRIALISATION FOR EXPORT AND IMPORT SUBSTITUTION

During the plan period 92.7% of the total foreign exchange earning (amounting to Tk. 270.90 crores) will be earned by the public sector industries and 7.3% will be earned by the private sector industries but the jute manufactures will earn about 83.32%¹¹ of total foreign exchange earnings of the industrial sector. In the import sector, 69.1%

⁹ Op. cit. p. 266.

¹⁰ Op. cit. p. 270.

¹¹ Op. cit. p. 225.

of total import-substitution will take place due to goods produced in the public sector industries and 30.9% will be done by goods produced in the private-sector industries. Net import-substitution will be high in Engineering, Iron and Steel, Chemicals, Textile, Petro-Chemical and Sugar sectors. These sectors will contribute about 80% of net import-substitution²² in the industrial sector.

A policy of export and import-substitution oriented industries is certainly a welcome change. This policy will not only ensure the fulfilment of the countries export target during the plan period but also reduce her dependence on imports. The success of the policy will however depend on a careful appraisal of the country's natural or the acquired advantage in the export market and preference function of the country for heavy and intermediate goods industries over consumer goods industries for the purpose of import substitution. The country's present and future exports can be divided into the following categories ;

(a) Manufactured products based on agricultural raw materials like jute, which constitute a large bulk of the country's manufactured export at present.

(b) Industrial products based on raw materials which are available in adequate quantities such as cement, fertilizer and paper.

(c) Industrial products in which comparative advantage in the international market can be acquired from the special skill developed in the production of these products.

(d) Industries based primarily on imported raw materials, for example, light electrical goods industries, textiles, engineering and shipbuilding, iron and steel, where an expanding domestic market can facilitate efficient production in the short-run and a competitive position in the world market in the long-run.

The immediate and ultimate potential of each of these categories must be carefully analysed in developing or expanding the export market and in ensuring the higher rate of import substitution. I think there will be ample scope for consolidating and expanding the export potential under category (a) and category (b) provided export capacity of our industries is improved to reduce cost.

²² *Op. cit.*, p, 226.

The planners are aware of the fact¹³ that some industries enjoy a relative comparative advantage to be able to compete in the International market but the plan do not speak out what such industries are. Such industries should be developed or expanded as immediately as possible to increase the foreign exchange earnings.

The industries under category (d) should be developed initially for domestic market as their development and expansion will ensure more import-substitution. In the long run the manufactured goods of such industries may be exported eliminating our dependence on imports of capital goods and intermediate goods.

INDUSTRIALISATION AND EMPLOYMENT

Unemployment and underemployment are widespread in Bangladesh today. During the last two decades, unemployment and underemployment have increased due to failure on the part of the country to provide employment to the increased labour force. No reliable estimates are available but it is frequently suggested that about 30% of the available labour force¹⁴ is not used.

Under such conditions the primary objective of industrial investment is to create more employment in the industrial sector. To generate more employments in this sector much emphasis is given on adoption of labour-intensive technology.¹⁵ Of total 6,12,300 new jobs¹⁶ only 18% will be created in the public sector industries while 82% will be created in the private sector industries. Handloom, handicrafts, rural and village industries will employ 41% of total employment in the industrial sector and about 50% of total employment in the private industrial sector.

Maximisation of production is the necessity of today. Massive adoption of labour-intensive technology will not ensure maximisation of production unless a judicious combination of labour-intensive and capital-intensive technology is used depending on the resource endowment and technological conditions of the country. Although capital-intensive technology creates comparatively less employment in the short-run ultima-

¹³ Op. cit. p. 225.

¹⁴ Op. cit, p. 17.

¹⁵ Op. cit, p. 210.

¹⁶ Op. cit. p. 223.

tely it leads to increased capital formation, which may considerably improve our productive capacity and hence national income which will in turn lead to greater volume of employment.¹⁷

Industries like Engineering and Shipbuilding, Iron and Steel, Chemicals and Petro-Chemicals, Mineral and Metal industries, require the adoption of capital-intensive technology. The capital goods industries will supply transport equipments, machine tools, agricultural equipments, electrical equipments, office equipments, spares and components of jute and textiles machinery, industrial fasteners, electrical accessories, alloy steel, sponge iron, cement, shipbuilding equipments, etc. The Chemicals and Petro-chemicals industries will provide fertilizers, pesticides, synthetic fibres, and other by-products,

All these goods are used by the transport sector, construction sector, agricultural sector, shipbuilding industry etc., where the employment of labour depends on the supply of these goods, it is reasonable to say that the development of the capital goods industry has to be given priority for indirect increase of employment in other sectors. Moreover in the capital-intensive technology a judicious adaptation of labour intensive technology may be possible in all auxiliary services like maintenance services.

DEVELOPMENT OF CAPITAL GOODS INDUSTRY

Emphasis on the capital goods industry¹⁸ rather than the consumers' goods industry should perhaps be the most important element in the strategy of industrialisation. The plan observes, "the high externalities, provided by capital goods industry, provides a good case for their development. Investment in engineering sector will permit a modest beginning in the capital goods sector¹⁹" yet this sector is neglected by the plan.

¹⁷ Please see "Investment Criteria, productivity and economic development"—Galenson and Leibenstein—Quarterly Journal of Economics, February 1955.

¹⁸ Capital goods industry includes Engineering and Shipbuilding, Iron and Steel.

¹⁹ The First Five Year Plan (1973-78), Bangladesh, p. 209.

Of total public sector expenditure in industry only 30% is allocated to the capital goods industries while the expenditure (in percentage of total industry investment) on capital goods industries in USSR is much higher. This is shown in the following table :²⁰

	1928	1940	1953	1961	1964
Heavy Industries	81	85	91	89	87
Light Industries	19	15	9	11	13

The arguments for capital goods industry is clear. The domestic demand for many capital goods is now large enough to permit domestic production on an economic scale and the country's long-run objective of eliminating dependence on external assistance cannot be achieved unless more and more of the capital goods required for development are produced within the country.

In most consumer goods industries the raw material input per unit of output is much larger than that in the capital goods industries. "In the textile industry for example, the value of 1 ton of textile manufactures is only 40 to 50 per cent more than the value of 1 ton of raw cotton but the cost of steel that goes into the manufacture of a machine tool is less than one-tenth of the cost of the tool"²¹. The Industries in Bangladesh are so far based on exportable agricultural raw materials or on imported raw materials. The country's natural resource endowment would thus require greater emphasis on industries where the raw material requirements are comparatively less and those are mostly capital goods industries. But the development of skill and technology necessary for the setting up and sustaining of these industries.

There are some apparent obstacles if the emphasis is given on capital goods industries. The obstacles are enumerated as follows :

- (a) Capital goods industry requires a longer gestation period.
- (b) Income earnings from a capital goods industry will be tardy as well as low, per unit of capital, in relation to consumer goods industry.
- (c) The limited size of the domestic market.
- (d) Products of capital goods industry cannot compete with foreign goods in the domestic market.
- (e) Capital good industry initially requires heavy investment in terms of foreign exchange.

²⁰ Alocknov, *The Economy of USSR 1964*, Moscow.

²¹ Sartaz Aziz, "Strategy of Industrialisation" Third Five Year Plan and other papers, p. 92.

Actually gestation period is a function of scale of priorities and the strength of will of the policy makers. The gestation period of a project in the industrial sector really depends on the speed with which the project designers are appointed and asked to designing the project and the speed with which the machinery suppliers are persuaded to make the equipment available. Regarding the plant construction, this depends entirely on the willingness and ability of the policy makers to make physical and manpower resources available for the project. In principle the installations of a jute and a steel mills should not require different periods of time if the policy makers give equal priorities to both.

Earnings of any project depends on demand and price for the products of that project. In a planned economy no project is set up for which present or anticipated demand is not available. Using the input-output model it should be possible to plan capacity in the capital goods sector in relation to demand. For example, in the case of steel we assume that demand in 1978 would be 10 lakh tons. The logical step would have been the construction of 10 lakh tons steel mill which would go into production to meet projected demand rather than only 50% of the existing demand at the time of construction.

Once we know that demand is there, we have a ready sale for steel as we have in case of consumer goods. In fact the demand for steel is more amenable to prediction than the demand of consumer goods which depends on so many factors in a country like ours. The income from the project will finally be determined by the price set. If a producer produces cloth for a demand which has been kept deliberately unsatisfied due to under planning of capacity and the ban on imports, the producer will make huge profits. If so intended, the same could be done for the steel mills. In a planned economy demand price, and returns are dependent on past policies. The high profits in the consumer goods industry are directly attributable to the government. Thus, that earnings from capital goods industry is comparatively low is fallacious.

The size of the market can be extended both domestically and internationally. With the progress in agriculture, the stimulating demand for items like agricultural machinery and tractors, raising farm income leads to increased demand for consumer goods which in turn requires more capital goods and spare parts and those help to utilise more fully the capacity for capital goods. If surplus of capital goods exists

after meeting the domestic demand, the surplus may be exported to other countries. A judicious tariff and subsidy policy may enable the capital goods to compete in the world market and domestic market with foreign capital goods.

From the preceding analysis, if we take it as a fact that the development and expansion of capital goods industries is a must, we shall be able to overcome the resource-limitation by either of the two methods.

Firstly we can encourage the foreign investment in the capital goods sector. If the western countries felt that such a policy is likely to curb the profits of their machinery and steel exporters, they would not invest in the capital goods sector. At the next stage we can welcome foreign investment in export and consumer good industries. The foreign exchange earned by such exports and foreign exchange otherwise spent on consumer good may now be possible to spend on capital goods sector, while export and consumer goods industries, will be maintained and sustained by foreign investment. Under the conditions prevailing in Bangladesh it is doubtful how much this method will help us in solving the problems of resource-limitation in setting up capital goods industries.

Secondly, we have friendly relations with the socialist countries. One can ask them to set up complete project and train our personnel to run it as they have done in India, China, and other Afro-Asian countries. It can be mentioned that one of the reasons why China survived the cessation of Soviet aid was because the USSR had equipped China with the necessary machine building capacity and had trained their personnel to run those plants during their Aid Programme to China. Presumably we could make our own agreements for deferred payments through our own exports. This would give possibilities of both stabilising and diversifying our export over a given time period.

An Analysis of Some Aspects of the Education and Manpower Section of the First Five Year Plan of Bangladesh

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This paper will concentrate on three main areas only : (a) the Plan objectives and strategies for Education, (b) the Primary and (c) the Secondary level proposals.

EDUCATION OBJECTIVES IN THE PLAN

The Government has set up a Commission on Education and it is expected to detail the future structure and curriculum of education. It has not yet produced its report and as the Plan had to be completed before it was published, the education sector naturally lacks the directive it might have received. Thus the Plan writers had to formulate acceptable objectives and strategies without any clear guidance except the constitutional principles. Within these limits certain objectives are proposed making clear in an introductory paragraph, that the education system must not produce an elite class, that it must change the values imparted with education and that in that respect content is more important than method.¹

Objectives

There are six major objectives. First, that education "must be responsive to the specific requirements of the nation", and must be relevant to future employment. Second, that the education sector will turn out the skilled manpower needed for development ; third, that the education system should be "open" permitting learners of all ages to be active within it ; fourth, that all educational institutions will have certain minimum standards regardless of location or type ; fifth, that innovative measures will bring about a "spectrum of education" available to all, that strict

¹ First Five Year Plan, p. 440.

compartmentalization of education must be broken down and "in other words, the educational system must be viewed as a totality and the goals of the different layers must be one". Although what those goals should be is not clarified; sixth, "education, broadly viewed, must be able to enrich the cultural attainments of the people".²

These are mixed objectives and it is not easy to discuss exactly what the writers had in mind. Objectives three and five are saying the same thing in different words; one and two are also the same; four deals with the problem of equality and six pays brief lip service to education as cultural transmission. Thus one may reduce the objectives to four, cultural; reduction of inequality; a new open education system; and the production of needed skilled manpower. The terms "open system", "spectrum of education", "totality" are not explained. It is difficult to discuss the precise meaning of some lines. More specific, clearly written objectives were perhaps needed for the first Plan of Bangladesh. The issue of quality, and of the need to correct the imbalance between boys' and girls' education are not mentioned. There are no proposals to check the appalling wastage in the education system. No curricula revision is proposed, despite the preamble that content is more important than method.

Constraints

Five constraints are recognised. The first is the possible disruption of the education system if it is changed. "How far will it be feasible to expect a complete breakaway from the existing educational system within a very short time even if such an overhaul were considered desirable?... but this should not prevent us from adopting measures which are urgently necessary for the educational development of the country".³ It seems that the writers are not too sure of their objectives, that they anticipate criticism, and that they are not deeply committed to the proposed new system.

The second constraint is that "the demand for education is so great that a strict application of the cost-benefit analysis...cannot be made while determining the direction and magnitude of educational development in the country".⁴ This is surely no excuse for not making an analysis. Education

² Ibid. p. 454.

³ Ibid. p. 447.

⁴ Ibid.

suffers from the lack of objective analysis applied to other sectors of the economy. Probably no such analysis was available in Bangladesh at the time of writing the plan and no foreign experts were brought in to do it either. This lack of precision and accurate knowledge of the rate of return to various educational levels is a serious weakness.

Thirdly, the fact that third level graduates can earn more than first level school bearers is seen as a major reason for over admission to college! But until Bangladesh has developed its economy to such an extent that unskilled labourers can earn more than teachers (as in some western countries) parents are obviously going to continue to send their children to college while this gives them a better job prospect. Moreover, economic reasons alone never determine the demand for education.

Fourth, the lack of philanthropists in socialist Bangladesh means an inevitable decline in the private contributions to education. This assumption may not be correct. Even in Pakistan days this area was not wealthy but even so substantial donations were made to education particularly at the secondary and the college level. Most of the secondary schools of Bangladesh are private.

Fifth, "it is also difficult to draw up educational and training programme strictly on the basis of manpower projections in the content of an adequate knowledge about the exact requirements of skilled manpower in the various sectors of the economy and the difficulty to foresee the precise nature of technological transformation which will inevitably take place in a growing economy".⁵

The lack of manpower projections is a constraint indeed and imposes an almost impossible situation on the planners if objectives one and two are to be fulfilled. As to technological change, its precise form in the future cannot be predicted over the long term. But that is no excuse for ignoring it all together.

One would have thought given the objectives that some major constraints would have been wastage, lack of teachers and lack of trained teachers. Taken as a whole these constraints are very broad, muddled, and reveal serious deficiencies in the planning machinery of Bangladesh. If the Prime objective is to produce relevant, skilled manpower to develop the economy, the need is for cost-benefit analysis and projections based on precise manpower requirements. Such an approach will not solve all the problems, these will still be mal-distribution within the system in 1978, but

⁵ *ibid.*

they would be lessened, it would be a much more precise approach, it would have laid the foundation for better educational analysis in the future and it would have been a blueprint to which planners could refer back and see more accurately where the problems arose.

Strategies

There are eight main strategies but not one of them proposes any change in the educational system itself despite that "the following strategies will be adopted in the First Five Year Plan in pursuance of the aforesaid objectives".⁶

The stress is laid on improving the quality of education and on accommodating increased enrolment through double shifts. The teaching of science will be strengthened by providing laboratory facilities: on-the-job training will be provided to aid drop-outs: central laboratories and community workshops (200 of each), will minimise the cost of providing new science facilities and would be available to those outside the formal education system; higher education will be made selective and "highly trained people will be turned out by universities only in such numbers as would be required by the different sectors of the growing economy".⁷ The last three strategies are, respectively, mass literacy, cultural activities and female education. All are to receive more attention.

The only innovative measure is the provision of the central laboratories and community workshops. Most of the objectives are not, or cannot, be covered by these strategies. It is clear that the Plan writers, despite their desires for change as outlined in the objectives, are quite unable to follow through: the constraints thus turn into anticipatory apologies and the strategies become in their turn question marks, for example, the universities cannot turn out required numbers of trained graduates in the absence of manpower projections.

The verbosity and vagueness of these opening sections of the Educational Sector contrast unhappily with the clarity and precise delineation of priorities in Ceylon's Five Year Plan, 1972-76, published in November 1971. The Ceylonese educational planners know in what direction they want the education system to move and they have taken steps to get there. Here in Bangladesh we do not know the direction and this comes through forcibly in the pages dealing with objectives and strategies.

⁶ Ibid p. 447.

⁷ Ibid p. 448.

In additional numbers the figures shown on the expected increased enrolment over the First Plan look quite impressive, over two and half million more Primary School children will be enrolled and nearly one million more at the secondary level. The Primary level enrolment however, will not be an indication of how many will actually complete the five years course. Millions do drop-out before completing the course. For example it is calculated that of the 1.5 million boys who have enrolled in class I in 1973/74, only 710,000 of them will be in class V in 1978. For girls the figures are 880,000 in class I with a retention rate of only 340,000 in class V. Although some of these wastage is due to mortality, the fact remains that millions of children do not complete a Primary School course in Bangladesh.

Given this background the Plan for Primary Education is ambitious-5,000 new schools will be built and 5,000 other enlarged. A further 15,000 will be repaired and enlarged. Double shift will be introduced in the 5,000 enlarged schools and the new ones will also, gradually switch to double shifts. Two more teachers will be provided to each school. The enrolment of girls will be encourage, and educated housewives will be persuaded to teach in the local schools both to relieve the teachers of their heavy load and to encouraged the enrolment of girls. Each Primary school will receive a transistor radio in order to listen to educational programmes and the curriculum will be revised and will include new courses on health, sanitation and population education. Ethics are also to be included in the new curriculum. There is a suggestion that meals may be introduced in classes I and II to help eliminate drop-outs.

The proposal for curriculum revision is an excellent one, also the idea of using educated housewives as teachers.

The three most crucial areas for the plan period may well be the revision of the Primary School curriculum, the construction programme and the employment of more women as teachers. If these areas do not come up to expectation, the aim to increase girls enrolment may fail, universal primary education will not be possible for many years ahead and drop-outs will continue because of the irrelevance of the school programme to the students' real lives and the problems of overcrowded classes in the lower grades. Should the present shortage of construction materials continue, it is doubtful if the school building programme can be fulfilled. Any financial cut generally falls on education first (and this is as true of the U.K. as of Bangladesh). There is a tentative sugg-

estion in the second paragraph of this sub-sector that semi-pucca school buildings should be encouraged. If this is possible it may aid the construction programme.

The problems of providing education at the Primary level are enormous. There are some good proposals but one is left with the feeling that more could have been done. However, if the proposals on curricula revision and encouragement of girls' education are fulfilled this will be a step in the right direction.

SECONDARY EDUCATION

In Bangladesh, Secondary Education is divided into two stages. Junior Secondary takes pupils up to class VIII. Senior Secondary takes them in class IX and X. The matriculation examination is taken in class X. Many of the large schools combine both sections.

It is expected that enrolment will increase at the junior level by 772,000 to give a total of 1,945,000 in the junior level in 1978. At the senior level increases are expected to be more modest, 190,000. This will increase the total enrolled at the Senior stage from 530,000 in 1972-73 to 720,000 in 1977/78.

Drop-outs are a problem at the Secondary stage. Of the 362,000 boys who enrolled in class VI in 1972/73, only 253,000 are expected to enrol in class X. For girls comparable figures are 80,000 to 48,000 in class X.

The increased enrolment for girls is envisaged at a much higher level than that for boys. Proportionately girls' number will nearly double from 51,000 in class X in 1972/73, to an estimated 56,000 in 1977/78. These numbers will have to be accommodated through an increase in the number of girls' high schools or classes will have to be arranged on a shift system with boys using a school during the morning and girls in the afternoon. As this is unlikely to be acceptable in traditional Bangladesh, the number of women school teachers will have to be expanded rapidly to accommodate the expected increase in girls 'enrolment'.

To accommodate the expected total increases the plan proposes the establishment of 625 new junior high schools. Another 1,530 primary schools will be used as junior high schools in the afternoons. Double

shifts will be introduced in over 1,500 secondary schools and 4,000 secondary schools will be amalgamated or enlarged to take 50 pupils per class.

Most of the increased numbers of students will study Science, Agriculture, Home Management, Industrial Arts and Commerce. Each high school will receive a Radio, T.V. and will be provided "to schools with electricity" (p. 456). According to the Communication section of the plan no policy decisions have yet been made on the provision of educational T.V. ⁸ An important proposal is the introduction of population education. This will be the first time the school curricula has been used to try and spread knowledge and new ideas about a problem which affects economic and social growth so deeply. The enormity of the population problems facing Bangladesh is so great that all means and media need to be used to combat it.

As for the kind of education, the most important point stressed in this sector is the need to shift emphasis from secondary education as a step on the ladder to University, towards secondary education of a terminal type. The need is for skills which can be directly employed on the labour market. To facilitate this, 200 community workshops will be constructed and 200 central laboratories. The workshops will offer courses in industrial arts, trades and crafts. The laboratories will be for students specializing in science, agriculture, home management and nursing.

This idea of centrally located facilities to be used by several schools should save building and equipment costs as it will obviate the necessity of building laboratories for every school. It should also be a big step forward in making education more useful to the majority of students who leave school in class VIII. It may help to present the large drop out between class VI and VII.

The proposals are, in fact, a shot in the dark. It is assumed that the economy can absorb more medium level skills in agriculture, science and commerce, and many of these students will not go on to Intermediate College. But there are no manpower forecasts on which to base these estimates, no data available on the labour force, or misplaced manpower, i.e., in jobs for which they have not trained and on numbers of skilled

⁸ Ibid. P. 436.

unemployed. It seems to make sense to expand in this direction but to what extent is not known. The capacity of the private and public sector to absorb this manpower has not been calculated.

Expansion of secondary education should be based either on very accurate analysis of the labour force demand, or it should be on the basis of a totally new curriculum and a new concept of secondary education which will fit the students to return to their village homes and engage in productive labour there. This would have to be but a part of an integrated rural development scheme. Mere expansion for its own sake in a hopefully correct direction may lead to problems which will have adverse repercussions on society.

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Rural Employment and the First Five Year Plan

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The present paper plans to examine the deficiencies in the present rural employment 'policy' and whether the present institutional framework is sufficient to maintain and sustain a humane and vigorous employment policy.

SECTION—A deals with the potential of the present rural employment policy.

SECTION—B talks about the measures to ameliorate the conditions of rural wage labour.

SECTION—C looks at the prospect of ensuring a cropping pattern in order to spread the labour demand throughout the year.

SECTION—D deals with certain conclusions derived from the study.

SECTION—A

The main impact on job creation, as emphasised in the plan, is going to come through intensive cultivation of High Yield Variety (HYV) of rice.

Evidences show that given the doubling of HYV rice output, the labour input would at most double but is more likely to increase by a significant but somewhat smaller proportion.¹

¹ See Robert Shaw "The Impact of the Green Revolution on Jobs," Washington Overseas Development Council, 1970, p. 1.

Also Ahmed Iftakhar, "Uses and Benefits of the High Yielding Varieties of Seeds in Bangladesh," paper presented at seminar on Economic and Social Consequences of the improved seeds, at Kandy, Sree Lanka, April 19-May 20, 1973.

The prospect looks bright but the following anomalies would lead us to hold a less optimistic view than the plan would like us to hold.

Firstly, under the present land reforms the ceiling (100 bighas) has not done away with large holdings (average size of holding in Bangladesh being 2.59 acres).¹

The plan itself acknowledges (p.87) that it is on the large holdings in other countries, that bulk of planting of new varieties took place.² These large landowners are the very people who have access to credit and capital markets and control the institution. This lowers the relative factor price they face of the material input package when compared with the wages of labour. Such a situation might lead to large landowner's use of more material input and less labour in order to attain a higher yield.³ It is true that more employment will be generated but whether it will be created according to the expectation of the plan is an open question.

Secondly, the present green revolution as described in the plan is embedded in high (if not impossible) optimism. In order to obtain the target under HYV rice the irrigated area would have to jump from 10.12 lakh acres to 61.50 lakh acres in 1977/78 a growth at a compound rate of 43.1% per annum. In view of past performances and the present oil crisis such aspirations are over ambitious.

Thirdly, it was assumed that IRRI-20, being Aman paddy, does not require much mechanical irrigation. Hence, it was perhaps expected that it would not be difficult to expand acreage under HYV rice in a rainfed area without straining our irrigation resources. But our impressions in a country wide sample survey prove that without irrigation the area under HYV rice in a rainfed area is not going to increase.⁴ This implies that if we are really going to attain the production target, as set out in the plan, existing irrigational facilities will be under

¹ Ministry of Agriculture—Master Survey of Agriculture, 7th Round 1968.

² See also Robert Shaw, *ibid.* p. 14.

³ Asaduzzaman, M. 'The High Yielding Variety Programme and the First Five Year Plan; Some Comments', paper presented in BEA conference 1974.

Also see, Sternberg Marvin J., *Agrarian Reform and Employment: Potential and Problems*—in *Agrarian Reform and Employment*, ILO, 1971.

⁴ Survey on Adoption and Practices of IR-20, Bangladesh Institute of Development Studies, February 1974.

tremendous pressure. With limited resources the target (both production and employment) will remain our dream perhaps for a long time to come.

Fourthly, we have reasons to doubt the figures which have been initially collected at the thana level. While planning for the recent survey we undertook, we needed information about the acreage under IRRI-20 in different villages in particular thanas. I was supposed to survey two villages, selected at random, in a thana in Rajshahi. The acreage figures supplied by the Thana Agricultural office showed that one of the sample villages had 80 acres under IRRI-20 rice. Almost the whole village was surveyed. But to my surprise not a single decimal of land under IRRI-20 was found. Might be this case was an extreme one—a fault of random selection? But the fact that the possibility of high upward bias can not be ignored is borne out by the almost similar experiences of some of my colleagues who were on a similar survey in different areas of Bangladesh.⁶

With such a gloomy production prospect the target of additional employment to be generated by intensive HYV rice cultivation seems too optimistic.

If there is really a short fall, then there is no evidence in the plan that other subsectors would be able to exceed their respective targets in order to reach the overall target of the additional employment to be generated by the Agricultural sector i.e., 31.0 lakh man-year during the plan period.

However, even if all our fears regarding HYV shortfall prove false, doubts have been expressed regarding the overall target.⁷

⁶ Such divergences are also reported in Md. Rezaul Karim Talukdar, "An Economic Study of Cost and Return of Producing Transplanted Aman Paddy in Some Deep Tubewell Areas in Thakurgaon Subdivision in Dinajpur District," Dec. 1972, unpublished M.Sc. thesis, Agricultural University, Mymensingh.

⁷ Dr. M. Alamgir, estimates that additional employment to be generated during First Five Year plan would not exceed 25.9 lakh man years. Alamgir, Mohiuddin, "Some Reflection on the Objectives, Strategies and Priorities of the First Five Year Plan of Bangladesh", paper presented at BEA conference, 1974, p. 34.

Any Employment Policy should aim at providing more remunerative employment with a better working condition. The rural employment "policy" (as it is called in the plan) is a mere calculation of how much extra employment would be generated during the plan period. It does not formulate any deliberate programme to justify its contention elsewhere in the plan (not in the employment policy paper) that more employment would be created in order to provide minimum consumption requirement (p.87). But, subject to the exploitation of private land owners, how more jobs are going to help attain minimum consumption level is difficult to understand. The "Policy" does not deal with the subject of provision of minimum wage to the Agricultural labour.

Analysing the employment "policy" we find that there are signs that implementation of various programmes might not ameliorate the condition of rural working masses. In some cases condition may deteriorate.

Turning to HYV rice cultivation programme we find that there are some country studies to prove that the condition of the poor in the rural areas has not improved much (despite the success of "Green Revolution").⁸

About the rural works programme Akhter Hamid Khan says- " ... It was by no means a panacea for the landless. In fact better drainage, link roads and irrigation substantially enhanced the value of land and its rent. The unearned income of land owners was a hundred times more than the wages earned by the labourers"⁹.

⁸ As for India, Bardhan estimates that despite the success of the Green Revolution more than 70% of the rural population (300 million) in India are below even the barest minimum acceptable level of living. In Assam and West Bengal, among other areas in India, this percentage of rural population below minimum level of living nearly quadrupled between 1960/61 and 1967/68 (Bardhan, P. 1970), "Green Revolution" and Agricultural labourers, con. and Political Weekly, Bombay 529/31, 1239-45).

⁹ Khan, Akhter Hameed. "The Comilla Projects : A Personal Account", presented at a workshop on Rural Development at Addis Ababa, January 1973.

The Employment "policy" states that "Landless agricultural workers could best be utilised in gainful employment through land reform by redistribution of land." However, doubts have been raised whether overall impact is likely to be significant either in terms of efficiency or equity.¹⁰

Moreover, given the present rural power base of vested interest, and a not very strong administrative structure, the present land reform may not even be fully implemented.¹¹

The International Labour Organisation had voiced its concern for the improvement of the condition of the sharecroppers.¹² Not only do the share-croppers suffer from insecurity of tenure, but they are also subject to forced labour (labour without payment). At least this is what our experience proved to us during our recent survey. The plan voices a certain concern but does not elaborately define a programme. It just says "Measures need be taken to secure the right of the share-cropper to cultivate rented land as long as he wants it, if rent is paid, to ensure compulsory regulation of tenancies and to significantly improve the share of tenants in the produce of the land", undoubtedly a benevolent gesture, but as the experiences of some countries show, any attempt to improve the conditions of share-croppers are bound to face the following obstacles.

1) Competition among the sharecroppers and tenants to rent land. In the region surveyed by us we found that due to this competition, the landowners always find some one to agree to take land on share-cropping without being given the cost of cultivation.

¹⁰ Abdullah A, "Land Reforms and Agrarian Change in Bangladesh", BIDE, Dacca—Nov. 23, 1973, p.66.

¹¹ For some country's experience see, Zubelda M. Ahmed and Sternberg M.J. "Agrarian Reform and Employment with Special reference to Asia"—in Agrarian reform and Employment, ILO 1971, p. 71

¹² The subject of sharecropping has been discussed at some length in International Labour Conference, 51st Session, Geneva, 1967, Report VII (1) : Improvement of conditions of life and work of tenants, sharecroppers and similar categories of agricultural workers (Geneva, I. L. O., 1966).

2. Higher Social Status of the land owners,
3. Ignorance and apathy of tenants,
4. Loopholes in the laws themselves.
5. Inadequate machinery for the implementation of the tenancy laws.
6. Collusion between large land owners and Govt. officials.

As an illustration of the fact that the dire need for land seems to be the weapon of exploitation which the private landowners are using, the recounting of one of my survey experiences would not be out of place. In a gathering of some farmers (who were not asked to identify themselves) I threw this question.

"Those of you who are share-cropping would you like to own the land you are cultivating?"

One answered "Yes Sir, we would". But then one intervened (who was later identified as a large landowner). "But if the landowner takes away the land from you before Govt. comes to know about it then how will you live?"

The former person at once corrected himself and said, "No Sir, we are satisfied as we are, we don't need the ownership of land". Similar experiences were encountered by us on other occasions.

Hence, the task of improving the lot of share-cropper seems to be a mountainous one.

SECTION-C

The plan says, "the provision of irrigation will bring about a shift in the cropping pattern with creation of additional peaks in labour demand in the winter season and intensifying further the existing peaks. This will tend to reduce labour absorption potential over the year. Spread of labour requirement through choice of crop combination is desirable in such areas" (p.190). Of course, it is not very clear what is meant by "labour absorption potential". However, let us proceed. The choice of crop combination as suggested in the Plan is supposed to be induced through an appropriate price policy. A price policy? With inadequate administrative structure involved in the massive task of reconstruction? In a generally inflationary situation like ours any estimate of cost of cultivation in order to fix the floor price

is likely to be of a very temporary nature. Moreover, the larger the number of commodities supported, the smaller will be the increase in the relative prices in any one of them and smaller will be the inducement for changing pattern.

We should further note that the allocation of land (and other inputs) depends on the relatives of realized prices and not of floor prices. This implies that floor prices will change the relatives in favour of supported commodities only in so far as they raise the realized prices. If the realized prices fall close to the minima the minima becomes operative for influencing the allocation of land. But if the realized prices usually range above the minima the minima will not directly affect the allocation of resources. The allocation will continue to be influenced by the relative pressures of excess demand in different commodity markets as reflected in relative ruling prices.

Finally, and the most important point, the planners must realize that it is nearly impossible to have a set of prices which will have the right effects in all directions. Price movements and price fixations have so many kinds of effects on sellers' and buyers' incomes (or costs), input substitution, and input growth, output substitution and output growth that the only feasible aim is to determine a few major effects in a few major markets which a price policy is intended to produce, and recognize fully that some of the other effects will be undesirable. A price support programme is unavoidably a disequilibrium programme. The case for it is only that, if effective it may convert a disequilibrium of shortage into a disequilibrium of surpluses in the markets for selected commodities.¹³

Thus we find that the prospect of a pricing policy in order to induce the private farm decision makers to adopt a desired crop combination does not seem too bright.

SECTION-D

Under the assumption of the existence of private ownership of land the plan proposes certain institutional changes in Agriculture (having

¹³ Southworth HM and Johnson B. F., "Agricultural Development and Economic Growth." Cornell University Press, Ithaca, New York, 1968 p. 524-25.

implications for rural employment policy). Serious questions have been raised regarding such institution building.¹⁴

The following conclusions which emerge out of the present study would perhaps lead us to examine seriously whether the maintenance of the hypothesis of continued existence of private rights over land has any unfavourable implication for rural employment policy.

1. Adoption of a new socially desired cropping pattern would not be achieved.
2. Labour absorption at the socially desired rate would not be achieved, (after all, interests of a private employer do not always coincide with those of the society).
3. Even if some minimum wage laws are formulated in order to provide minimum consumption to the Agricultural labour their implementation will be an almost impossible task. The difficulties of identifying Agricultural labour¹⁵ and the rural power base of vested interests make the obstacles, to inspection of labour in a huge sector, unsurmountable ones.¹⁶
4. Eviction of share-croppers and extraction of unpaid labour may continue to mark the agricultural scene.

The above conclusions, however, should not lead us directly to advocate the abolition of private rights over land. The impact of the implementation of such a proposal on the Agricultural sector, as a whole, should be examined and the net result should be examined and this result should be taken into account before taking a drastic step. Other studies examining the whole Agricultural sector has indicated disinclination towards the idea of continued existence of private

¹⁴ See Abdullah, A., "Institution Building in Agriculture; Implicit Social Theory in First Five Year Plan", paper presented at the Bangladesh Economic Association Seminar, March 1974.

¹⁵ Koo Anthony K.C., "Agrarian Reform, Production and Employment in Taiwan" in *Agrarian Reform and Employment*, I.L.O., Geneva, 1971, p. 169,

rights over land.¹⁷ Let us, however leave the implementation of the idea and the programme to history.¹⁸ In the meanwhile let us remember what Karl Marx said "Man makes his own history but he does not make it as he pleases."

¹⁶ Problems of labour inspections were discussed in various I.L.O. sessions. See Official Bulletin (Geneva, I.L.O.), Vol. LI, NO.3, July 1968, Supplement, pp. 17-18; and International Labour Conference, 52nd Session, Geneva, 1968; Record of proceedings (Geneva, I.L.O. 1969), pp. 411-24 and Appendix VIII, pp. 643-62. A summary of the proposed conclusions and the discussions that took place at the 52nd Session of the Conference was published in the article "The 52nd Session of the International Labour Conference, June 1968", in International Labour Review, Vol.98, No.4, Oct. 1968, pp. 300-303.

¹⁷ See, Abdullah, A. op. cit p. 16 L. 12-23 and pp.17-18 also, Alamgir Mohiuddin, "Some Reflections on the Objectives, Strategies and Priorities of the First Five Year Plan of Bangladesh" paper presented at Bangladesh Economic Association Seminar March 1974, p.13, L. 1-12.

¹⁸ However, Dr. M. Alamgir mentions a programme for Nationalisation of Land (Alamgir, Mohiuddin op. cit p. 13).

Employment Strategy in The First Five Year Plan of Bangladesh

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The problem of unemployment and underemployment confronting Bangladesh is indeed very grave. Our planners appear to be fully aware of the magnitude of this problem. Today (1972/73) nearly one-third of the entire Bangalee human resources remains unutilised (page 17 of the plan). In agriculture, the situation is even worse where 37% of the rural work force remains unemployed (page 187 of the plan). It is estimated that of the total agricultural workers unemployed two-thirds are victims of seasonal underemployment (page 20 of the plan). It works out therefore, that out of every 100 Bangalees unemployed over 93 of them are agricultural workers.¹ During the last two decades the level of unemployment and underemployment have increased (page 17 of the plan) inspite of a 1.2% compound annual growth rate in the country's GNP during the 1950's and inspite of a rapid growth rate of over 3% during the 1960's (5, p. 119). During the same period investments in real terms had also increased rapidly thereby implying that growth in PGN and rate of investment are necessary but not sufficient conditions for growth in employment.²

A rough estimate of unemployment in the major cities of Bangladesh showed an unemployment rate of 20% or over of the cities' labour force during the mid sixties (6, p. 62). An ILO Manpower

¹ Although this is not how it is presented in the Plan, this can be deduced very easily from the following information; agricultural labour force represents 76.3% of the total labour force (page 187 of the plan), unemployment rates for the entire force and the agricultural labour force are 30% and 36.8% respectively (pages 17,187 of the plan).

² As no working paper on the methodology of various sectoral employment derivations were available it was not possible for the author to reflect on the derivation of the employment figures.

survey (16, p. 380), even with a narrow definition of unemployment ("not working but looking for work") revealed that 10.3% of the labour force of the large towns of Bangladesh were unemployed in 1955.

The magnitude of the unemployment problem among the educated youth, described subsequently, is simply appalling.

CAUSE FOR ALARM

The question that arises before us is obvious. It is not morally wrong, economically wasteful, socially dangerous and politically explosive to allow thousands of unemployed young persons to spend their most formative, creative and promising years in poverty, frustration, defeat and disappointment?

PURPOSE OF THE PAPER

The purpose of this paper is to briefly dwell upon some of the issues relating to the problem of creating employment opportunities in the context of the First Five Year Plan and this would include an evaluation of measures suggested in the plan as well as those that have been omitted. The assumptions on which the employment targets are based are also examined.

EMPLOYMENT TARGET

It is expected that labour force would increase by 39.3 lakhs in contrast with the creation of 41 lakh additional jobs. Thereby the increase in labour force would barely be provided with employment and the back-log of the unemployed and underemployed would remain virtually the same. While 36.8% of the agricultural labour force are unemployed today, the plan aims at reducing it to 31.6% at the end of the plan period (page 187 of the plan). Non-agricultural employment will increase by 28 lakhs jobs (page 20 of the plan). Urban employment will increase by less than 20 lakhs since many small industries, part of services, works programme, flood control and irrigation will be located in rural areas.

LABOUR FORCE

Labour force growth rate: The echoes of the population explosion during the 1950's and 1960's are increasingly being heard as explosions in the labour force today. A child born in year t enters the labour force in the year $t+10$. So what we find is a growth rate in the labour force of over 3% per annum which is a mirror image of the growth rate of population in the past two decades. Clearly jobs have not been growing at this rate at all.

Labour Force participation rate: The assumption of a labour force participation rate of 35.1 % gives an extremely conservative and unrealistic picture of the actual size of the labour force. The Planning Commission obtains this rate from National Quarterly Sample Surveys conducted until 1967/68. The major weakness of using labour force participation rates from this kind of a survey or from the National Population Censuses is that their definition of the economically active population is very narrow.³ (1) There is a tendency among enumerators to understate the age of persons in the age group 10-19, particularly those not economically active. By understating the ages the enumerators, who had the prerogative to estimate age, could save one-third of the work by not completing questions about economic characteristics of the respondent who is thereby left out of the labour force. (2) If the Surveys and Censuses are conducted at a time when economic activity is sluggish in agriculture the seasonal workers (mainly casual and unpaid family help) would be reported as 'neither working nor looking for work' and would therefore not be included into the labour force. (3) Definition of non-agricultural labour force based on activity during a brief time interval of one week preceding the enumeration day had the effect of excluding from the labour force some persons who might otherwise be reported as economically active if the time interval would have been larger. (4) The lack or apparent lack of suitable jobs may discourage members of the "fringe group"⁴ from seeking jobs. Labour force participation rate

³ for a detailed analysis see the author's report presented at the Seminar on Bangladesh Census 1974(3).

⁴ Fringe group refers to the group of persons on the outskirts of the labour force. This group is not clearly in or out of the labour force and may join the labour force if suitable jobs are offered, otherwise may remain in the non-economic status if jobs of their choice are not available.

turns out to be extremely low in view of the fact that the level of skills is extremely low in Bangladesh⁸ compared to the relatively high skill requirements to qualify for the available jobs. (5) It is obvious that the notion of "looking for work" has not been interpreted broadly and as such the underreporting of female labour force participants is inevitable, particularly where economic conditions restrict the number of so-called "suitable jobs". As a traditional society, generally men are preferred more than women in most jobs. Due to the high rate of unemployment and underemployment in Bangladesh, it can be easily visualised that fewer job opportunities are left for females a deterrent factor in reporting of females even as looking for work.

The above weaknesses of the labour force participation rate obtained from the survey data is clearly too low because a large number of individuals who are unemployed but do not fulfil the survey definition of economically active population are left out of the labour force. The increase in labour force is going to be much larger than 39.3 lakh workers as projected for the plan period. Moreover, the assumption of constant labour force participation rate (even with the narrow definition) is probably not accurate. Because the labour force participation rate according to the 1951 Census was 30.7, according to the 1961 Census it was 34.3 and in another five years it increased to 35.1. So the worry is that labour force increase is going to be far larger than the number of jobs (41 lakhs) the plan expects to create.

EMPLOYMENT IN AGRICULTURE

Land Reform: In Bangladesh, about 64% of the farmers cultivate 28% of the total cultivated area and only 9% of the farmers cultivate about 31% of the total cultivated area (within the farm size-group of 7.5 acres or above).

The available evidence shows that in Bangladesh the smaller farmers and particularly the farmers operating between 2.5 and 5 acres of land, are the most efficient. Intensity of land use is higher for smaller farm sizes and that they are more alert to market signals. Productivity of land is higher

⁸ Out of the total employed labour force of Bangladesh, the proportion of Professionals, Technical & Related Workers amounted to only 1.64% in 1967/68 and the proportion of Administrative, Executive and Managerial Workers was 0.27% in the same years [9].

for the smaller size farms whatever measure of land productivity is taken (11, p. 37). Above all, smaller farmers employing family labour use it upto the point where its marginal product is positive where as those farms using hired labour (apparently the larger ones) uses the hired labour upto the point where the wage rate is equal to its marginal product (13, p. 96). Labour inputs are clearly negatively correlated with the size of the holding.

Clearly a drastic land distribution is called for perhaps with a Ceiling of 5 acres, or so per family which will help promote production, employment and equity.⁶

The Planning Commission acknowledges the possibility of enhancing production, employment and equity in agriculture through land reforms measures, but has decided in favour of postponing it for some future date.

HIGH YIELDING VARIETIES

The new rice varieties employ 85% more labour per acre compared to the local varieties (page 189 of the plan).⁷ Production per acre for the HYV is considerable higher than local varieties (page 93 of the plan). Profitability of the HYV rice is higher than the local varieties (7). Rapid expansion of acreage under HYV rice could simultaneously promote production and employment. However, care has to be taken through some measures like land reforms and wider participation in co-operatives, so that inequities do not emerge (7).

Today only 2.6 million acres out of a total rice acreage of 24.74 million acres are under HYV (page 186 of the plan). This is expected to expand to 9.44 million acres out of a total rice acreage of 25.93 million acres in 1977/78. In view of its significant contribution to increasing employment in agriculture every effort needs to be made in extending the HYV. Some 11 million acres of land in Bangladesh are suitable for HYV rice without major investments in drainage and flood control projects and without irrigation being essential. Of this 11 million acres only 1.5 million acres are currently under HYV (Aus and Amon).

⁶ Abdullah, A., (1) suggests 5 acres. Although it is arbitrary it certainly seem rational given that average farm size in Bangladesh is 3.2 acres and the fact that the farms below 5 acres fulfil the merits of production, employment and equity tests.

⁷ Actually the information is given thus: HYV rice % man-days/acre as compared to 52 man-days/acre for local rice,

NON-AGRICULTURAL EMPLOYMENT

Excess Capacity: During the pre-liberation days industries in Bangladesh suffered from considerable underutilisation of capacity. Underutilization of capacity has today become chronic. Jute (56.35%), Yarn Textile (60.16%), Cloth (48.64%), Sugar (11.44%), Fertilizer (62.06%), Steel (27.17%), Paper (69.2%), Newsprint (54.52%), Cement (21.33%), Tobacco (17.89%), Chemicals (11.66%), etc. are producing far below their capacity.⁸ Full capacity utilisation is always desirable: it means a more productive use of scarce resource; larger current output and most importantly the creation of additional employment.

HIGH CAPITAL INTENSITY

A comparison, however, rough, of the capital intensities of a number of Bangladesh industries were found to be either equal to or greater than the corresponding U. S and Japanese industries before liberation of Bangladesh (6). The primary reason for such high capital intensity was the existence of factor price distortions which led to a reduction in the price of capital below its equilibrium level while forcing the price of labour above its equilibrium level. Industries naturally took advantage of the relatively cheap factor (capital) and economised on the relatively more expensive one (labour).

Factor price distortion: Overvalued exchange rate, low interest rates (much lower than the galloping rate of inflation yielding negative returns to savers), industrialisation policies (tax holiday, accelerated depreciation allowances, etc. discriminated in favour of capital. A number of factors tended to raise the price of labour in Bangladesh such as minimum wages, cost of living allowance, paid leave, free housing or low cost housing, etc. together with the power of the labour unions to demand increased wages which have no relationship to increase in labour productivity.

⁸ Extent of capacity utilised is shown as % in parentheses (pages 196-97 of the plan).

The existence of factor price distortions will continue to influence investment decisions and choice of techniques of whatever little that exists of the private sector in Bangladesh. In addition even public sector investments would be confronted with distorted factor price while selecting the technology.

Tying of foreign Aid: The foreign aid tied to the donor country whose technology reflects the factor-endowments of a capital-rich (labour-deficient) economy would naturally lead to the establishment of capital intensive industries in the recipient country. If Bangladesh could indeed use a dollar loan to purchase the same equipment from Japan, the capital intensity would be closer to the one reflecting Bangladesh factor endowments. Secondly, even with foreign private investment the technology adopted is again the blue-print of the one back home.

Foreign aid requirement during the plan period is 40% of the total expenditure. Sixty-two per cent of the expenditure of the very first year of the plan would be met through foreign aid. Project credit and aid constitutes nearly 50% of the Taka 1,800 crores foreign aid required during the plan period. Impact of imported technology on employment is likely to be adverse.

Rising Capital Intensity: Moreover some investments in industries which need to be developed in a balanced way are going to be capital intensive in nature. Power, transport services, fertilizers, cement, steel etc. are highly capital intensive activities and will inhibit growth of employment to that extent.

RURAL-URBAN MIGRATION

A persistent trend towards urbanisation is observable and more recently this phenomenon has accelerated. Nearly one-half of the rural population of age 10 and above who migrated to the urban areas of Bangladesh were those who came looking for work (9, p. 46) in 1967/68. Whether it is the 'push' or the 'pull' factor or rural-urban wage and income differential, the fact remains there is an on-rush of masses to the cities in search of jobs. In contrast employment offered in the urban areas of Bangladesh during the plan period is only 18 lakh jobs (page 20 of the plan). This must be viewed in the context of the serious urban unemployment situation already in existence.

CONCLUSION

A dynamic employment policy should aim at generating economically sound, socially desirable and production-oriented rather than relief-oriented employment (examples of relief-oriented employment in Bangladesh are very common : a report in the newspaper that 25,000 workers in the jute industry are fake workers drawing their pay without being even physically present at the factories). The increase in labour force during the plan period will be far larger than 39.3 lakhs workers and jobs are not likely to be created to the extent of 41 lakhs either.

What is most disheartening is that growth in output has become the primary objective of our planners. Income distribution and employment generation has once again been treated residually as had been done traditionally in the past. The end result : the plan will fail to attain its goal of keeping the unemployment level in 1977/78 as it is today.

Short-fall in Outlay : It has just been gathered that there is fear of a short-fall of 50% in the Annual Plan of the very first year of the Five Year Plan. Consequences of such short-falls in financial outlay will adversely affect the prospect of creation of 41 lakh job opportunities as expected in the plan.

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Education and Manpower

(Student Participation and Adult Education)

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INTRODUCTION

Although education is the best means for mobilizing manpower resources for the ultimate ends of economic and other affiliated developments, most of the plan documents of the underdeveloped countries with a few honourable exceptions of the Socialist Countries, fail to spell out some definite policies in this direction. And our First Five Year Plan too cannot escape that accusation. In fact its failure to attach due importance to this factor makes many sceptical about the intentions of those who were behind the formulation of this document in any capacity, however, honest they may be.

Anyway, I want to confine my comments to the following issue only :

- 1) Importance of manpower resources in the development programmes.
- 2) Absence of due importance to this abundant manpower resource in most of the underdeveloped countries including Bangladesh, although they are no less attracted by the Western Fiscal Plans which are prescribed in 'financial' terms.
- 3) Neglect of education as a means to change the quality of manpower.

IMPORTANCE OF MANPOWER

"Countries are underdeveloped because most of their people are underdeveloped."

(—Adam Curle, "Aspects of Educational Planning in Underdeveloped Areas".
Harvard Educational Review, vol. 32
No. 3, p. 300, Summer, 1962).

From this point of view development is essentially a "human" problem and planning means "changing men". That's why planning is said to aim at making human life 'fuller and richer'. Development is, therefore, more than the sum of simple technology; simple economy and simple management; it involves people and because of that any development plan is expected to make efforts so that people can be changed. People can be changed only if the state of the society in which they are living can be changed so that they become respective to the trend of modernisation and new values. Hence the task before an underdeveloped country is not simply to get results within the existing framework of economic and social institutions but to mould and refashion these (or overhaul if need be) so that they may learn to equip themselves for the desired development. The new approach to development is actually rooted in the shift of emphasis. The main shift in the development outlook today is characterised by the tendency to think of the cause of economic growth as the capacity to create wealth rather than the creation of wealth itself. A theory of human capital which accounts for economic growth in terms of changes in the quality of human beings is getting more prominence in the planners' parlance.

LACK OF EMPHASIS ON HUMAN RESOURCES

"In spite of the importance attached in man by a number of economists and their efforts to bring it within the realm of economic theory, most economic development planners give usually only peripheral consideration to the analysis of human resources."

Fredrick Harbison and Charles A. Myers.

(Education, Manpower and Economic Growth, McGraw Hill, N. Y., 1964, P. 11).

Excepting countries that emerged through a struggle for Socialism e.g., China, Cuba, Vietnam etc. no other underdeveloped country has attached that great importance to this human factor. These socialist countries made the challenge of uplifting the human resource as part of their revolution and to be frank, here lies the mystery of the miracle that they achieved in their development efforts. Although aware of the inherent potential of the human factor, almost all the underdeveloped countries have failed miserably in making good use of that. Instead they have become easy preys to the Western type of Monetized Development plans which have serious social, political and administrative

limitations. Because money is scarce has to be created in all underdeveloped countries through inflation, price policy, taxation and external borrowing all of which have serious implications. For that matter all the plans of UDC's suffer from serious distortions and people have to cope with many hardships for that.

Reflections of these shortcomings are very glaring in our first plan although we are quite distinct from all other underdeveloped countries as our society aims at a socialist transformation. No urgency of approach for putting frontal priority on changing man for changing the society, as has been the case with other socialist countries, is noticed in our plan document. Although the plan makes sporadic statements here and there stressing the need for bringing qualitative change in man for making him free from age-old exploitation and deprivation, it has failed to give any workable way out for the realization of the same. On the contrary whatever proposals they have tried to make are much more limited and usually more lenient towards the prevailing attitudes and institutions. A few of the observations of the plan are :

i) "A society in transition towards socialism has to accept the need to adopt radical measures to free the masses from their age old bondage of traditional values and customs as well as from their exploiters. As long as the broad masses are unable to accept the norms of behaviour necessary for a radical transition of society, no amount of socialist policy adopted by the government can usher in socialism" (1.8, p. 3).

ii) "Revolutionary thinking must precede revolutionary action by the masses", (p. 4).

iii) "Before socialism becomes a reality, the task is to educate the public about the need for Social change". All these honest realization do not actually help us as long as we are not given any definite policy to materialize them. How would the change come from within or without? By whom will it be initiated the political cadre? How far are they ideologically committed and sincere? Who are the exploiters? All these questions immediately follow the above observations. But the plan fails to give any answer. And that, too may be the manifestation of the reality of the present time.

This is very true that when confronted with problems of development which lie beyond the familiar analytical framework or out of the jurisdiction outlined in prior, the planners quite naturally brush them aside with an expressed recognition of their probable importance and a vague hope that somehow or other they will solve themselves in the course of the normal economic growth. And this fact is more than clear in our case. With a pious hope that leadership and enterprise of "young-men" (or 'political cadres' as envisaged by planners) who are "willing to dedicate themselves" to the task of transformation of the society and without an objective analysis of the existing realities, the planners have finished their job.

NEGLECT OF EDUCATION

What would have been really beneficial for all of us, if the planners could somehow outline a definite policy for changing the tradition bound masses as is witnessed in all those countries who are sincerely committed to socialism. This they could easily do through framing a radical educational reform which could serve double purpose. First the long due overhauling of education could make students an asset for future programmes and secondly the students who are quite mature could be utilized for changing the manpower. Gradually these students and the masses would have thrown themselves as the envisaged 'cadres' who are so essential for a social change. Such a step could have far reaching consequences as evidenced from the cases of Vietnam, or Cuba. We are still in darkness as to why the first plan failed to take such a pragmatic approach when it never failed to focus the urgency for a socialist transformation.

Agricultural Employment and Element of Social Cost in the First Five Year Plan

By

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According to the strategy of the plan there is special emphasis on the agricultural sector. The emphasis on this sector involves some crucial considerations such as creation of new job opportunities, increase in the output of food and non-food agricultural commodities, avoidance of dependence on imports for food grains and earning of foreign exchange through export. As a matter of fact, the First Five Year Plan aims at solving some of the basic problems which our economy is beset with. Now, it remains to be seen how far the strategy of solving these national problems stand beneficial without creating additional problems within the plan period.

In this paper an attempt has been made to examine one of the issues which seems to be associated with too much dependance on agriculture for job opportunities and output increase simultaneously during the plan period. It is endeavoured to discuss briefly the possibility of output and employment increase in the agricultural sector.

The First Plan aims at self-sufficiency in food grains and creating employment opportunities for the rural unemployed and underemployed during the plan period. In so far as increase in food grain production is concerned two broad strategies are proposed namely (i) increase in yield rates and (ii) increase in cropped area by multiple cropping through irrigation. The increase in yield is supposed to be achieved by introducing HYV in irrigated areas, rainfed areas and traditionally irrigated Boro areas and directing the distribution of agricultural inputs to HYV and irrigated areas. In this respect the plan visualizes some limitations which reduce the possibility of rapid increase in agricultural product particularly food grains in the first four years of the plan. The limitations are

that (i) irrigation can not be spread quickly to accommodate large areas under HYV initially and (ii) because of deficiencies in existing transport system and institutional facilities, food grain production can not be increased rapidly by mere introduction of HYV in the rainfed areas. As a result, until the terminal year of the plan there will exist some deficits in the food grains. In other words, during the first four years, the plan does not indicate any possibility that (i) the requirement of food grain will be domestically met and (ii) avoidance of food grain import is feasible. This seems to be the situation when every thing goes alright and the plan target of food grain production is achieved.

It appears from the plan that the availability of agricultural product in general and food grain in particular is conditioned by several facts. Firstly, the plan assumes normalcy of weather conditions which in reality is very uncertain in our country. If the weather condition turns to be abnormal and damage agricultural products, the physical target of output increase will not be fulfilled. This will entail import during the plan period. The plan assumes that if abnormal weather conditions prevail and crops are affected thereof, the actual need of import will be about one million tons provided the standard deviation is 4% of the mean production. This 4% deviation is based on the assumption that the loss of output likely to be suffered because of bad weather may be compensated or recovered through increased Boro production. But the point is that if bad weather conditions or natural calamities really damage output, the exact magnitude of crop loss can not be ascertained a priori. Hence a million tons of food grain imports in the mid year does not indicate accurately the likely drainage of foreign exchange for food grain imports. Secondly, the plan presumes that the deviation of consumption would be very low. That is the average per day per capita availability of food grain amounting to 16oz is supposed not to be significantly affected by income elasticities of consumption demand for food grains during the plan period. But this assumption regarding consumption demand is highly improbable in a situation where income generation is obviated by the increase in employment opportunities in the economy. If the additional employment creates additional consumption demand, the price increase might be very high and consequently the prevailing situation is likely to reduce availability to others. This being the case, additional import of food grains on top of one million tons is unavoidable.

One might argue that this situation may crop up if bad weather conditions prevail and deviation of consumption demand due to increase in income becomes very high. But as mentioned earlier, even if the production target is fulfilled and normal weather conditions prevail, the drainage of foreign exchange for import of food grains can not be avoided altogether until 1977/78. If the basic assumption behind self-sufficiency in food grain does not hold, the situation will be far more worse than it is expected.

We have, so far, considered the possibility of self-sufficiency in food grain and the impact of income increase on consumption of food grains. This is one aspect of the situation. Another aspect is that apart from food grain consumption the increased income in the plan period will constitute additional demand for other types of consumption goods. If the aggregate consumption demand can not be met by adequate domestic supplies in the face of increased income, the situation might further deteriorate. It might be clear if one looks at the possibilities of employment creation in the economy as a whole and the agricultural sector in particular.

The plan proposes to reduce underemployment and increased employment by 1977/78 as follows :

Sector/programme	Lakh of Man-years		
1. Crop production, livestock, fishery including ancillary processing and marketing	26.0
2. Works programme, flood control, irrigation and related agricultural projects	5.0
3. Construction and services	10.6
4. Industries, power and gas	6.5
5. Social sectors (health, education, etc.)	5.9
	Total = 54.0		

Source ; First Five Year Plan, (p. 9). According to the plan estimate the creation of new job opportunities would be 41 lakhs as against the increase of labour force by 39.3 lakhs (assuming that the share of new jobs will be half of the additional labour requirement in agriculture). The plan further states that of the estimated 39.3 lakhs increase of labour

force nearly 13 lakhs will find new work in agriculture proper and the rest of the increased labour demand in agriculture will reduce existing underemployment. Besides, another 10 lakhs of the additional labour force will be absorbed in rural areas in Works programme, irrigation, flood control, cottage industries, ancillary services and social programmes. That is to say roughly 23 lakhs of increased labour force will be absorbed in rural areas compared to 16 lakhs in the urban areas. In that event, majority of new jobs will be available in the rural areas accompanied by faster increase of money income. This being the case, it stands fairly possible that the newly employed labour force will create new demand for consumption goods in the agricultural sector. Thus the income increase of the agricultural labour in the process of planning following newly created job opportunities accompanied by slow rate of increase in food and non-food agricultural commodities in the first four years of the plan is likely to involve some social cost.

Glance at Population Planning in Bangladesh

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INTRODUCTION

Population growth is one of the most important factor related to the socio-economic development of a society. This basic fact appears to be true for all societies, whether developing or developed ; there is hardly any room for debate on this issue. The alarming rate of population growth (3% per annum) in Bangladesh and its consequences on the economy of the country are recognised and the First Five Year Plan of Bangladesh has faced up squarely to this issue. This concern is expressed in the following manner by the Plan :

"The man-land ratio in Bangladesh is already one of the highest in the world. The present 3 per cent growth rate of its (Bangladesh) population will double it in 23 years and treble it by the beginning of the next century. Even a doubling of population on the limited land space of Bangladesh is a distributing prospect. A trebling of the population is simply frightful to visualize" [2, p. 538].

In this paper an attempt is made to evaluate how adequate the population policies advocated in the Five Year Plan (therefore referred as Plan) are in arresting the surging rate of population growth in Bangladesh. The analysis is presented in two different sections. In section I, we assess the salient features of the population policies advocated in the Plan; and in section II, we focus on some structural barriers to the success of the Plan.

SECTION—I

In section I, we will evaluate the main features of the population planning programmes as advocated in the Plan.

1. The Plan calls for averting 8.70 lakh births during the Plan period (1973-78) [2]. This is no doubt an ambitious target. The first year of the plan period is almost gone and the programme is yet to be fully launched. This means we will have to reduce at least 2 lakh births per year during the next four year period. In order to curtail 8.7 lakh births, we will need to find approximately acceptors five fold the number of births to be averted among the eligible couples [13]. Mere fulfilling the required number of acceptors may not have any demographic impact on birth rate unless they are found among those eligible couples who have not yet achieved their desired size of the family and in the prime period of their reproductive age i.e., those who are currently married and in the age-group ≤ 29 . A study conducted in the erstwhile East Pakistan had shown that 66% of all births in 1969 were given by the women in age-group ≤ 29 [11]. Acceptors among the women who had already achieved their desired number of children and in the age-group ≥ 30 may cause no significant effect on reducing fertility. Unfortunately, the Plan is silent on the issue of the number of acceptors it is going to enlist per annum and what would be its distribution among the young (≤ 29 yrs.) and the old (≥ 30 yrs.) eligible couples. A programme which aims to reduce certain number of births but has no target of acceptors and its probable distribution among the age-groups may be considered only as a goal without clear-cut means to achieve that goal.

2. The Plan in order to reduce its stipulated number of births placed emphasis on the following methods of contraceptives in order of rank: (i) condom; (ii) pill, IUD, male and female sterilization and (iii) liquid foam. Consideration of condom as the most important method of contraceptive seems to me to be hazardous. The National Impact Survey of 1969 had shown the following contraceptive usage pattern in Bangladesh; condoms—20%, IUD—42%, oral pills—30%, male and female sterilization—30% [11]. According to the above findings, we see that the condom is not the commonest used method among the eligible couples. Hence, its consideration as number one method is not justifiable

because the method would be less appreciated among the eligible couples unless extra efforts are geared to popularize the method first. Moreover, condom is probably not a very efficient method of controlling fertility. Unfortunately, we have a near total absence of knowledge over the use-effectiveness of condoms in a rural society such as Bangladesh. As regards the other methods, the Plan laid equal emphasis on oral pills, IUDS, male and female sterilization. The equal emphasis on these non-conventional methods of contraceptives may not prove to be effective in terms of their acceptance among the probable adopters because the extent of knowledge about these methods vary among the eligible couples. According to the above cited study, we may arrange the popularity of the contraceptives in the following rank-order: (1) IUD, (2) male and female sterilization and (3) oral pills. IUD is the most known method in Bangladesh and still it can be promoted through well designed follow-up care for side effects. Of all the methods of contraceptives, IUD is found to be the most effective method in the much publicized successful family planning programmes of Taiwan and Korea (10). The pill may not be found to be very effective method in case of Bangladesh because its success depends on its longer continuation and sophistication on the part of the acceptors. It demands regularity of use which may be difficult to ensure in Bangladesh where most of the eligible couples are illiterate. Besides, the pill should not be prescribed for all types of women on medical ground check up for safeguard against the side effects these may be difficult to ensure in view of lack of knowledge of preventive health care and meagre health resources available in the country. Moreover, it should be mentioned here that oral pill may not cause any significant impact on birth rate in Bangladesh. Oral pill is largely used for spacing instead of being used as a terminal method. For spacing, we do not need to resort to adapting oral pill, particularly in case of rural Bangladesh where spacing between births is biologically lengthened through post-partum lactation amenorrhoea. During post-partum lactation, a woman has very low probability of being pregnant. A recent study has shown that for a rural area in Bangladesh post-partum amenorrhoea lasts on the average 17 months for breast feeding women with surviving child (4). The above discussion suggests that we should give more emphasis on IUD and male and female sterilization in comparison to other methods.

3. To ensure small family size, the Plan has considered the possibility of imposition of punitive measures against all couples who

will have additional children after the second child. The punitive measures suggested are (i) the restriction of ration cards and (ii) to debar from the benefits of fair price shops. Both the suggested punitive measures have very limited applicability. Statutory and modified rationing are mainly confined to urban areas of the country and hence restricted ration cards measure will have very limited outreach as it will not effect the vast majority of population of the country who live outside the limits of statutory and modified rationing areas. As regards the second proposal, i.e., debarring from enjoying the benefit of fair price shops, it is further limited in its scope of applicability. Fair price shops are very limited in number and it deals with only few commodities and its services are also being enjoyed by a limited segment of the population. Hence restriction in the use of the services of the fair price shops would in no way put an additional economic constraint upon great majority of population. Moreover, the Plan does not tell us whether the suggested punitive measures would be retrospectively applied upon those people who already have had more than two children. If the measures are given retrospective effect, this would be extremely unethical because if the measures were promulgated earlier, the couples who already have had more than two children would have possibly stopped at two and they should not be punished for their retrospective acts. If the couples who already have had more than two children are exempted from the punishments then for whom these punitive measures would be applied? Naturally, the measures are then meant for those couples who have not yet attained more than two children. This situation will create dual laws in the society and this is likely to breed frustration and possibly to unrest ultimately. Thus it is evident that the recommended punitive measures are not only very limited in its scope of applicability but also very dubious in its ethics.

4. As steps towards reducing fertility, the Plan calls for increasing the legal age at marriage and also considers the possibility of legalization of abortion as a means of population control. Legal age at marriage, if raised, could be an effective means in reducing fertility but its implementation is very difficult in the socio-cultural milieu of Bangladesh where most of the people do not know their age and early age at marriage is the common practice and also socially sanctioned. Raising legal age at marriage may be fruitful when birth registration or obtaining birth certificate is made compulsory. As regards abor-

tion, the Planning Commission is half-hearted and did not make any definite recommendation about it. This is possibly due to opposition, the recommendation may face from the traditional section of the society. Abortion is found to be one of the most effective means of population control as we know from the experience of various countries particularly of Japan and Hungary where birth rates were drastically reduced through the use of abortion. We are, however, not sure what would have been the effect of abortion on fertility in a traditional Muslim society like Bangladesh. The 1969 National Impact Survey has found that only 1% of the wives in Bangladesh mentioned abortion as a method of family planning (11). No doubt, we are at this stage less sure about the probable impact of abortion upon fertility in Bangladesh but if introduced it would at least avert the criminal abortions, if any, and would make the lives of those women who are aborted criminally under un-hygienic conditions less hazardous.

5. In order to promote small family size norms, the Plan calls for motivational campaign at villages, schools, colleges and factories and introduction of population courses in the educational curriculae. These seem to be very innovative ideas but the Plan is not very specific about to whom the motivational campaign is to be directed and who will be in charge of these campaigns. Motivational campaign launched at random may not be very effective unless it is geared to those key people who play important roles in the formation of attitudes towards family size and practice of contraceptions. These key people can only be identified through careful research. The Plan does not seem to have recognized this important issue. As regards the introduction of population courses in the education curriculae, the Plan did not say who would be in charge of devising these courses and who will teach them. Expert knowledge is necessary to devise these courses. Moreover, mere introduction of courses will not suffice unless there is sufficient trained people who can offer courses in this specialized branch of knowledge. We have very few population experts in this country and hence to teach population courses, we need to give special training to the existing teachers till such time comes when we have the required trained population experts available in this country.

6. The Plan calls for creating a new cadre of multi-purpose health and family planning workers. The nature of their job would be to promote health and family planning education and motivation to be carried through personal contact and regular home visits. They

will work in a team comprising of one matriculate male and one matriculate female and each team will work for 8,000 population. This seems to be very ambitious plan. But one would be curious to know how the required man-power particularly the female matriculates to be found to do the job? According to 1961 census, there are only 11,718 female matriculates in the country [9] and if we assume that all of them would be available to do the job, they can attend $(11,718 \times 4,000)$ 4,68,72,000 female population at the rate of 4,000 women per matriculate worker and the above number is well over the entire female population. But we know that not all of female matriculates will be available for the job. Those who are already married are not expected to leave their husbands behind and go to the remote villages to do the job unless their husbands also choose to go with them—this is very impractical suggestion particularly, if the husbands are already employed elsewhere. So, we will have to exclude most of the matriculate women who are already married to do the job and then we are left with only those matriculate women who are single, widowed and divorced and the number of which according to 1961 census is estimated to be 1495* and they can cover only $(1495 \times 4,000)$ 59,80,000 women—the number is far below not only the total female population but also the total female population in the reproductive ages of Bangladesh. According to 1961 census, the total female population and the total females in the reproductive ages (15-49) are 2,44,91,392 and 1,06,84,193, respectively (9). Thus it appears that when we exclude the married female matriculates from our total available female matriculates, we cannot reach the target population. Under the circumstances, it looks that temporarily we will have to relax the education criterion for recruiting female multi-purpose workers till such time when adequate female matriculates particularly at local level would be available to do the job.

*This figure is derived by subtracting the number of currently married female matriculates from the total number of female matriculates. The number of currently married female matriculates is estimated by applying the ratio of the married females to the total number of females in the reproductive ages (15-49) in Bangladesh (1961), to the total number of female matriculates. In the absence of necessary data it was not possible to make correction in the above estimate for the fact that the marital status of the female matriculates may be somewhat different from that of the female population.

7. The most dramatic recommendation of the Plan is to call for integration of the family planning programme with the health services. This is a departure from pre-liberation set up of a vertical non-integrated family planning programme. The rationale for integration of health and family planning service is possibly expressed in the following words of the Plan :

"That a successful population planning programme will have to be based on reduction in maternal and child mortality and morbidity ..." (2).

The argument seems to be plausible but we will have to assess how well the health administration will be able to fulfill this dual role i. e., rendering health and family planning service effectively in view of its present scarce health workers and rudimentary health infrastructure. At present there are 7,000 doctors in the country which gives a doctor-population ratio of 1 : 10,714 (2) one of the lowest in the world. Regarding the infrastructure of health, it is very rudimentary, the Government is still to find medical doctors to fill the positions of rural health service (2). Under the circumstances, integration of family planning with health services operationally means additional job to be performed by already over worked health personnel. This additional job may not be considered very rewarding by the over-worked health personnel. Moreover, integration between health and family planning services may give rise to the familiar problem of inter-organizational conflicts. If the above mentioned problems are associated with scheme of an integrated health and family planning programme then why one would go for such a scheme particularly in a situation where there is no demonstrative evidence that an integrated health and family planning programme is more successful in reducing fertility in comparison to an independent family planning programme and moreover, where there is already a well built independent family planning infrastructure in the country.

8. As regards the evaluation of the programme activities, the scheme does not provide any elaborate evaluation procedures excepting some sketchy and vague remarks here and there-like population activities will be subjected to external evaluation. The Plan, however, did not specify who would be these external bodies and how the data sources would be made available to them nor do they tell us what would be the structure of the external research bodies? The Plan also calls for evolving an internal evaluation mechanism through service statistics, regular

reporting and inspection by supervisory personnel. The internal evaluation procedure may not give us a correct picture of programme performance as suggested by the experience of the former Pakistan Family Planning Programme (2). To measure the success or failure of a family planning programme, evaluation is most crucial and a definite commitment towards it is required but unfortunately, the Plan is half-hearted on the issue.

SECTION—II

In section II, we will discuss the structural impediments towards the success of a family planning programme in Bangladesh and the role of some institutional variables upon fertility. The purpose of a national family planning programme, among others, is to reduce the fertility level of a country and thereby to slow down its rate of population growth. In this context a key question is likely to be asked about the chances of success of a family planning programme in reducing fertility in Bangladesh? The answer is possibly that chances of success of a family planning programme are meagre in the present structural context of Bangladesh. The National Impact Survey of 1969 showed that 88% the urban and 80% of the rural population of Bangladesh knew of family planning while the corresponding figures for current users of contraceptives were 6% and 3%, respectively (11). These figures naturally prompt one to ask why there is such a gap between knowledge and practice? This gap may be explained in several ways. But one of the plausible explanations could be that knowledge of something does not necessarily lead to its practice unless one is sure about the personal benefit to be accrued out of adopting such practice. This then lead to the development of a hypothesis that people will adopt family planning practices when they perceive the personal benefits of doing so outweigh the risks. This crucial ingredient for the success of the family planning programme has been ignored in the past and is inadequately dealt with in the present Plan,

Now, we will ask, do the couples in our society perceive any special benefit to be derived from the reduction in number of children and what are the structural barriers towards realization of these benefit. Here, we will discuss two main structural barriers towards the success of a family planning programme in Bangladesh. First, children in this society are considered functional for maximizing economic and non-economic

utilities. Children, particularly boys are economic assets to the parents—they not only help their parents in their family farm but also bring money home by working elsewhere and the parents find in their male children future economic security and companions in the rainy days. Moreover, with village factionalism, feuds and politics, the number of boys is an important component of the clan or family. Thus in a social structure where children are considered as both economic and political assets, there will be little room for incentives of fertility control unless there is drastic change in the social structure which will call for introduction of social security system, complete ban against child labour and compulsory education upto certain ages. Introduction of social security system, ban against child labour and compulsory education upto certain ages will make couples less dependent upon children and consequently they may lose some of the incentives for having large number of children.

Second, in societies like Bangladesh where the scope of personal advancement is limited for a great majority of the population, it is not clear why there should be any particular advantage in having two or three children rather than six or seven? Marginal and indirect cost in raising children is small for poor day-labourers or landless peasants who constitute a major section of the population. According to some estimates, 49.64 million population of Bangladesh live below poverty level (1). The poor section of the population even if they curtail their fertility will fail to improve their material standard of living or improve their social standards because they are already marginal people and their potential savings are insufficient to permit them to purchase consumer durables or to send their children for higher education. Evidence exists elsewhere that poor people realistically assess their conditions (3) and thereby find no extra incentives to reduce their fertility because such change will not improve their position substantially. Appeal to adapt family planning practices on the plea of national interests will not cause any headway in the minds of the teeming millions unless they see some economic betterment is forthcoming through adoption of family planning practices. What is good for the nation, may not be in the individual's interest. To get across the idea of small family size norms among the teeming millions, some positive steps need to be taken to improve their socio-economic conditions. Evidence exists that couples reduce their fertility when they have the means and opportunities to

improve their standard of living and social positions (5, 6). Economic conditions of the teeming millions of Bangladesh can be improved through drastic social change such as more equitable income distribution and through more gainful employment.

INSTITUTIONAL VARIABLES

Here, I will talk about the effect of some institutional variables upon fertility. Of these institutional variables, mention is made only of education, female labour force participation and infant mortality.

A. EDUCATION

Education is one of the most important variables inversely associated with fertility level of a country. Of all the socio-economic variables used to explain the so-called demographic transition, education is found to be the most important and consistent variable. Moreover, the countries which have experienced fertility decline have attained a very high degree of literacy level. A recent study has shown that much of the variance in fertility decline of Taiwan is accounted by education (7). Education helps reduce fertility in two ways: First, it helps one to overcome the personal prejudices, stereotype ideas and superstitions and offers opportunity to a couple to understand the pros and cons of a small family size. Second, it offers opportunity for access to the main stream of the society and helps in improving one's socio-economic status. Both the effects of education have negative bearing upon fertility. The literacy level of Bangladesh is very poor only 17% of the total population are literates (9). Unless we improve the education level through some national crash programme, the idea of small family size will be hard to get across to the people.

B. FEMALE LABOUR FORCE PARTICIPATION

Female labour force participation outside the home in non-agricultural activities has a depressing effect upon fertility and studies conducted to-date support this hypothesis (8). The countries which have experienced fertility decline are also found to have higher female participation in the labour force particularly in non-agricultural activities. Working women find it extremely competitive to have children as well as to work. In work they increase their social contacts and get them

selves involved in extra familial activities such as attending social parties, meeting and other social activities and these extra-familial activities compete with those of family. Thus having a child by working woman means not only forgone income but also forgone opportunity costs and these considerations possibly restrain the working women from having more children. Female labour force participation in non-agricultural activities in Bangladesh is only 0.9% (9). This is possibly due to restricted female employment opportunities and negative social attitude towards working women. Some would argue that in case of massive unemployment and under-employment of adult males, the policy of increasing the female labour force participation seems to be impractical. This is undoubtedly a negative attitude and ignores the idea that if women are not given alternative roles outside their home, they will have no option but to breed.

C. INFANT MORTALITY

To reduce fertility, we will have to also reduce infant mortality. Infant mortality and fertility is positively related and the evidence of which also exists in Bangladesh (12). The argument follows that couples will produce more children than what they desire in a society where there is higher infant mortality in order to ensure the survival of at least few children. Families are assumed to value and hence adjust their behaviour in accordance with surviving children, not birth per se. Once couples are sure about the survival of their children they may not produce more than what they desire. Infant mortality rate in Bangladesh is estimated to be varying between 160 and 140 per thousand live births (2). This high infant mortality rate has to be reduced to enhance demographic response in this country,

CONCLUDING REMARKS

From the foregoing discussions, it becomes evident that unless we introduce some sort of social security system, impose ban on child-labour, increase education level of the population and female labour force participation in non-agricultural activities, reduce mortality and make some positive steps towards improving the socio-economic conditions of millions of poor people, the impact of the family planning in reducing fertility would be hardly felt in Bangladesh. Those who suffer

from the complacency that the family planning is the only solution through which birth rate of Bangladesh could be reduced-are living in a 'pools' paradise. There is no evidence in the world that through government sponsored family planning programme fertility of a country is ever reduced significantly. The myth of the much publicized success of family planning programme of Taiwan is dismantled in a recent study which showed that fertility is neither induced nor accelerated by the programme. It is rather the institutional variables like education & infant mortality influenced the fertility in Taiwan (7).

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Population Problems and Population Planning Programme of Bangladesh

By

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The paper will be divided into four sections. Section I will give some demographic parameters for Bangladesh. Section II will consider some of the demographic problems in the economic development of Bangladesh, Section III will be devoted to an analysis of economic gains from a reduction in birth rate and, Section IV will be concerned with an evaluation of the population planning programme of the First Five Year Plan of Bangladesh. The first three sections of the paper will draw heavily from my earlier papers presented elsewhere (14, 15, 16, 17, 18, 19).

The population of Bangladesh as on January 1, 1973 is estimated to be 72 million (13).¹ According to the adjusted 1961 Census, 48.2% of the population of Bangladesh was under age 15 and 48.8% in the age range 15-64, the child dependency ratio-defined as persons under age 15 as percentage of persons 15-64 being 101.2 (3). As calculated from the Chandrasekar-Deming (CD) set of PGE (Population Growth Estimation) data for the Combined years of 1964 and 1965, the Total Fertility Rate (TFR) for the Bangladesh women is 7.05, Gross Reproduction Rate (GRR)3.51 and Net Reproduction Rate (NRR) 2.46 (20). These rates suggest that the number of children that will be born to a woman who has passed through her reproductive period is 7.05 on the average, the corresponding number of girls born will be 3.51. After taking into account of mortality, a woman at the end of her reproductive period will be replaced by 2.46 women on the average. To attain a stationary size of the total population a NRR value of only 1.00 is required. Our present birth rate is thus far in excess of the replacement level.

¹ The Planning Commission's estimate as on January 1973, is however, 74 million (2, p. 537).

The estimate of birth rates, as obtained by using CD method for the year 1962 through 1965, were high and fluctuating and the average rate for the period was assumed to be around 50 per thousand. Similarly the average death rate for the period was assumed to be 18.5 so that the natural rate of population growth was 3.15%. After taking into account of net emigration, the rate of growth of the population was around 3.0% (13).

The high birth rate in Bangladesh is associated with (i) low age at marriage (ii) universality of marriage and (iii) practically non-interference with the fertility behaviour. The average age at marriage for females in Bangladesh is only around 15 years. 32% of the females in the age group 10-14 were married in 1961, the proportion married increasing to 89% in the age group 15-19 and 96% in the age group 20-24. Proportion ever married in each age group was 91.7% in 15-19, 98.7% in 20-24 and 99.5% in 25-29. Only 0.08% the females at ages 50 and over fail to get married. Acceptance rate of family planning is very low. Only 5-8% of the eligible couple accepted any form of contraceptives at any time.

The death rate in Bangladesh registered a downward trend since 1921 except the decade of 1941-51 which witnessed the 1943 Bengal famine causing 1.9 million extra deaths in Bangladesh and also the second world war and the 1947 partition of the sub-continent at the cost of some extra lives. The death rate declined from 47.3 per thousand in 1911-21 to 37.8 in 1931-41, 29.7 in 1951-61 and 18.5 in 1962-65 (18). Now it is estimated to be only 17.0 per thousand. The infant mortality rate which was 250-300 per thousand of live birth in the past declined to around 140 per thousand in 1962-65. This infant mortality rate is very high compared to that obtained in advanced countries where the infant mortality rate is only around 20 per thousand live births.

Since the end of the second world war there has been a spectacular improvement in the mortality, ignoring of course the extra deaths due to the November 1970 cyclone and those due to and associated with the Pakistan army crackdown in Bangladesh in 1971. The improvement in mortality has been possible through the control of epidemics of cholera, typhoid and small pox and the incidence of malaria as a result of the application of cheap antibiotics and public health measures developed elsewhere.

Unlike a decline in death rate which is desired by possibly all societies and all peoples, a decline in birth rate is not yet a universal desirable accepted thing. Moreover, factors governing the decision to limit the family size are more of a social and psychological nature influenced by a deep rooted attitude and value system of the individual and of the society, and unlike mortality, very slow to change. The problem is especially staggering in Bangladesh. The present level of fertility is also higher than that prevailed any time in the countries now industrialized.

II

High fertility connotes an age distribution which is young. An improvement in infant mortality rate from a high level has the effect of further increasing the proportion of population at young age. A sustained high birth rate in conjunction with a low and declining death rate is causing a high rate of population growth. The death rate of the population will be still falling due to the efforts made by the national government with assistance from international agencies. Thus unless there is a decline in birth rate, we will have to live with a natural rate of growth of over 3% in the years to come.

With 55,126 square miles as the total area of the country, the density of population per square mile increased from merely around 181 in 1650 to 413 in 1872, 737 in 1941 and over 1,300 in 1973 (19). Can we afford to have a density of population of over 2,600 persons per square mile in, say, 1996 ?

The situation is still deplorable when we consider the area of land under cultivation. The total agricultural land (including current fallow and waste) is 36,300 square miles, which is 65.8% of the total area of the country. That agricultural land per person comes to be only 0.32 acre, and per agricultural population around 0.37 acre (if it is assumed that 85% of the population are agricultural). The average farm size according to the Census of Agriculture, 1960, was 3.5 acres and according to the Master Survey of Agriculture, 1968, was 3.2 acres. As a result of the high rate of population growth and consequent subdivision of holdings coupled with some redistribution of land among the landless cultivators through the government measures, the farm size and the average holding of agricultural land will decrease fast, at the cost of the efficiency of farm operation, unless effective counter-balancing measures are taken.

In Bangladesh the scope for extending the area of land under cultivation is limited. But there is some scope for more intensive cultivation of land. The High Yielding varieties of seeds also open up some possibility for an increase in the frequency of cropping and multiple cropping. But there is a limit to growth. If the demand for food per person remains same, instead of 120 lakh tons of food required in the present day, we will need double as much in about 23 years, triple as much in say 35 years and four times as much in less than 50 years' time. Can we manage ?

In Bangladesh, given the rate of increase of population in labour force age group and the participation rate of the labour force as of now remaining valid, the additional jobs that need to be created are around 17-20 millions during the next two decades. The number of additional job that need to be created will be still higher than that projected above if the present level of unemployment and under-employment—assumed to be 30% now—is to be lowered.

Less than 20% of our population are literates. The proportion of those who are attending schools to the school age population is only around .391 in the age group 5-9 and .092 in the age group 10-14 (15). Given the high rate of increase of the school age population and the unusually small proportion of them now going to school, coupled with a high dropout rate, it would be extremely difficult for the government to provide for universal and compulsory education to children and wipe out the menace of illiteracy.

A high rate of population growth creates more problems in raising the level of living than a low rate of population growth. As a rule of thumb it can be maintained that the proportion of the national income that must be invested to prevent per capita income from falling is roughly three times the rate of growth of population or labour force (6). If the rate of population growth is 1% per annum, around 3% of the national income must be invested to keep the productivity per worker from falling. At 3% rate of population growth, the required level of investment is around 9% for the per capita income to remain unchanged. At a respectable level of 15% per capita income in a zero population growth case will be 5%, while in a 3% population growth case will be only 2%. It was assumed that capital output ratio is 3:1.

During the period 1959/60 through 1968/69 total investment in Bangladesh amounted to roughly 12% of the GNP, around 30% of the investment being, however, financed by foreign capital inflow (1). During the same period GNP in 1959/60 constant price increased by 4.0% and the per capita GNP increased only by about 1.7 per cent per annum from Taka 264 in 1959/60 to Taka 301 in 1968/69. The performance of the economy during the previous period 1949/50 to 1958/59 was really bad so much so that GNP increased by only 1.4% and per capita GNP decreased. During the entire period 1949/50 to 1958/59 per capita GNP increased by only 1% per annum (1).

Today we are faced with the problem of huge import requirements for consumption goods like food, clothing, petroleum, medicine etc., in addition to industrial raw materials, cement and spare parts. It is clear that with fewer number of persons in Bangladesh, the consumption requirements would have been less, implying less of social unrest and tensions and less worries for the government. The economy has not yet attained its pre-liberation efficiency. Compared to 1969/70, the last normal year before the liberation of the country, it is estimated that in 1972 the production in agriculture declined by 18% and that in industry by 30%, the overall reduction in the national income in 1969/70 prices being 20% (5). In 1973 through the agricultural production has been good, the industrial efficiency remains far below pre-liberation normal. One can taken up all or a few of the major items of national importance such as the requirements of food, clothing and housing, employment and education, and indicate how a further rise of population, especially at the alarming rate of 3% or over, can disrupt our economic and social life.

A word on rural-urban migration. Admittedly the proportion of urban population in Bangladesh is very low. However, in the years to come the volume of urban population is expected to increase substantially. If the present tendency towards a concentration of urban population in large cities continues, an improvement of the already inadequate standards of public utilities, housing and other amenities will be extremely difficult.

III

There has been some studies to date to measure the economic benefits of a birth averted (8,9,10,13,23). It is estimated that the benefit-cost ratios of the various family planning programmes range between 10:1 and 30:1 (4). Dr. A.R. Khan estimated benefit-cost ratio for Bangladesh Family Planning to be 16:1 (13). The basic approach to the benefit-cost analysis of a fertility decline is that a decline in fertility now will generate a stream of future benefit in terms of per capita consumption and savings. The future series of benefit are expressed as present value which is compared with the present cost of causing fertility decline, and a measure of net benefit of fertility decline thus obtained. The need for discounting the future benefit arises because the consumption now is always preferred to consumption in the future. For India, Enke calculated that costs (total consumption) of a new born was substantially higher than the benefits (total product) generated by him/her, and thus the births were excessive. The value of an additional birth was negative because (i) many children do not survive to working age and hence they only consume, (ii) the marginal product of the additional worker may be considerably less than the average product, whereas the consumption is based on average rather than the marginal product and (iii) production is more heavily discounted than the consumption because the latter begins with birth and the former begins years later (24). But in such an approach, problems arise as to the extent of discounting the future magnitude and the relevant time-horizon that is to be used. There is no empirical finding or testing of the monetary weights that are used for ascertaining the benefits.

There is still another approach in ascertaining the economic benefits of fertility decline. This is through macro-economic model showing interaction of fertility trends with some key economic magnitudes as consumption, savings, employment, income per capita etc. in some projected future years. The alternative time paths of income per capita with and without fertility decline are compared and the difference is taken to be a measure of benefits of fertility decline. It has been shown in these studies that fertility reduction amounts to a per capita advantage of around 3-5% in ten years of initial fertility decline, 15-25% in twenty years and 25-50% in thirty years (7, 11, 12, 21)

indicating that fertility is an important development variable and that the advantage of a reduced fertility is cumulative, and widens as we move farther in the time path from the date fertility reduction is first initiated.

A decline in fertility implies that, compared to the population in the corresponding age without fertility decline, the number of persons under 1 will be smaller in the first year of fertility decline, that under 2 will be smaller in the second year of fertility decline and so on. Thus during the first fifteen years of fertility decline the number of persons under 15 will be substantially lower than the corresponding number without fertility decline, while the number of persons in the labour force age group, i.e., 15-64, in the two populations will remain same. Beginning with the sixteenth year of fertility reduction there will be only slight and then widening differences in the number of labour force aged 15-64 in the two populations. It will take sixty-five years before the number of persons aged 64 will be different in the two populations.

For the purpose of comparing a population with fertility decline with that without fertility decline, we adopted the population projections for Bangladesh as prepared by Bean et al. (3). Of the existing projections, these projections are most appropriate for our purpose because, mortality assumptions being same, varying assumptions regarding fertility decline in the projections chosen will provide us the basis for evaluating the implications of fertility decline. The three alternative population projections that are considered had the same initial size and age sex composition in 1965. Mortality in terms of expectation of life at birth improved, in all the projections, from 52.89 years for males and 51.98 years for females in 1965-70 to 60.75 years for males and 63.78 years for females in 1980-85, thereafter unchanged. Fertility in projection I remains unchanged at its 1960-65 level of Gross Reproduction Rate 3.84; in projection II remains constant till 1970 then declines 30% linearly till 1985 and remains constant thereafter; in projection III declines 50% linearly between 1965 and 1985 and remains constant thereafter. For the purpose of indicating the relative advantage of fertility decline, the deaths due to the cyclone in November 1970 and Pakistan army crackdown during the occupation period March 25 to December 16, 1971 are not so important and will be ignored; also ignored will be the net external migration between Bangladesh and the

rest of the world. Projection I is a case of unchecked fertility, projection II is a case of moderately declining fertility and projection III is a case of fast declining fertility. The growth rates of all persons, 0-14 (child age group), 15-64 (labour force age group) and 65 (old age group) and the child dependency ratios defined as person aged 0-14 per 100 of persons aged 15-64 obtained for the three separate projections are shown in Table 1, while the ratios of the age group 0-14, of 15-64 and of all persons in the alternative population projections are shown in Table 2.

The short run effect of a decline in fertility is to reduce the child dependency burden. Thus the child-dependency ratio in the fast declining population was 94.9% of that without fertility decline in the 5th year of the fertility decline, 85.2% in the 10th year of fertility decline, 72.6% in the 15th year of fertility decline, 61.77% in the 20th year of fertility decline, 56.0% in the 25th year of fertility decline and 53.6% in the 30th year of fertility decline. Whereas 120 children aged under 14 were to be supported by 100 persons aged 15-64 under unrestricted fertility projection, under fast declining fertility projection only 65 such children were to be supported by 100 persons aged 15-64 in 1955. Starting with the fertility decline there develops first a marked and then a widening difference in child-dependency ratio between the two populations in the short-run of about 15-20 years.

The full implications of a reduced fertility cannot be shown in population projections covering for a period of 30 or 35 years. They could be best shown with population projections covering a period of 100 years and over. However we can maintain that starting with the fifteenth year of fertility decline there develops of a new element, a lowering of the labour force age persons in the reduced fertility population, compared to one without fertility reduction.

It can be seen in Table 1 that in 1995-2000, compared to a rate of growth of labour force age population of 4.8% per annum in the unrestricted fertility projection, the growth of the labour force age population in the fast declining fertility projection will be only 2.4% per annum. In the year 2000 the labour force age population in fast declining projection will be only 75%, and in the moderately declining fertility projection 87%, of that in the unrestricted fertility projection (Table 2). The advantage of reduced fertility in the labour force age population, if may be hypothesized, will be widening during the period

say 15 to 20 years and 65 to 70 years after the fertility decline. This period may be termed as intermediate period and the period after 65 to 70 years of fertility decline as long-term. It has been shown in a similar exercise that, whereas the rate of growth of the labour force age population in high fertility projection remains at about 4% per year, the rate of growth of the labour force age population declines to little over 1% by the end of the intermediate period. In about 150 years, persons 15-64 in the high fertility population grows over 18 times the corresponding size of persons in the reduced fertility population. In the long run difference in the density of labour force or total population relative to the resources of the country assumes overwhelming dimensions. In less than three hundred years, the high fertility population would be one thousand times bigger than the low fertility population (6. pp. 52-53).

The economic advantage of reduced fertility in the short run in terms of lowering of child dependency ratio imply that a lower proportion of national income to be spent on consumption that would be required in the absence of fertility decline. Less on consumption imply more saving that can be mobilized for net investment, i.e., for enhancement of future productivity. Given the same total national income, the population with reduced fertility will thus not only have the potentiality for higher rate of savings in the short run, it will also have fewer population to share the total national income so that the per capita income will be higher in the population with fertility decline. Contrariwise, families with large number of children find it difficult to save; the volume of savings is reduced and hence the level of net investment. Higher fertility also reduces the ability of the government to raise funds through taxation. It also creates social pressure on the government to spend more on welfare of the people and to maintain a minimum standard of consumption.

The advantage of higher per capita income generated in the short-run cumulates into a substantial per capita income advantage in the intermediate period and in the long run through reduced rate of growth of labour force age group/total population. Relative to constant high fertility, declining fertility will make it easier to provide more employment and help solve the problems of unemployment and underemployment because of higher income per capita and a substantially lower rate of increase of labour force age population in the intermediate

period. In the long-run the per capita income advantage in the low fertility population will be overwhelming. "The additional gains in per capita income resulting from a fifty per cent reduction in fertility occurring within twenty-five years would be about forty per cent in thirty years, 100 per cent in sixty years and 500 per cent in 150 years, neglecting effects of density" (6, p. 68). If the density of resources per worker is considered, the population with unrestricted fertility will be faced with a more acute problem of resources per worker; and the advantage accruing to lower fertility, relative to high fertility, will be still more spectacular.

IV

Today family planning action programme is characterized by inactivity and it seems the Planning Commission is to bear major responsibility for this inactivity.

The Plan aims at bringing the birth rate or the population down to 43 by the end of the Plan period from its present level of 47 per thousand population, but does not provide a mechanism for achieving the goal. It mentions of the contraceptive methods and of couple registration but does not outline year to year target of methods to be provided or the number of couples to be covered under registration.

The most serious shortcoming of the Plan is that it fails to outline an organizational set up responsible for formulating overall population policy, chalking out programmes and executing them. Under the scheme proposed in the Plan, each of the following Ministries is supposed to perform a part of the overall work related to population programme planning: The Ministry of Health and Family Planning is expected to be in charge of conventional family planning programme. Ministry of Education will develop curricula of population education. Ministry of Agriculture is to take up family planning and nutrition education in its agricultural extension programmes. Ministry of Rural Development is to develop women cooperatives for increasing functional literacy and providing family planning education. Ministry of Labour and Social Welfare is to take up programmes on education and motivation of population and family planning, and the Ministry of Information and Broadcasting will have programmes for dissemination of information regarding population problem and family planning through the various mass media.

But the problem is that each Ministry is to approach Planning Commission for funds against a specific proposal. Planning Commission expects the concerned Ministries to submit proposals every year for performing specific activity related to population planning programme. But why should a Ministry do so? It should be realised that, unlike an industry or commercial organization, a Ministry in the government does not work on profit basis and is unlikely to be interested in going through the rigors of project formulation and its implementation on its own, unless it is made obligatory on it through a well designed mechanism—simple and effective. Furthermore, population planning programme as a multi-Ministerial responsibility is likely to end up as a responsibility of no Ministry at all. Every Ministry has its own usual job to perform, and the work on population planning programme is something extra which a Ministry may or may not be obliged to do.

In order to make population planning a viable proposition, one and only one organization (and the executive head of the organization) has to be made directly and exclusively responsible for policy formulation and execution of the population planning programme. Such an institutional provision is lacking in the First Five Year Plan document, and without it any population planning programme in Bangladesh is destined to fail.

In the area of family planning action programme, evaluation and research there were such organizations as Family Planning Board, Inspection Directorate, Post-partum Directorate and TREC (Training, Research and Evaluation Centre). The Planning Commission has conveniently omitted them from mentioning at all in the Plan document.

What does the integration of the family planning with health mean? In terms organizational set up, it means that Family Planning Board, instead of remaining as an autonomous and viable organization responsible for actual implementation and execution of the family planning programme, will now be a subordinate body to Health. Instead of a District Family Planning Officer remaining the executive head of the district family planning office, while the Technical Officer being responsible for clinical aspects of family planning, District Technical Officer will now be the executive head for the district family planning programme. Similarly instead of the Thana Family Planning Officer being responsible for programme implementation, the Thana Health Officer will now be

the executive head of the family planning programme at the thana level. Is this not likely to create bad moral and administrative bottle-neck at each level of family planning programme implementation? In the name of integration have we not called upon the already overburdened physicians to do the extra job of administering the family planning action programme? What about motivation? Are the doctor themselves motivated for family limitations? Because of the maladjustment created by swapping of executive responsibility between Family Planning Officer and Technical Officer, because of the heavy burden of the multifarious work the government medical officers are called upon to perform, because of lack of a system for evaluation of the performance of the officers themselves at the head office and at the district and thana level offices and, above all, due to lack of a viable organizational set up, the action programme of the government has now come to almost standstill position.

This degraded position of Family Planning cannot and will not improve unless it is made free of direct control of the Health. In order to be viable the Family Planning has to be made an independent and autonomous organization—an organization parallel to Health—if it is to remain within the Ministry of Health. In fact the gravity of the situation is such that all activities of the population planning including action programme, education, motivation, research and evaluation should be bought under a separate Ministry which may be called Ministry of Population and Family Planning. Otherwise, I would like to warn you, if the present statemate in population action programme continues, the country will soon face a grave disaster.

TABLE—1
GROWTH RATE AND CHILD-DEPENDENCE RATIO UNDER
THREE ALTERNATIVE POPULATION PROJECTIONS¹ FOR
BANGLADESH, 1965-1995

Population Projections	July 1						
	1965	1970	1975	1980	1985	1990	1995
Projection I	Growth Rate ²						
All ages	3.6	4.1	4.5	4.6	4.6	4.6	4.7
0-14	3.3	4.3	5.3	5.2	4.8	4.6	4.7
15-64	4.0	4.0	3.6	4.0	4.4	4.7	4.8
65 +	2.9	2.7	3.5	3.5	3.4	3.3	3.2
Projection II							
All ages	3.6	3.7	3.6	3.3	3.5	3.6	3.5
0-14	3.3	3.4	3.6	2.3	3.2	3.4	3.7
15-64	4.0	4.0	3.6	4.0	3.9	3.7	3.4
65 +	2.9	2.7	3.5	3.5	3.4	3.3	3.2
Prejection III							
All ages	3.1	3.1	2.9	2.5	2.6	2.6	2.5
0-14	2.2	2.1	2.0	1.	1.6	2.0	2.6
15-64	4.0	4.0	3.6	3.4	3.2	2.9	2.4
65 +	2.9	2.7	3.5	3.5	3.4	3.3	3.2
	Child-Dependency Ratio ³						
Projection I	104.8	101.5	102.9	111.7	118.5	120.6	120.1
Projection II	104.8	101.5	98.4	98.4	92.8	89.0	87.4
Projection III	104.8	96.3	87.7	81.1	73.1	67.5	64.4

¹Population projections assume declining mortality and I—constant fertility, II—constant fertility till 1970, then 30% linear decline to 1985, constant thereafter, and III—fertility declining linearly between 1965 and 1985, constant thereafter.

²Per cent yearly average for five years beginning with the date in each column.

³Population (0-14) x 100/Population (15-64).

TABLE 2
 RATIO OF CHILD-AGE GROUPS, WORKING AGE GROUPS AND ALL PERSONS IN
 ALTERNATIVE POPULATION PROJECTIONS FOR BANGLADESH, 1965-2000

Population Projections	July 1							
	1965	1970	1975	1980	1985	1990	1995	2000
Projection III/Projection I	1.000	0.949	0.852	0.726	0.599	0.514	0.453	0.409
Projection II/Projection I	1.000	1.000	0.957	0.881	0.783	0.721	0.679	0.646
Projection III/Projection II	1.000	0.949	0.890	0.824	0.766	0.713	0.667	0.633
				Child-Age Group (0-14)				
Projection III/Projection I	1.000	1.000	1.000	1.000	0.972	0.918	0.844	0.752
Projection II/Projection I	1.000	1.000	1.000	1.000	1.000	0.976	0.932	0.873
Projection III/Projection II	1.000	1.000	1.000	1.000	0.972	0.941	0.905	0.862
				Working Age Group (15-64)				
				All Persons				
Projection III/Projection I	1.000	0.975	0.927	0.859	0.776	0.704	0.638	0.574
Projection II/Projection I	1.000	1.000	0.979	0.939	0.885	0.840	0.798	0.754
Projection III/Projection II	1.000	0.975	0.947	0.915	0.876	0.838	0.800	0.761

Population projections assume declining mortality and I—constant fertility, II—constant fertility till 1970 then 30% linear decline to 1985 constant thereafter, and III—fertility declining linearly between 1965 constant thereafter.

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Population Planning for Bangladesh : A Review of the Strategy Adopted in the First Five Year Plan

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Population is frequently mentioned as the most important concern for planners of economic development. Yet we find that the chapter on "population planning programme" comes last in the sizeable plan document. The treatment that population gets there is not too much unlike the treatment the poor voters with great expectations get immediately after an election. It is summarily dealt with. No evidence is provided to substantiate the estimate of the birth rate of 47 per thousand and the death rate of 17 per thousand. So far we had been under the spell of the estimate of a decade ago and had the notion that these rates would be in the neighbourhood of 57 and 27 respectively, thus still giving the convenient figure of 3 per cent growth rate as desired by the Planning Commission. But the Commission seems anxious to testify to the grand success of the Family Planning Programme of bygone days. How else can the fall in the birth rate from 57 to 47 per thousand be explained? Yet, we find that the weaknesses of the "Past Programme" are enthusiastically enumerated in order to provide enough arguments for introducing a novel approach involving the integration of the family planning programme with the health programme (stimulated by the slogan of "family welfare") at the family level. The goal announced is to achieve a birth rate of 43 per thousand while the death rate would naughtily decline from the present 17 to 15 per thousand, (Also for the population Planning Programmers. Had the death rate not been expected to decline, the population growth rate would have been 2.6 instead of the expected 2.6 per cent). One stupid question must not be raised here ; that is ; how can a programme that lowers the birth rate by only 4 points be called better than a programme that appears to have lowered (if it has done so) it by 8 or 10 points (from 55 or 57 per thousand of the decade old estimate

to 47 per thousand of the Planning Commission estimate). It seems to be a stupid question, since the families would now derive the extra benefit of health care along with family planning. For this extra benefit some sacrifice is reasonably called for. But the question should, nevertheless, be apprehended. May be, we can deal with it summarily (*Argumentum ad baculum*, logicians may call it).

The villain of the piece is, nevertheless, the rate of death or mortality. Apart from what happened in 1971, has it really declined? The factors that are usually associated with a decline of mortality are income increase, increase in food supply per capita, improvement in water supply, the control of epidemics, improvement of public health facilities (including sewerage and drainage), the widespread use of preventive medicines, etc. If we take them one by one, it is easily found out that the per capita income has declined, per capita availability of food has declined, there is no evidence of any substantial improvement in water supply, epidemics continue to be there (particularly after floods which are a regular feature of our national life), there is no evidence of public health facilities having improved (we still see wayside eating places with food articles kept open to flies and dusts right in the national capital; and the number of these eating places is increasing), preventive medicines, like all other medicines, are playing hide and seek with us, etc., etc., ... Where is the evidence of a decline in death-rate? It is possible that the Sanitary Inspectors at the Thana level have sent some figures which have convinced the Planning Commission of their veracity. I have no reason to be so convinced; so I remain a believer in a 25 or 27 per thousand death rate being still the data for Bangladesh. With evidences of a lowered death rate having led to a decline in the birth rate in some other parts of the world, I would have been happy to be convinced of a decline in the mortality level, since that, by itself, would call for some optimism in the long run, (And we all know that population control is a long run affair).

An interesting piece of statistics may be cited here. Early this century, Russia had a birth rate (CBR) of 46 per thousand. After the revolution of 1917, propaganda campaigns in favour of high birth rate were launched. In spite of all that, the crude birth rate declined to 26 per thousand in 1956. Now, of course, the rate is still lower. In all the industrialised countries of the world, the birth rate is about 20 per thousand or lower. Many demographers believe that the birth rate decline is never an isolated phenomenon (please forgive

my awkward English). They say that it is associated with a number of other social and economic phenomena. A section of these demographers uphold what they call the theory of demographic transition which is sought to be represented in terms of stages.

These demographic stages are supposed to coincide with particular stages of social development as noted below :

	Stage I	State II	Stage III
Type of society:	preindustrial, primitive or agricultural	beginning industrialisation, economy mixture of industrial and agricultural	Modern, urban, industrial
Type of birth rate	high	high, then gradually declining,	lower and controlled
Type of death rate	high; subject to sharp fluctuations.	rapidly declining.	very low.
Type of demographic process	high growth potential,	transitional.	incipient decline; stationary

What we can possibly take from this theory is that the aim of a decline in population growth can be achieved by making an all-out effort of bringing about a transition in our society. We are still in stage I. If we can get to stage II, something may be expected to happen to the birth rate in our society too (i. e., it may be expected to decline). I do not suggest that we stay quite until we achieve the transition from stage I to the later stages as noted above. Piecemeal efforts at reducing the birth rate may well have an impact. But let us be realistic enough to recognise the lesson of history; no society has ever achieved a low birth rate corresponding to stage III without adequate social and economic progress that corresponds to that stage. Raising the age of marriage, women's gainful employment outside home, etc., are all related to such progress. Mere propaganda will not be enough to persuade the people—the large majority of whom live in their own worlds without the impact of written language—that family planning is a must for a happy life.

Population Policy in the First* Five Year Plan

By

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The paper makes a critical discussion of the population policy in the First Five Year Plan of Bangladesh. It starts by raising the question whether the population policy as given in Chapter 16 of the First Plan is socialistic in nature or not. It then briefly discusses socialistic outlook to population growth before starting to answer the above question. It is observed that the population policy in the First Plan is not socialistic in spirit and is based on a pessimistic and one-dimensional outlook. It is then shown that the whole programme with an outlay of 83.4 crores taka, if fully successful, will reduce the growth of population by only 4 lakh which gives a high price of about 2100 taka for every addition averted. Considering the bigness of the problem it is maintained that the reduction in total addition is unlikely to ease the situation appreciably.

The paper then refers to the fundamental spirit of a socialistic economy and argues that it would be more realistic and in line with our stated objective of attainment of socialism to divert the huge amount to gear up production, possibility of which is quite good. This will unleash the productive potentialities of our people.

It is more clear that the author is not himself advancing arguments in favour of a socialistic population policy. Socialism is one of our four state principles and the planners started by referring to it in the first page of the Plan. It is necessary, therefore, that the Plan is consistent with the above objective.

The paper concludes by saying that the population policy in the First Plan sprang from a gloomy outlook to population growth and a lack of confidence in the strength of socialism. It is a capitalistic population policy sugar coated with the slogan of socialism.

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**The author is grateful to the members of the teaching staff of the Department of Economics and to Mr. Anwarul Islam of the Department of Sociology, University of Rajshahi, for their valuable comments on the paper.

‘সামাজিক নিরাপত্তা ও জন্ম-বিয়ন্ত্রণ’

অধ্যক্ষ আলীহায়দার চৌধুরী

রাশিয়া, চীন, অস্ট্রেলিয়া, কানাডা, মার্কিন যুক্তরাষ্ট্র প্রভৃতি দেশ আয়তনে বিশাল। অস্ট্রেলিয়া আয়তনে বাংলাদেশের মত পঞ্চাশটি দেশের চেয়েও বড়, অথচ লোক সংখ্যা ছুই কোটিরও কম। পঞ্চাশত্রে বাংলাদেশের লোক সংখ্যা সাত কোটিরও বেশী।

অস্ট্রেলিয়া, মার্কিন যুক্তরাষ্ট্র, কানাডা সুইডেন প্রভৃতি দেশে সামাজিক নিরাপত্তার সুদৃঢ় ব্যবস্থা আছে। এই সকল দেশে শিক্ষিতের হারও শতকরা একশত জন। তাছাড়া উক্ত দেশ সমূহে বাধাতামূলক বিবাহ নিয়ন্ত্রণের বিধিও বলবৎ রহিয়াছে। কিন্তু আমাদের দেশে এইগুলি অনুপস্থিত। ফলে, আমাদের দেশে ‘পরিবার পরিকল্পনা’ তথা ‘জন্মনিয়ন্ত্রণ’ সফল হইতেছে না। আমাদের মনে রাখা প্রয়োজন যে, যে সকল অবস্থায় ও পরিবেশে ‘জন্মনিয়ন্ত্রণ’ অসম্ভব দেশে সফল হইয়াছে, আমাদের দেশেও সেই পরিবেশ সৃষ্টি করিতে হইবে। ইহা ব্যতীত আমাদের দেশে এই প্রকল্প কখনও কার্যকর হইতে পারিবে না।

সামাজিক নিরাপত্তা কি ?

কোন ব্যক্তি যখনই কোন প্রকার আর্থিক সাহায্যের জন্ত সমাজের উপর নির্ভর করিতে বাধ্য হয়, তখন সেই সাহায্য দেওয়ার জন্ত সমাজের পক্ষ হইতে সরকার কর্তৃক উপযুক্ত ব্যবস্থা করিতে হয়। এই ব্যবস্থার নামই ‘সামাজিক নিরাপত্তা’। যেমন অনাথ শিশুদের লালন-পালন, খাজ, বস্ত্র, বাসস্থান, খাওয়া, ঔষধ, শিক্ষা ইত্যাদির ব্যবস্থা করা। বেকার লোককে বেকার ভাতা দান, রুগ্ন ও অচল ব্যক্তি এবং বৃদ্ধদের ভরণ পোষনের জন্ত নিয়মিত ভাতা প্রদান ইত্যাদির ব্যবস্থা করা।

উক্ত দেশ সমূহে এই সকল সুবিধা রহিয়াছে বলিয়া জনসাধারণ অযথা ও অনর্থক সম্ভ্রানের সংখ্যা বৃদ্ধি করিয়া আর্থিক ও সামাজিক সমস্যার সৃষ্টি করে না। উক্ত দেশ সমূহে মা-বাপ সম্ভ্রানের উপর মোটেই নির্ভরশীল নহে, বরং তাহারা এই ব্যবস্থাকে অত্যন্ত অবমাননাকর বলিয়া মনে করেন। অহরূপ ভাবে প্রাপ্ত বয়স্ক হলে মেয়েরাও মা-বাপের উপর নির্ভরশীলতাকে লঙ্ঘন কর মনে করে। কিন্তু আমাদের দেশে এই পরনির্ভরশীলতাকে অপমান জনক বলিয়া কখনও মনে করা হয় না। বরং এই ব্যবস্থাকে গৌরবজনক বলিয়া মনে করা হয়।

আমাদের দেশে মা বাপ যখন বিপদে পড়ে, অসুবিধায় থাকে, রুগ্ন, অচল কিংবা বৃদ্ধ অবস্থায় পতিত হয় তখন তাহারা বিনা দ্বিধায় পুত্রদের—এমনকি কোন কোন ক্ষেত্রে কন্যাদের গলগ্রহ হওয়ারকেও অপমানজনক মনে করেন না।

আমাদের দেশের জনসাধারণ পুত্র সন্তান কামনা করে এই আশায় যে, ভবিষ্যতে বিপদে পড়িলে পুত্রের নিকট আশ্রয় পাইবে। পুত্রগণ রোজগার করিয়া মা-বাপকে ঋণগ্রহীতে অথবা মা-বাপের হাতে সমস্ত আয় তুলিয়া দিতে বাপের সাথে ক্ষেত-খামারে কাজ করিবে। বংশ রক্ষার জন্যও অনেকে পুত্র-সন্তান কামনা করিয়া থাকে।

আমাদের সমাজ জীবন হইতে এমন অনেকের দৃষ্টান্ত দেখা যায় যে পাবে তাহারা পুত্র-সন্তানের জন্মের আশায় জন্মনিয়ন্ত্রণ না করিয়া দুর্ভাগ্যবশতঃ কন্যা সন্তানের সংখ্যা বাড়াইতে থাকেন। আমার পরিচিত কয়েকজন ভ্রাতৃলোকের প্রত্যেকের ১২।১৩ টি কন্যা সন্তান রহিয়াছে এবং এখন পর্যন্ত তাহাদের কোন পুত্র সন্তান জন্মে নাই।

পুত্রই হউক কিংবা কন্যাই হউক শুধু দুইটি সন্তান হওয়ার পর কোন মা-বাপ স্থায়ীভাবে জন্ম নিয়ন্ত্রণ করিতে চাহে না। কেননা, যদি কোন কারণে এই সন্তান অকালে মারা যায় তাহা হইলে বাপ-মায়ের ভবিষ্যৎ একেবারেই অন্ধকার। কিন্তু আমাদের দেশে যদি সামাজিক নিরাপত্তার ব্যবস্থা থাকিত, তবে এ দেশের বাপ-মায়ের মনে 'তাহাদের ভবিষ্যৎ অন্ধকার'—এই ধরনের কোন প্রভুই জাগিত না। সুতরাং, আমাদের দেশে 'পরিবার পরিকল্পনাকে সাফল্য-মণ্ডিত করিতে হইলে নিম্নোক্ত ব্যবস্থাদি অবশ্যই গ্রহণ করিতে হইবে।

(১) তাহারা মাত্র দুইটি সন্তান হওয়ার পরে স্থায়ীভাবে জন্ম-নিয়ন্ত্রণ করিবে তাহাদিগকে এক হাজার টাকা পুরস্কার এবং সামাজিক নিরাপত্তার গ্যারান্টি, যথা—বেকার ভাতা, রুগ্ন ও অচল ভাতা এবং বৃদ্ধকালীন নিয়মিত ভাতা ইত্যাদি দিতে হইবে।

(২) অধিক সন্তান হওয়ার বিপদ সম্পর্কে জনসাধারণকে ছ'শিয়ার করিতে হইবে।

(৩) বিবাহ নিয়ন্ত্রণ করিতে হইবে এবং বহু বিবাহ প্রথা বন্ধ করিতে হইবে।

(৪) স্ত্রী শিক্ষার (পরিবার পরিকল্পনা সক্রিয় শিক্ষাসহ) ব্যাপারে উল্লেখ-যোগ্য ব্যবস্থা গ্রহণ করিতে হইবে।

(৫) প্রাইমারী ও মাধ্যমিক শিক্ষায় পরিবার পরিকল্পনা অবশ্যই পাঠ্য-পুস্তক অন্তর্ভুক্ত করিতে হইবে।

Family Planning Security Scheme for Poor Families

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Based on various projections the population picture of Bangladesh may be viewed as follows :

POPULATION OF BANGLADESH

(in million)

Year	Under 15 Years	Productive Group 15-39 40-64	65 Years and Above	Total	Fertile Couples	Highly fertile Couples with Many Repro- ductive Years Ahead
A. Without adoption of family planning						
1975				89	14	10
1985	68	48	16	4	135	
2000				210		
B. With adoption of family planning						
1975				85		
1985	52	46	16	4	118	
2000				169-189		

LABOUR FORCE AND EMPLOYMENT

Year	Available Labour Force (@ 35% of the pop.)	Fully employed	Un and Under Employed Labour Force	Total
A. Without adoption of family planning				
1975	31	20	12	69
1985			19	90
2000				151 or more
B. With adoption of family planning				
1985			19	75

FOOD REQUIREMENTS

Year	Population (million)	Rice/food grain (million tons)	
1970	72.4	11.8	(actual)
1975	89.2	16.0	(projected and self sufficiency)
1980	106.5	19.1	
1985	127.9*	22.9	
1990	152.0	27.3	

From this population picture it is seen that the population in Bangladesh has already reached an unbearable size and created an alarming situation. The population is growing at a rate of about 2.2 millions per year requiring an increase of more than 0.4 million tons of food grains annually. The population explosion in the country depicts a most dreadful future. This situation is so grave and severe that this explosion must be stopped and stopped at the earliest, if required, through some non-conventional methods. The First Five Year Plan has more particularly recognized the gravity of the situation and stated that "The growth rate and the age-characteristic of our population suggests that we must...formulate a set of bold and, if necessary, drastic policies for vigorous action with a view to reducing this high rate of population growth within a reasonable time. No civilized measure would be too drastic to keep the population of Bangladesh on the smaller side of 150 millions (in the next 30 years) for sheer ecological viability of the nation".

For one reason or the other all the clinical and non-clinical measures other than sterilization through vasectomy or tubal ligation suffer from inconveniences particularly for the poor families who have very poor housing conditions and no access to the materials and services, and consequent lack of certainty of birth control. But sterilization is the most certain method of birth control and most convenient particularly for the poor families. Moreover, the methods of vasectomy and ligation are already known to the people. If these methods are medically considered sound for health, and I have the information that it is, then these should be emphasized for the poor families.

*Another projection is 135 million,

The central theme of the plan is "attack on poverty". As a result the poor section of our population, perhaps, deserves special attention in matters of birth control measures as a means of their living conditions. Therefore, all-out efforts must be made through motivation and incentives to attract the poor section for adopting these measures. The most effective incentive in this respect will be to ensure security against future economic and social hazards in the absence of large family. Keeping this in view I believe there should be a family planning security scheme for the poor families in the country. Under this scheme if any couple having maximum of two children and many more reproductive years ahead adopts sterilization (vasectomy or ligation) the person adopting the measure will be entitled to a monthly payment in cash from the state for a long period of years from the date of operation. In addition, it will accompany other non-monetary incentives. This measure will, thus, serve the purpose of achieving the twin benefit of welfare of the poverty stricken population and increase in the national per capita consumption and growth.

The poor families for this scheme have to be defined and the amount of monthly payment has to be carefully decided so that it outweighs the risk of future economic and social uncertainties, and at the same time it does not discourage the member(s) of the family from giving at least the present level of productive labour. Also the length of period for the benefit should be enough to cover the part of the old and retiring age of the person.

THE BRIEF OUTLINE OF THE SCHEME

Objective :

Improvement of the living conditions of the poor section of the population by arresting the birth rate through the means of sterilization.

Applicability

1. Poor families mostly in the labouring section or others below the poverty line to be defined.
2. The couple must have not more than two children but have many reproductive years ahead.
3. The person (wife or husband) must be medically qualified for the sterilization.

4. The couple must jointly apply for the sterilization under the scheme.

Benefits

1. The person (husband or wife) sterilized will be entitled to get a monthly cash payment (amount to be decided) for a long period of years (years to be decided) from the date of sterilization.
2. At the death of the recipient his or her dependants are entitled to enjoy this benefit for the remaining period.
3. The benefit will be available so long as the incumbent (or the dependants, in case of death of the incumbent) is not criminally convicted.
4. The cash benefit is payable through the bank of the incumbent. In addition the person sterilized will be entitled for free medical care for any future complain in connection with this operation.

Implications

The target families under this scheme are those poor couples who are highly fertile with many reproductive years ahead but do not have more than 2 children. If there are about 2 million such couples out of a total of 10 million highly fertile couples in the country at present, and if monthly cash payment is fixed at 25/- taka per month for 20 years then the implication will be as follows ;

Additional Costs

Monthly payment Tk. 25 plus monthly administrative and other costs	Ta. 5.
Total cost for 2 million cases per year	Ta. 720/- million.
Total cost for 2 million cases for 20 years	Ta. 14,400/- million.

Consumption Expenditure Saved

If the sterilization on the average stops the birth of at least 2 future children per couple then the sterilization of 2 million couples will stop the birth of 4 million children. If the average longevity of our people in the country is 30 years then the food grain requirement saved will amount to a minimum of 20 million tons (for 4 million mouths for 30 years @ 16 oz per person per day). Added to this are the requirements of medical services, housing, school facilities, clothing etc. In fact in a situation where there already exists a tremendous amount of under

employment and an addition of a new child only contributes to the number of economically unused population, the control of new birth and thereby reduction of the consumption requirements to that extent may be regarded as a net addition to the per capita income and growth.

Conclusion

In view of the severity of the problem, the family planning program in the plan with a total financial outlay of Tk. 700 million (1.8% of the plan) is extremely meagre and frustrating. The program has to be extended and positive attempts must be made to reduce the growth faster than has been envisaged at 0.2 per cent by the plan period. Therefore, this security program may be considered and included in the plan as crash program,

Population Planning Programme in the First Five Year Plan of Bangladesh (1973-78)

By
KHALEDA SALAHUDDIN

It is not surprising that population growth occupies an important place in the complex of social and economic development. For Bangladesh where man-land ratio is already one of the highest in the world and where population has been growing at a very high rate of 3.15% per annum, jeopardising the ecological viability of the nation. Any exercise in economic development will be meaningless if this root problem is not effectively tackled. Fortunately, our planners showed considerable awareness of the importance of population control in the First Five Year Plan.

This paper will make an attempt to review the population planning programme contained in the plan.

Let us start our analysis by quoting some of the basic statements made in the plan on our population.

"The population of Bangladesh according to 1961 census was 5.28 crores. It has been growing at a very fast rate and the estimated population in January, 1973 was 7.40 crores. The present estimated rate of natural increase is as high as 3.0 per cent with birth and death rates of 47 and 17 per thousand. Growing at this constant rate population will double itself in 23 years and by 1966, the population density would be 2,680 persons per square Mile. At present nearly half of the population is under 15 years. With this.....rate of population growth, the percentage of dependent population will increase aggravating already unfavourable population structure. Such a high dependency ratio is not conducive to the growth of the economy as it will neutralise much of the gains obtained due to development efforts."

This, indeed, is a frightful demographic picture of Bangladesh. And we agree with the planners that this high rate of growth is likely to continue frustrating our development efforts unless radical preventive measures are taken immediately.

Now, we have a few words to say about some of the demographic projections made in the plan. Our Planners, most probably, have used the report on population planning prepared by the "UNROD Study Group" in 1972 which was, based on the demographic projections developed by the Harvard University Centre for population studies. These projections were based upon official 1961 census adjusted for underenumeration and faulty reporting.

How reliable are the data used in projecting population growth in the Plan ?

The primary source of demographic data in Bangladesh is the national population census usually taken once in every ten years. The other sources of data are the sample survey conducted by the Bureau of Statistics and come other organisations and agencies. The quality of data collected through the registration of births and deaths is very poor for any useful analysis. Almost all censuses suffer from some degree of underenumeration (and at times overenumeration). In our case the degree of underenumeration is sufficiently high. Though we do not have any separate figure for Bangladesh at the moment, the then all Pakistan Census authorities maintained that the under enumeration in the urban areas in 1951, was to the extent of 5% (Pakistan, Census of Pakistan, 1951, Census Bulletin No.6, P-70) and in the 1951 census between 5% to 8% (Pakistan, Census of Pakistan, 1961, Vol.I, pp-1 - 15). This conclusion was arrived at by using demographic techniques on the observed age-sex distribution.

The UNROD report on population planning prepared in 1972 which presenting the demographic picture of Bangladesh remarks that the census data on Bangladesh with which demographers have been working are over ten years old (at the time of preparing the report). Their projections are qualified by so many assumptions and involve so many adjustments that the full import of these analyses is obscured. In the circumstances, the estimate of Bangladesh population for the recent years with which our planners had to work remains more or less conjectural.

Dr. Masihur Rahman Khan in his study, "Demographic Profile of Bangladesh" (3) has presented estimated birth and death rates and the natural rate of population growth during 1901-1965.

The birth rates have been obtained from the Comparable Census age data corrected for external migration and the unusual

deaths in 1918-19 due to the influenza epidemic and in 1943 due to the Bengal famine and adjusted inter censal growth rate, through the use of quasi-table technique of estimation.

The estimated death rates and the rates of natural increase for the period 1901-11 through 1951-61 are obtained from the adjusted inter censal growth rates and those for 1962-65 assumed from the P.G.E. (Population Growth Estimation). Dr. Khan has estimated the birth and death rates and the natural rate of population growth at 50 per thousand, 18.5 per thousand and 3.15 per cent respectively in 1962-65, while in the First Five Year Plan the present birth and death rates and the natural rate of population growth have been shown as 47 per thousand, 17 per thousand and 3 per cent respectively.

To say the least, the need for an improvement in the quality of information on key demographic variables for use in development plans and particularly in formulating a population policy can not be over emphasised. However, the old estimates can be revised and updated as and when the results of the official population census 1974, are made available.

Now for the main objectives and the strategies of the population planning programme in the FFYP.

The main objective of the programme is to reduce the rate of population growth by 0.2 per cent by 1977/78. The financial allocation made for the population control programme is Tk. 700 million.

According to the First Five Year Plan projections total population of Bangladesh without family planning will be standing at 8.58 crore and with family planning at 8.54 crore.

Now, population in 1978 without family planning is expected to be 85.8 million.

Population in 1978 with family planning is expected to be 85.4 million.

Expected reduction due in population growth due to family planning is 0.4 million.

Allocation for family planning in FFYP (P.549 Table XVI-2) is
Tk. 700 million

Average Cost of checking one unit growth of population is
Tk. 1750

Growth over the plan period

- (a) without family planning is 15.9%
- (b) with family planning is 15.4%

Reduction in population growth due to family planning over the plan period is expected to stand at 0.5%.

It has been assumed in the plan that the birth rate will fall by 4 from 47 per thousand in 1973/74 to 43 per thousand while death during the same period will fall by 2 points from 17 per thousand to 15 per thousand. Demographers apprehend that due to the greater emphasis given of present to medicare and social welfare activities, the death rate might fall more sharply than assumed and the birth rate may fall more slowly than assumed or not at all, in which case the rate of population growth may not fall or in extreme cases may even rise.

Now, the strategies adopted in the plan to bring about the expected reduction in population over the plan period are as follows :

(i) To bring to every eligible couple the message of small family norm and family planning methods and to motivate them to adopt these.

(ii) To make available an adequate and timely supply of non-clinical contraceptives and to provide prompt and adequate clinical services at the clinics/hospitals.

(iii) To include non-family planning measures to move gradually to population planning and making it an integral part of the total development effort.

(iv) To establish an organisation with powerful leadership consistent with high national priority given to population control. All ministries and particularly those which maintain public contact should be required to undertake family planning education and motivation programmes of their own.

All political leaders, educationists, social workers and intellectuals have been urged to launch a gigantic educational and motivational campaign.

(a) The success of the whole programme has been made dependent on the success of the campaign to be launched by the various groups of people like political leaders, intellectuals, social workers etc. on a voluntary basis.

Again, the scheme will require a massive administrative organisation and a huge number of trained personnel which may not be available at such a short notice. The high level of administrative efficiency which will be required for the successful implementation of the plan may be conspicuous by its total absence. Further more, the medical service system which would be required is not yet developed.

Since the various ministries will draw up their own family planning programmes separately, it may give rise to difficult co-ordination problems which might hamper the successful implementation of the programmes.

(b) The scheme aims at large scale distribution of family planning materials to the rural as well as urban population. Although timely supply of family planning materials can be made available to the urban population, it is not known how a continuous supply of such gadgets can be kept up for the population. The mechanism of distribution (particularly for the rural population) has not been detailed.

(c) The problem of how to evaluate the success (or failure) of the scheme is crucial. The scheme represents a series of judgements and guesses on the basis of which action is to be formulated. Evaluation of the administrative effectiveness of the scheme involves :

A. (i) review of the reports (ii) investigation in cases where goals are not met (iii) spot checking to determine accuracy of reports.

B. Evaluation of the knowledge and attitudes of the public with respect to family planning from "attitudinal indices" (i. e., measuring public awareness in terms of the attitude of the entire adult population).

C. Evaluation of the "pay off" in terms of various fertility measures. The course of the fertility rates themselves must be traced if success is to be accurately measured. This can be done through measures termed as "resultant indices".

Both "attitudinal indices" and "resultant indices" (a very useful distinction made by Agarwala) are required if the scheme is to be evaluated accurately.

In the plan, evaluation has not been adequately spelled out.

In an attempt to check population growth at such a high rate, some legislative measures like raising the legal age of marriage, legalisation of abortion etc. have been recommended.

The plan also recommended the imposition of progressively increasing punitive measures against additional children after the second child on all couples.

Measures such as (i) restricting ration cards in statutory and modified rationing areas to a maximum of two children (ii) to debar couples from enjoying the benefit of fair price shops for more than two children per family. We do not know whether enforced family limitation measures would be widely accepted in view of the highly unfavourable socio-economic-setting in Bangladesh. The socio-economic-psychological barriers, the combination of poverty and deprivation with strong religious and social value in favour of high fertility, strong resistance to change make the setting the most difficult in the world.

No wonder, the planners only hope that the first phase of launching a major educational and motivational drive, if successful, should atleast create a climate where the possibility of more drastic measures may be considered.

Considerable success in family planning exercises in countries like Taiwan, Korea, Puerforico, Singur and Singapore goes to show that progress towards modernity goes a long way in declining the fertility rate in a community. Most of these areas are characterised by low death rates (10 or under), high rate of female literacy (50% or over), advanced state of education, urbanisation and so on.

If, however, the pace of modernisation of the non-industrialised rural society of Bangladesh can be speeded up by improving the status of women through increasing educational and employment opportunities, making provisions for financial support for old age, using incentives in support of small families and accelerating the modernising process, there is no reason why we cannot have the same inspiring experiences as the above mentioned countries already have had in the recent past.

Our present level of population and its rate of growth are causing enormous pressure on the land and the resources of our country. The man land ratio in Banglanesh is one of the highest in

the world. The present rate of population growth at 3.15 per cent will double it in 23 years and treble it at the beginning of the next century.

Our planners opined that no civilised measures will be too drastic to keep the population of Bangladesh on the smaller side of 15 crores if we want to exist as an ecologically viable nation. It will require the attainment of zero rate of population growth within the next 30 years, a demographic feat which no country has, so far, been able to achieve in so short a time.

Our net reproductive rate as obtained from the Chandra Sekhar-Deming set of PGE data for the years 1963-64 is 2.46, i. e. a woman at the end of her reproductive period is now replaced by 2.46 women, on the average, after taking into account the mortality of women. To attain a zero rate of population growth, one woman at the end of her reproductive period should be replaced by only one woman. At present our birth rate is 146% higher than the replacement level.

According to Dr. M. R. Khan to attain a zero population growth rate over thirty years, our birth rate has to be brought down to 40 per thousand, assuming a fall in the death rate to say 10, per thousand during this period.

This target, though, appears impossible to attain, must be achieved if a national disaster is to be averted.

As compared to the outlay of Tk. 70 crores (with a foreign exchange component of Tk. 13.4 crores) the target of reducing population growth from 3% to 2.8% (a reduction of only 0.2%) seems to be rather modest. For a country like Bangladesh where "population explosion" may cause a national disaster in not-too-distant a future, we have a very legitimate expectation of a well conceived family planning programme in the absence of which exercises in economic development will be futile and meaningless.

In the sixties, Singapore, through an intensive family planning drive made the country economically viable and has registered one of the fastest growth rate in GNP. Population growth rate in Singapore in 1960 was 3.4%. By 1965, it dropped to 2.5% and eventually in 1968 it had been brought down to 1.6%. When the First Five Year Plan is being revised, (as reported in the national press), we hope a realistic well documented family planning programme backed by available men and material will be framed and launched without any further loss of time.

Unless a definite headway is made in population control, standard of living instead of rising will actually fall with the passing of years. We agree with Dr. M. R. Khan when he says that family planning, though not a solution to our economic and social problems, has become an effective means to, and a necessary condition for solving these problems.

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বাংলাদেশ অর্থনীতি সমিতির প্রথম বার্ষিক সম্মেলনে

রাষ্ট্রপতি মুহম্মদুল্লাহর উদ্বোধনী ভাষণ

জনাব সভাপতি, মাননীয় অতিথিবৃন্দ ও শ্রমীমণ্ডলী,

বাংলাদেশ অর্থনীতি সমিতির স্বাধীনতা-উদ্ভবকালের এই প্রথম বার্ষিক সম্মেলন উদ্বোধন করার আমন্ত্রণ পেয়ে আমি বিশেষ আনন্দিত হয়েছি। নানা কারণে এ সম্মেলনের অস্থগ্ঠান সমরোচিত ও গুরুত্বপূর্ণ বলে আমি মনে করি।

স্বাধীনতা অর্জনের পর থেকে আমাদের এই যুক্তবিপ্লব দেশের পুনর্গঠনে সরকার ও জনগণকে নানা রকম সমস্যার সম্মুখীন হতে হয়েছে। ইতিমধ্যে কৃষিব্যবস্থা, পরিবহন ইত্যাদির ক্ষেত্রে কিছুটা স্বাভাবিক অবস্থায় আমরা পৌঁছতে পেরেছি। কিন্তু শিল্প ও বানিজ্য ক্ষেত্রে অনেকটা উন্নতি সাধিত হলেও আমরা এখনও যুক্তপূর্বকালীন পর্যায়ে পৌঁছতে পারিনি। তাই আজও দেশে যুক্তোন্মত্ত নানা অর্থনৈতিক সমস্যার সমাধান সম্ভব হয় নি।

প্রধানতঃ দু'টি কারণে এসব সমস্যা আরো জটিলতর হয়েছে। এর একটি হচ্ছে এ দেশের বস্তুাহারা জনসংখ্যাবৃদ্ধি। গত চার বছরে আমাদের জনসংখ্যা কম করেও পৌনে এক কোটি বেড়েছে। সূত্রাং ১৯৬৯/৭০ সালের সমপরিমাণ ভোগ্য জবা-সামগ্রী এখন আমরা উৎপন্ন করলেও অর্থনৈতিক সমস্যার জটিলতা দূর করা যেতো না। দ্বিতীয়তঃ গত দু'বছরে আন্তর্জাতিক বাজারে জবামূল্য বৃদ্ধির ফলে আমাদের মত বহির্বাণিজ্যের ওপর নির্ভরশীল দেশের সমস্যা আরো জটিল হয়েছে। বহু ক্ষেত্রে এই আন্তর্জাতিক বাজার দর শতকরা ১০০ ভাগের বেশী বেড়েছে। এই সঙ্গে রয়েছে আমাদের মতো একটি মতুন দেশের সামাজিক, রাজনৈতিক ও অর্থনৈতিক কাঠামোর পুনর্বিভাগ প্রচেষ্টার আন্তর্জাতিক তুলক্রটি। অভিজ্ঞতা অর্জনের সঙ্গে সঙ্গে আমাদের কর্মক্ষমতা বেড়ে চলেছে; কিন্তু পুরোপুরিভাবে আমরা এখনও দক্ষতা অর্জন করতে পারিনি।

ফলে নানা কারণে অর্থনীতির বর্তমান পর্যায়ে ও সম্ভাব্য উৎপাদন ক্ষমতা সম্পূর্ণ অর্জন করা সম্ভব হয়নি। সবকিছু মিলিয়ে দেখলে আজ দেশের অর্থনৈতিক সমস্যার রূপ ও তার সমাধানের উপায় নির্ণয় ছুঁইছুঁই হবার কথা নয়। তবে সমস্যা যে জটিল পরিস্থিতি সৃষ্টি করেছে, শুধু এ উপলক্ষিই যথেষ্ট নয়। অচিরে তার যাক্ষবনিষ্ঠ সমাধান আমাদের খুঁজে বের করতে হবে।

এ সমস্ত অবস্থার পরিপ্রেক্ষিতে সরকার প্রথম পঞ্চবার্ষিকী পরিকল্পনা প্রণয়ন করেছেন। এত সকল বাস্তবায়নের ওপর দেশের অর্থনৈতিক পুনর্গঠন শুধু নির্ভর করবে না; উৎপাদন ক্ষমতাও যথেষ্ট পরিমাণ বৃদ্ধি পাবে বলে আশা করা যাচ্ছে। পরিকল্পনা কমিশনের ত্রিসেব অনুযায়ী ১৯৭৮ সালের মধ্যে বাংলাদেশ আত্মনির্ভরশীলতার পথে, বিশেষ করে যাতে স্বনির্ভরতা অর্জনের লক্ষ্যে অনেকখানি এগিয়ে যাবে।

অর্থনৈতিক উন্নয়ন সকল জাতিরই কামা। কাজেই উন্নয়নের প্রচেষ্টা যেসব কারণে ব্যাহত হচ্ছে বা হতে পারে সে বাপারে সমাজ উপলক্ষির প্রয়োজন অপরিসীম। এ সম্পর্কে সজাগ হতে না পারলে সরকার প্রয়োজনীয় ব্যবস্থা গ্রহণ করতে অপারগ হবেন। আবার জনগণও যথাযথ উপলক্ষি ও চেতনার অভাবে তাঁদের কর্তব্য পালনে অসমর্থ হবেন। এ বাপারে দেশের অর্থনীতিবিদ হিসাবে আপনাদের দায়িত্ব অশেষ। স্বাধীনতার আগে আমাদের স্বাধিকার ও মুক্তি সংগ্রামের আসল লক্ষ্য ছিলো সামাজিক ন্যায় বিচারের সাথে স্বরাধিত অর্থনৈতিক উন্নয়ন। জনগণের জ্ঞাননিষ্ঠ আর্থিক সমৃদ্ধির সে লক্ষ্যের পথে প্রথম বাধা—পরোধীনতা অপসারিত হয়েছে। কিন্তু আমাদের মূল লক্ষ্যের কথা ভুললে চলবে না। আজ আমাদের প্রধানতম লক্ষ্য হবে উন্নয়নের এবং সামাজিকাত্মিক অর্থনীতি প্রতিষ্ঠার জন্য সর্বাঙ্গিক মুক্তভিত্তিক প্রচেষ্টা। জাতির সংগ্রামী অধিনায়ক বঙ্গবন্ধু শেখ মুজিবুর রহমান তাঁই দেশ গড়ার জন্য আর এক সংগ্রামের ডাক দিয়েছেন। এবারের সংগ্রাম হবে মূলতঃ জাতীয় আত্মশুদ্ধির আর কঠোর পরিশ্রমের।

বাংলাদেশের অর্থনীতিবিদগণ অতীতে আমাদের স্বাধিকার ও স্বাধীনতা সংগ্রামের অগ্রসৈনিক হিসাবে কাজ করেছেন। তাঁরা শুংকালীন পাকিস্তানের অর্থনৈতিক বৈষম্যের কারণ বিশ্লেষণ করে ও তার স্বরূপ উদ্ঘাটন করে জনগণকে শাসকগোষ্ঠীর প্রকৃত উদ্দেশ্য বৃকতে সাহায্য করেছিলেন। তাঁদের সেই গৌরবময় ভূমিকা জাতি শ্রদ্ধার সঙ্গে স্মরণ করবে। আজ আরো বড় দায়িত্ব আপনাদের সামনে এসে পড়েছে। জাতির অর্থনৈতিক জীবন আজ নানা ছুঁইছুঁই সমস্যার

ভারাক্রান্ত হয়ে পড়ছে। সাকল্যের সাথে এ সবে মোকাবেলা ও সমাধানের জন্য জনগণ ও সরকারের কি কি করণীয় তা আপনাদের নিরূপণ করতে হবে। আপনাদের আলোচনায়, গবেষণায় ও সমীক্ষায় সঠিক পথের নির্দেশ বাস্তব এবং সত্যানুসঙ্গী দৃষ্টিভঙ্গী নিয়ে দিতে হবে। আজ আপনাদের কর্তব্য হবে দেশের সামগ্রিক পরিস্থিতি সামনে রেখে কর্মপন্থা খুঁজে বের করা। বাস্তবের সঙ্গে সম্পর্কহীন তত্ত্বজ্ঞানের চর্চা ও তা দিয়ে সমস্যা সমাধানের চেষ্টা হবে অর্থহীন পাণ্ডিত্যভিমান। তাই আপনাদের কাছে আমার সর্নির্ভর আবেদন ফলিত অর্থনীতির বৈজ্ঞানিক শৃঙ্খলা নিয়ে আমাদের উৎপাদন ও বিতরণ ব্যবস্থার বিভিন্ন সাংগঠনিক, নীতিগত, প্রশাসনিক, ব্যবসায়িক ইত্যাদি দিকের বিশ্লেষণ ও পর্যালোচনায় ব্রতী হোন। কারণ জাতীয় অর্থনৈতিক কাঠামোর বর্তমান পর্যায়ে যদি আমরা ফলপ্রসূভাবে পরিচালনা করতে পারি, তবে পরিকল্পিত উন্নয়নের রূপরেখা নিয়ে সকল আলোচনা নিরর্থক অল্পশীলনে পর্যবসিত হবে।

এ প্রসঙ্গে দৃষ্টান্ত স্বরূপ অপরিণীম জাতীয় গুরুত্বসম্পন্ন কয়েকটি প্রশ্নের উল্লেখ করা প্রয়োজন। রাষ্ট্রায়ত্ত্ব সেট্টরে শিল্প ও বাণিজ্যিক সংস্থাগুলোর পরিচালনায় কি কি সাংগঠনিক সংস্কার প্রয়োজন, সংশ্লিষ্ট মন্ত্রণালয়ের সঙ্গে তাদের সম্পর্ক কি হওয়া উচিত সংসদের কাছে তাদের জবাবদিহিতা কি প্রকৃতির হবে, রাষ্ট্রায়ত্ত্ব ক্ষেত্রে স্ট্রেড ইউনিয়নসমূহের প্রকৃতি ও ভূমিকা কি হবে, শিল্প ও কৃষিক্ষেত্রের উৎপাদনশীলতা বৃদ্ধির জন্য উৎসাহদান সমস্কা, বিতরণ ব্যবস্থায় ও সমগ্র অর্থনীতিতে ভূমি ব্যবসায়ীদের উৎসাহকরণ ও আনুযায়িক অগ্রাঙ্ক সংস্কার, বিভিন্ন সরকারী বিভাগ ও সংস্থার সর্বস্তরে কর্মী ও কর্মচারীদের কর্মানুসারে পুরস্কার ও শাস্তিদান এবং আর্থিক ও প্রশাসনিক অহুপ্রেরণার প্রদ্ব, প্রাইভেট সেট্টরে বিনিয়োগের সম্ভাব্যতা সীমা ও নিয়ন্ত্রণ, জাতীয় কর-ব্যবস্থা এবং ভূমি-সংস্কার; সঙ্কয়ের উৎসাহদান ও বিনিয়োগ ব্যবস্থা—এমনি আরো সব প্রশ্নের অর্থনৈতিক তাৎপর্য অনস্বীকার্য। একটি প্রশ্নশক্তি-সম্পন্ন জাতি অভিজ্ঞতা ও প্রজ্ঞার আলোকে এ ধরনের সমস্ত গুরুত্বপূর্ণ প্রশ্নের জবাব সদাআগ্রেত নীরিক্ষা ও সমীক্ষা দ্বারা খুঁজে নেয়। এবং সে অহুলাবে পথ বেছে নেয়, চলার গতি ও দিক নির্ণয় করে।

আপনাদের এ সম্মেলন ও পরবর্তী কার্যধারা সরকার ও জনগণকে অর্থ-নৈতিক মুক্তির নব অস্তিত্বানে সঠিক পথের দিশা দেবে—এ কামনা করেই আমি সম্মেলনের উদ্বোধন করছি। খোদা হাফেজ।

**Conference Address by Professor Nurul Islam, Deputy
Chairman, Bangladesh Planning Commission at the
First Annual Conference of the Bangladesh
Economic Association Held on March
17, 1974 at the Teacher-Student
Centre, Dacca University.**

I deem it a great privilege to be able to address this gathering of distinguished economists. I am particularly glad that the Association has taken the initiative in organising this conference on the First Five Year Plan of Bangladesh. The Bangladesh Economic Association deserves our thanks and congratulations.

It may be worthwhile at this juncture to explain to my fellow economists the considerations which determined the size, priorities, and objectives of the Plan. It is also necessary to examine some changes in general economic situation which have taken place since the formulation of the Plan.

The size of any development Plan is based on an evaluation of the will and ability to implement, and to mobilise domestic resources. It also depends on the minimum requirements of growth and consumption level which are consistent with a rising population. In each of these respects there is room for judgement; and in making any judgement there is a room for difference of opinion.

While determining the minimum requirements of growth and investment in Bangladesh during the 1970's one needs keep in mind a number of factors. Bangladesh was one of the poorest countries of the world even before liberation. Superimposed upon this low level of income have been the effects of war and its aftermath. The level of output in 1972/73 was about 20% below that of the last normal year, i. e., 1969/70. Population in the meanwhile has been growing at about 3% per annum and will continue to grow at about this rate during the 70's. At a minimum, therefore, the Plan postulates recovery of the economy to the level of 1969/70 and a growth rate thereafter higher than the rate of growth of population.

Another aim was to provide at least for the absorption of the additional labour force becoming available during the plan period. The Plan also aims to increase the supply of essential consumption, basic intermediate and capital goods for which Bangladesh has resource and comparative advantage.

Any planner in Bangladesh is acutely aware of the shortage of domestic resources for investment and realises that the pressure for increasing public and private consumption is very great in the face of prevailing poverty. At the same time, he knows that there is no escape from the conclusion that rate of mobilisation of domestic resources must be accelerated.

In a low income agricultural economy the rate of saving is a critical function of the level of per capita income. The recovery of output of the economy to the level of the pre-liberation period should itself provide a basis for increasing the rate of domestic saving in Bangladesh before liberation, specially during the 50's and early 60's was compulsorily mobilised through an export surplus under the exchange rate and foreign trade system which prevailed during the Pakistani regime. The past rate of saving during the 60's was variously estimated between 8 and 10% of GDP. The Plan aims at increasing the rate of saving to about 11% of GDP by the end of the Plan period. At the Present low level of income such an increase in the domestic saving effort would entail substantial sacrifices. But there is no alternative if development efforts are not to be financed entirely or very largely by foreign assistance. The Plan estimates the required amount of foreign assistance net of repayments or interest payments, to be about Tk. 1,800 crores, including repayment and interest the amount of foreign assistance would of course be higher. Commitments of aid, particularly of project assistance, which require a long-pipe-line to be built up in view of its slow rate of disbursement would need to be higher still.

It is essential to realise that sacrifice in present consumption, which an increase in the rate of savings implies must be equitably shared. The more impoverishment there is, the greater the need for an equitable sharing of sacrifice so that efforts at mobilising resources are found socially and politically tolerable. The richer sections of the community will be called upon to save and invest a high proportion of their income. But the amount of saving required is very high and can not be raised from the rich alone. The mass of the population must also contribute and will be more easily able to do so if sacrifices are equally shared and if the minimum basic requirements can be ensured and some margin created for saving.

Domestic savings in Bangladesh have to originate basically from three sectors : agriculture, profits of nationalised industries and profits originating in the distributive trades in that order of importance. Agriculture in Bangladesh is under private ownership, while foreign trade is largely in the hands of state enterprises. The domestic distribution of imports as well as that of the domestically produced output is in the hands of private trade. Savings originating in all these sectors needs be mobilised and allocated for investment in both the public and private sectors. In the field of agriculture the surplus farmers alone have the resources to save and invest. Profits in the distributive trade should be mobilised for investment either in the private sector within the framework of investment opportunities provided in the Investment Schedule or through financial institutions for public investment. The nationalised industrial enterprises must provide substantial surpluses. Failure to mobilise resources from these three critical sources would certainly frustrate the realisation of savings and investment targets of the Plan.

Bangladesh has vast manpower which provides a potential for mobilising resources for domestic investment. Voluntary work by those fully or partly employed is a means of increasing investment without necessarily a corresponding increase in the supply of wage goods. The mobilisation of unemployed labour does require either an increase in the aggregate supply of wage goods or the existing supply of wage goods must be shared by those who are already employed and those who would be drawn from the unemployed reservoir of labour. Taxation is a way of keeping down the consumption of wage by those already in employment so that supplies will be available those newly brought into employment. The Plan explores a number of possibilities for mobilising labour for economic development. However, in this field the role of conventional techniques of fiscal policy is limited, especially if consideration is confined to fiscal instruments employed at the national level. Mobilisation of labour for productive investment requires a high level of social consciousness, organised cadres and clearly recognised and accepted goals on the part of the society as a whole and its leadership. Secondly, it requires a considerable decentralisation and delegation both of development work and resource mobilisation to the local government institutions down to the level of villages.

What has been said above on domestic resource mobilisation is not new but these principles are fundamental even though they may sound very trite and simple. Because they are simple, they often tend

to be forgotten and, therefore, need be repeated in every forum. I am confident that this gathering of distinguished experts will analyse and examine this problem in all its aspects, and especially try to quantify the magnitude of the problem and its possible solutions, within the present socio-political framework of Bangladesh.

As mentioned earlier the size of a Development Plan depends amongst other things upon the level of organisation and management which can be mobilised to implement the Plan. Deficiency in organisation and management is an important aspect of underdevelopment. Bangladesh has inherited a particularly weak organisational and management structure and strenuous efforts are necessary for improvement in all directions. The Plan has attempted to indicate the major areas of improvement. This problem needs further and continuous study. A Plan which merely provides for allocation of resources without recommendations for policies and institutions for implementation is unlikely to achieve its targets.

I need not repeat in the company of fellow economists that the contribution of capital investment to growth is largely a function of education, training and consequential efficiency in management. Investment in the improvement of organisation and management at the present yields high returns in many sectors of the economy of Bangladesh. To quote but a few examples, yields from investment in irrigation projects such as tube-wells and pumps can be considerably improved by increasing command area; existing transport facilities in inland water ways, railways and roads could yield a larger flow of transport service and existing industrial capacity could be more efficiently utilized to produce a large volume of output at a lower cost.

The Plan recognises the critical importance of improvement in all these areas. It provides for investment in balancing and modernisation, and supplementary investment, which would maximise the results of past investment. It does so because unless more efficient use of the existing capital stock is ensured, before adding to the stock, returns from both old and new investment will cumulatively decline. The temptation to add to capital stock to substitute for inadequate or inefficient use of the existing capital equipment is often very great in all developing countries; but it is on the extent to which this pressure can be reduced or eliminated that the achievement of an efficient growth critically depends.

The Plan does not envisage a continuation or a projection of trends. It aims at a discontinuous break with the past both in terms of (a) resource mobilisation and (b) organizational and managerial framework. This is because a Plan must not be just a description of what would otherwise have happened, but it must provide the economic guidelines to change the course of events by positive action, economic and institutional changes. The Plan assumes that Bangladesh would be able to improve upon its past performance. It was the judgement of the Planners that the projected investment could be undertaken by the country with reasonable efficiency. The level of investment in the pre-independence day was not lower but roughly the same and, therefore, it was reasonable expectation that the level of investment postulated in the Plan could be executed.

A smaller size Plan would only postpone the day of misery, it cannot solve the problem of low savings and poverty by aiming at a lower rate of growth in the current Plan period and by abandoning all projects which do not yield significant output except at the end of the Plan period. If the momentum of a moderate growth declines in the present Plan period, the opportunity of domestic resource mobilisation in next period is correspondingly reduced, unless a rising volume of international assistance can be anticipated for the future. With a rising population, savings and investment rates would continue to be low. If import substitution strategy is not pursued vigorously now in view of limited export expansion possibilities and a highly specialised nature of existing exports, a foreign exchange shortage would become very critical in the next Plan period. The vicious circle of poverty has to be broken somehow; the earlier the battle is joined, the better it is. Growth of income and the rate of savings are interdependent and both must be appropriately phased in the context of the long run requirements of Bangladesh economy.

The Five Year Plan was based upon relatively simple input-output exercise. No detailed programming exercise either in a static or a dynamic framework was undertaken. Furthermore, in the absence of sufficient information about alternative techniques in all the sectors or sub-sectors and in the absence of adequate knowledge about investment lags at sufficiently disaggregative level, a dynamic programming model would not have yielded useful results. The input-output exercise was based upon the classification of the economy into 33

sectors and was primarily intended to reveal important bottlenecks in critical sectors and to estimate import requirements and to help in determining import substitution and export expansion strategy. In some important areas such as rice production, petrochemical industries, gas pipeline etc. as well as in flood control, health, family planning and education programme, investment requirements were exogenously determined rather than derived as an outcome of input-output exercise. This was partly because in some areas detailed work in terms of inputs and investment requirements and institutional framework had been worked out and, therefore, could conveniently be superimposed upon the input-output analysis. In some other areas specially in the social sectors two way causal inter-relationship between these and the rest of the economy in terms of flow of intersectoral outputs were not available. Investment targets in the social sectors were determined exogenously, given minimum requirements in these sectors, and their implications for the rest of the economy were worked out. The institutional requirements in terms of administrative ability and of education and training were critically important in the social sectors with the result that the absorptive capacity of these sectors was an important limiting factor determining the size of the investment programme.

In most of the sectors there were a large number of ongoing projects which had to be made consistent and inter-related with the overall framework. Ongoing projects in many cases needed supplementary investment to make them more productive and consistent with requirements in the other sectors. In some sectors such as power, transportation and communication significant large investments with long lags were excluded. In the power sector, for example, emphasis was placed on balancing the generation capacity with the distribution and transmission facilities, with a view to deriving maximum benefits from the generation capacity. In all sectors specially in transportation and communication as well as in industrial sector, there was a great need for investment in balancing and modernisation of the existing capital equipment.

A Five Year Plan does not attempt to work out all the detailed projects in each of the sectors and sub-sectors. It basically determines priorities between sector and sub-sectors, while leaving many of the detailed projects to be worked out in course of the Annual Plans.

Accordingly, the sectoral allocations were based upon sectoral investment—output relationships derived from past experience, analysis of samples of projects in each of the sectors and projection of possible changes in technology.

In each of the sectors the bias has been in favour of choosing investment alternatives which are labour intensive. Moreover, the choice of techniques need to be examined in a broad framework relating to the whole of the economy. The capital-labour proportions are different in the various stage of a project ranging from construction to operation and finally to the use of its output in other projects or sectors of the economy. A fertilizer plant, for example, at the construction stage, depending on the techniques used in construction, use a lot of labour in relation to capital; but in the operation of the fertilizer project the amount of labour used is small in relation to capital. Such a project is a highly capital intensive at the operation stage. But the use of fertilizer in agriculture with High Yielding Varieties of seeds facilitates the adoption of highly labour intensive methods in agricultural production. Similarly, a highly capital intensive power project enables supply of power for the development of cottage and small industries which are highly labour intensive. Again, a petrochemical complex providing a wide variety of synthetic products helps the development of a large number of small industries producing consumer goods as well as handloom industry using synthetic fibre which by itself is a highly labour intensive sector. In deciding investment allocations and deciding what techniques are to be used the implications of employment for the economy as a whole have to be borne in mind. While on the subject of choice of techniques it is important to remember that in Bangladesh, in addition to capital, there are other critically scarce inputs such as foreign exchange and management. The objective, therefore, in terms of an over-all perspective is to economise on the use of all scarce inputs. The relative scarcities of such inputs are undoubtedly different and their combination in different sectors and projects is also different. A proper economic balance needs to be ensured in their use. The appropriate procedure for doing so is to use shadow prices for all scarce inputs when evaluating projects and techniques.

An economy heavily dependent on foreign trade necessarily must be prepared to adjust itself continuously to external economic forces. This is all the more necessary if dependence on external resources is considerable. Even apart from the above considerations which limit the freedoms of

action of a Planner in any developing country, we all know that economic choices have to be made under conditions of uncertainty and within a shifting base of facts. What one can try to do is to make the maximum use of existing knowledge and information and while determining the optimum choice on the basis of existing knowledge to provide enough flexibility for changes.

The basic direction of policies and institutional changes as well as broad priorities and investment enunciated in the Five Year Plan are clear enough if Bangladesh is to relieve its poverty and set itself on a path of moderate growth.

The Five Year Plan provides the perspective, sets the targets and suggests the framework of policies and institutional changes. The Annual Plan and development programme are the instruments by which the objectives, priorities and allocation of the Five Year Plan are implemented from year to year in the light of changing circumstances in details. It is also for the Annual Plan to work out the details of fiscal and credit policies from year to year. Furthermore, the Annual Plan provides an opportunity for the evaluation of the performance of the economy and progress of implementation of projects and programmes so that each successive Annual Plan can incorporate the results of past experiences and evaluation. The Annual Development Programme is itself a mechanism for monitoring the implementation of projects and programmes on the part of the Ministries and executing agencies.

The Annual Plan has also to accommodate possible changes in economic factors which are beyond control of Government policies. Firstly, the Five-Year Plan was drawn up on the basis of prices prevailing in a particular year, i. e., 1972-73. This was unavoidable because it was difficult to make a forecast for the coming five years of prices and costs which would not require annual revision. The Annual Plan must incorporate the effects of such changes in investment programmes and policies. The prices prevailing in 1972/73, were expected to stabilise if recovery of the economy was accomplished but the slow recovery of the economy and the impact of sudden disruptive change in world prices have created added complications. Secondly, in a predominantly agricultural economy like Bangladesh weather plays an important role in determining the output and prices of a large number of consumption goods and raw materials. In one respect, the Five Year Plan provides for meeting the uncertainty in that provision exists for emergency imports of foodgrains of about one million tons

over the five year period in order to accommodate fluctuations in agricultural output due to variations in weather conditions. The phasing of this import over the Plan period has to be determined every year. Thirdly, an important source of uncertainty originates from fluctuations in prices and availability of imports. The experience of the past year has demonstrated the significance of this phenomenon. Changes in terms of trade affect the availability of real resources for the implementation of the plan. While the Five Year Plan has proved for some deterioration in the terms of trade due mainly to the possible reduction in export prices while might be necessary to expand our exports, it did not provide for violent changes in the import prices which have been taken place for the last few months. The relative supply and demand prospects for the important consumer goods intermediate products and raw materials such as foodgrains, edible oils, cotton, cement, construction materials, metals and minerals have been changing for quite some time. The prices of oil products have been subject to erratic fluctuations around a continuously rising trend. It is not only uncertainties in prices but also in availabilities which affect the implementation of development programmes. While moderate changes could be incorporated in terms of changes in the absolute level development programme, violent changes in relative prices may require a change in phasing of the sectors investment as well as reduction or elimination of low priority projects.

Furthermore, violent price changes affect the choice between various sectors in terms of import substitution and export promotion strategy. The changes, for example, in the price of oil products open up in terms of commercial viability of different sources of energy such as coal and gas. World trade in important commodities is in a state of flux in terms of supply and demand and in terms of prices. The relative position of different groups of countries in world economic order including their relative states of balance of payments and the international monetary system may undergo significant change. It is too early to predict what will be the final outcome of the changes underway.

Lastly, Five Year Plan provides for import substitutions not only in the field of consumption goods such as textiles, but also in such intermediate inputs as cement, fertilizers synthetic fibre machinery and various kinds of steel products. Delays and uncertainties in the execution

of projects would increase our foreign exchange requirements for current imports and would affect the appropriate mix between project and commodity assistance. These changes may have to be accommodated in the Annual Plans.

Before I conclude, I like to share with my fellow economists my views about the gaps in knowledge about Bangladesh economy which have acted as serious constraints on the work of the Planners. The Five Year Plan could not be put in the proper framework of a fully worked out Perspective Plan for Bangladesh, even though broad growth paths and sectoral priorities over the long run were taken into account on the basis of previous studies. But it is now appropriate to start work on a full-fledged long term Perspective Plan for Bangladesh. It is here that the analytical equipment, historical perspective and study of comparative experience of other countries by academic economists can make significant contribution. A long-term Perspective Plan has special relevance for investment in such sectors as water, irrigation, manpower and education and transportation, where more often than not projects and programmes have a long gestation lags. Secondly, there is need for in depth study and analysis of the pattern and speed of social transformation which is necessary to make a transition to socialistic economic order which Bangladesh aims at consistent with requirements of democracy, equity and economic growth. We should, in particular, analyse the speed and scope for experimentation in terms of changes in institutions and policies in Bangladesh given our limited resources, inadequate room for manoeuvrability, extreme poverty and limited administrative and organisational structure. Economists have often talked about choice of technology appropriate to a labour-abundant economy. However, very little work has been done on making an inventory and analysis of available alternative techniques either in use in Bangladesh or in other developing countries. This would enable us to make an appropriate choice from the range of existing techniques which are relevant to our factor endowment. We need to go one step further, i. e., devise new technology but here developing countries need pool their resources and knowledge, if necessary, with the help of advanced nations. It is pertinent to remember that most of our technologists are trained in labour short and capital-abundant countries. There is need for reorientation in their research and training.

Economic development does not involve only economic factors and consideration; it extends to sociological and political factors. Therefore, other disciplines must be brought to play their essential roles in understanding and analysing the process of social evolutions, and attitudes and objectives which seriously hinder or promote the development process. Human and political element in economic development can only be neglected at the cost of fuller understanding of the process of development.

I am sure that deliberations of the next few days would not only illuminate various issues which have been incorporated in the programme of the conference, stimulate thinking in the country as a whole but also promote serious study of the development problems of Bangladesh.

১৯৭৪ সনে গৃহীত বাংলাদেশ অর্থনীতি সমিতির গঠনতন্ত্র

১। নাম

সমিতির নাম বাংলাদেশ অর্থনীতি সমিতি হইবে।

২। উদ্দেশ্য ও লক্ষ্য

- ১। অর্থনৈতিক, বিশেষ করিয়া বাংলাদেশের অর্থনৈতিক বিষয়ে অধুসন্ধান ও গবেষণার উন্নয়ন সাধন।
- ২। অর্থনৈতিক তথ্যাদির, বিশেষ করিয়া বাংলাদেশ সংক্রান্ত অর্থনৈতিক তথ্যাদি সংগ্রহ এবং সমন্বয় সাধন।
- ৩। অর্থনৈতিক বিষয় সংক্রান্ত সাময়িকী প্রকাশনা।
- ৪। অর্থনৈতিক বিষয়াদির উপর সভা, সম্মেলন এবং আলোচনা সভার আয়োজন।

৩। সদস্যপদ

- ১। সদস্যগণ তিন শ্রেণীতে বিভক্ত থাকিবেন, যথা :

১। সাধারণ সদস্য

২। আজীবন সদস্য

৩। সম্মানিত আজীবন সদস্য।

- (ক) সদস্য পদের প্রত্যেকটি আবেদনপত্র সমিতির হুইজন সদস্যের সুপারিশ সংশ্লিষ্ট হইবে।
- (খ) এককালীন হুইশত টাকা দিয়া কোন ব্যক্তি সমিতির আজীবন সদস্যপদ লাভ করিতে পারিবেন।
- (গ) সমিতির লক্ষ্য ও উদ্দেশ্যের প্রতি অঙ্গীকার যে কোন ব্যক্তি ৬'০০ (ছয়) টাকা ভর্তি ফি এবং বার্ষিক ২৪'০০ (চব্বিশ) টাকা চাঁদা দিয়া সমিতির সাধারণ সদস্য হইতে পারিবেন।

- (ঘ) বিশ্ববিদ্যালয় বা কলেজের যে কোন ছাত্র ৩'০০ (তিন) টাকা ভর্তি ফি এবং বার্ষিক ১১.০০ (বারো) টাকা চাঁদা দিয়া সমিতির ছাত্র-সদস্য হইতে পারিবেন। শুধু নির্বাচনে অংশ গ্রহণ ব্যতিরেকে ছাত্র-সদস্যগণ সমিতির সমস্ত সুবিধা ভোগ করিবেন।
- (ঙ) সমিতির উদ্দেশ্যের প্রতি প্রত্যাশীল যে কোন প্রতিষ্ঠান ১০০'০০ (একশত) টাকা বার্ষিক চাঁদা দিয়া সদস্য হইতে পারিবেন।

বাংলাদেশ অথবা বিদেশের বিশিষ্ট অর্থনীতিবিদগণ অথবা যে সকল ব্যক্তি অত্র সমিতির উদ্দেশ্য বাস্তবায়নে বিশিষ্ট ভূমিকা পালন করিয়াছেন অথবা কর্ম কমিশন, শিল্প বা অর্থ সংক্রান্ত ব্যাপারে অভিজ্ঞ বিশিষ্ট ব্যক্তিগণ সমিতির সাধারণ সভায় কার্য নির্বাহক কমিটির সকল সদস্যগণের সম্মতিক্রমে সম্মানিত আত্মীয় সদস্যপদ লাভ করিতে পারিবেন।

- ২। কার্যনির্বাহক কমিটির সিদ্ধান্ত সাপেক্ষ সমিতির সকল সদস্যই বিনা মূল্যে অথবা হ্রাসকৃত মূল্যে সমিতির রিপোর্ট এবং প্রকাশনা লাভ করিবার যোগ্য বলিয়া গণ্য হইবেন।
- ৩। চাঁদা অগ্রিম প্রদান করিতে হইবে। প্রথম চাঁদা ভর্তির সময়ে দেয় বলিয়া গণ্য হইবে এবং পরবর্তী বার্ষিক চাঁদা ভর্তির মাসেই পরিশোধযোগ্য বলিয়া গণ্য হইবে।
- ৪। কোন সদস্যের সদস্যপদ বাতিল বলিয়া গণ্য হইবে :
- (ক) যদি তাহার চাঁদা বার মাসের অধিককাল বকেয়া থাকে এবং কার্য নির্বাহক কমিটি সংশ্লিষ্ট সদস্যকে এ ব্যাপারে জ্ঞাতকরণসাপেক্ষ একটি প্রস্তাবের দ্বারা সদস্য তালিকা হইতে বাদ দেন।
অথবা,
- (খ) যদি তিনি লিখিতভাবে পদত্যাগ করেন এবং তাহার পদত্যাগ কার্য নির্বাহক কমিটি কর্তৃক গৃহীত হয়। অথবা,
- (গ) যদি কার্যনির্বাহক কমিটির সদস্য হিসাবে তাহার অবস্থান সমিতির স্বার্থের পরিপন্থী বলিয়া সিদ্ধান্ত গ্রহণ করেন।

৪। সংগঠন

- ১। কার্যনির্বাহক কমিটি একজন প্রধান পৃষ্ঠপোষক এবং এক বা একাধিক পৃষ্ঠপোষক নির্বাচন করিতে পারিবেন।

- ২। সমিতির সদস্যগণ তাহাদের মধ্য হইতে প্রতি বৎসর কোন সাধারণ সভায় একজন সভাপতি, পাঁচজন সহ-সভাপতি, একজন কোষাধ্যক্ষ, একজন সম্পাদক এবং একজন যুগ্ম সম্পাদক, তিনজন সহ-সম্পাদক নির্বাচিত করিতে পারিবেন।
- ৩। উপরে বর্ণিত কর্মকর্তাগণ এবং বার্ষিক সাধারণ সভায় নির্বাচিত আরও বারোজন সদস্য সহ কার্যকরী কমিটি সংগঠিত হইবে।

৫। কার্যনির্বাহক কমিটি এবং কর্মকর্তাগণের কর্তব্য

- ১। কার্যনির্বাহক কমিটি সমিতির কার্যাবলী পরিচালনার জন্য দায়ী থাকিবেন এবং কর্মকর্তা ও সদস্যদের আকস্মিক শূন্য পদ পূরণ করিতে পারিবেন।
- ২। কোন সভায় কার্যনির্বাহক কমিটির চারজন সদস্যের উপস্থিতি সংখ্যা-পূর্তি (কোরাম) বলিয়া গণ্য হইবে। সকল বিষয়ে সংখ্যা গরিষ্ঠের সিদ্ধান্তই চূড়ান্ত সিদ্ধান্ত বলিয়া বিবেচিত হইবে। প্রত্যেক সভা অহুষ্ঠানের এক সপ্তাহ পূর্বে সভার আলোচ্য বিষয়াদির তালিকা সহ নোটিশ প্রত্যেক সদস্যের নিকট পৌঁছাইতে হইবে। সভাপতির নির্দেশক্রমে এবং উপস্থিত সদস্যদের সিদ্ধান্ত অহুযায়ী কোন জরুরী বিষয়ে সভার আলোচনার জন্য গৃহীত হইতে পারে। অতি জরুরী ব্যাপারে সিদ্ধান্ত গ্রহণের জন্য সভাপতি প্রয়োজনবোধে স্বল্প সময়ে নোটিশ সাপেক্ষ অথবা নোটিশ ব্যতিরেকে সভা আহ্বান করিতে পারিবেন।
- ৩। সভাপতি অথবা তাহার অহুপস্থিতিতে একজন সহ-সভাপতি সমিতির সভায় সভাপতিত্ব করিবেন। তাহাদের সকলের অহুপস্থিতিতে সভায় উপস্থিত সদস্যবৃন্দের দ্বারা উক্ত সভার সভাপতি নির্বাচিত হইবেন।
- ৪। গঠনতন্ত্রে যে কোন ব্যাপারে কার্যনির্বাহক কমিটির সিদ্ধান্তই চূড়ান্ত বলিয়া গৃহীত হইবে।
- ৫। গঠনতন্ত্রে শর্ত সত্ত্বেও যদি কোন জরুরী অবস্থার সৃষ্টি হয়, বাহা সভাপতির বিবেচনায়, সমিতির স্বাভাবিক কার্যক্রমে বাধা সৃষ্টি করিতে পারে তবে তিনি তাহার সভাসূচীতে যে কোন কর্মসূচী গ্রহণ করিতে পারেন। পরবর্তী সভায় কার্যনির্বাহক কমিটিকে উক্ত বিষয়ে অবহিত করিতে হইবে।

- ৬। সম্পাদক সমিতির যাবতীয় দলিল পত্র সংরক্ষণ চিঠিপত্র আদান প্রদান করিবেন এবং তিনিই প্রতিষ্ঠানের তত্ত্বাবধায়ক থাকিবেন। তিনি অফিস সংলগ্ন কার্যালয়ী এবং কার্যনির্বাহক কমিটি কর্তৃক ন্যস্ত কর্তব্যাদি সম্পাদন করিবেন।
- ৭। সমিতির কার্যনির্বাহক কমিটি কর্তৃক গৃহীত নিয়মানুযায়ী কোষাধ্যক্ষ যাবতীয় অর্থগ্রহণ, তত্ত্বাবধান এবং হিসাব সংরক্ষণ করিবেন।
- ৮। সম্পাদকের অনুপস্থিতিতে একজন সহ-সম্পাদক তাহার কর্তব্যাদি সম্পাদন করিবেন। তাহারের অনুপস্থিতিতে কার্যনির্বাহক কমিটি সদস্যদের মধ্য হইতে সম্পাদকের কর্তব্য সম্পাদনের ক্ষমতা একজনকে মনোনীত করিবেন।
- ৯। প্রয়োজন অহুসাবে, যাবতীয় ব্যয়-সাধন ক্ষমতা কার্যনির্বাহক কমিটির থাকিবে।
- ১০। কার্যনির্বাহক কমিটি সমিতির বার্ষিক বাজেট অনুমোদন করিবেন এবং সাধারণতঃ বাজেট বর্ধিত কোন ব্যয়-সাধন হইবে না।

৬। আঞ্চলিক কমিটি

অত্র সমিতির কার্যনির্বাহক কমিটির সাধারণ পরিচালনার অধীনে বিশ্ববিদ্যালয় কেন্দ্র অথবা অগ্রাশ্রম শহরের সদস্যরা বাংলাদেশ অর্থনীতি সমিতির আঞ্চলিক শাখা স্থাপন করিবেন।

পরিচালনার ক্ষমতা আঞ্চলিক সদস্যরা তাহারের নিজস্ব আঞ্চলিক কমিটি গঠন করিতে পারিবেন। কিন্তু পদাধিকার বলে উক্ত এলাকায় বসবাসকারী সমিতির কার্যনির্বাহক কমিটির সদস্যরা অবশ্যই সেই আঞ্চলিক কমিটির সদস্যপদ লাভ করিবেন।

৭। সংশোধন

এই গঠনতন্ত্রের যাবতীয় সংশোধন প্রথমাবস্থায় সমিতির কার্যনির্বাহক কমিটি কর্তৃক বিবেচিত হইবে এবং বার্ষিক সাধারণ সভার উপস্থিত হই তৃতীয়বাংশ সংখ্যা পরিষ্ঠ সদস্যদের সিদ্ধান্ত অনুযায়ী গৃহীত হইবে এবং গৃহীত সংশোধন গঠনতন্ত্রের অংশ হিসাবে বিবেচিত এবং সমিতির গঠনতন্ত্র অঙ্গভুক্ত হইবে।

৮। সভা

- ১। কর্মকর্তা ও কার্ধনির্বাহক কমিটির সদস্য নির্বাচন এবং বার্ষিক বিবরণী, বার্ষিক হিসাব ও প্রয়োজনীয় বলিয়া মনে হয় এমন সব ব্যবসায় লেনদেনের জন্য বৎসরে এক বার বার্ষিক সাধারণ সভা অনুষ্ঠিত হইবে।
- ২। যে সমস্ত সদস্যের নাম অন্ততঃ এক মাস আগে হইতে সদস্য রেজিষ্টারে ছিল না, তাহারা বার্ষিক সাধারণ সভার অংশ গ্রহণ করিতে পারিবেন না।
- ৩। সমিতির কার্ধনির্বাহক কমিটির প্রয়োজনানুগ সিদ্ধান্তে কিংবা সমিতির অস্থায়ী শতকরা ২০ জন সদস্যের লিখিত দাবী সম্পাদকের নিকট পেশ করণ সাপেক্ষে বিশেষ সাধারণ সভা অনুষ্ঠিত হইতে পারিবে।
- ৪। সমিতির সকল সদস্যের শতকরা ২০ ভাগ, অথবা সংখ্যায় ৩০ জনের মধ্যে যোগ্য কম হইবে, তাহাই সাধারণ সভার সদস্যদের সংখ্যাপূর্ত্তি বলিয়া গণ্য হইবে।

৯। বিবিধ

- ১। সমিতি প্রত্যেক বছর একটি অর্থনৈতিক সম্মেলনের আয়োজন করিবে যাহার স্থান, তারিখ ও কর্মসূচী কার্ধনির্বাহক কমিটি কর্তৃক নির্দিষ্ট করা হইবে এবং কার্ধনির্বাহক কমিটি উক্ত কর্মসূচী বাস্তবায়নের জন্য দায়ী থাকিবেন।
- ২। বার্ষিক সম্মেলন ও বার্ষিক সাধারণ সভা একত্রে অনুষ্ঠিত করিবার জন্য কার্ধনির্বাহক কমিটি সর্বাত্মক প্রচেষ্টা চালাইবেন। যদি কোন কারণে কোন বৎসর বার্ষিক সম্মেলন অনুষ্ঠিত না হয়, তবে কার্ধনির্বাহক কমিটি কর্তৃক মনোনীত স্থানে এবং সময়ে বার্ষিক সাধারণ সভা অনুষ্ঠিত হইবে।
- ৩। কার্ধনির্বাহক কমিটির সাধারণ বিবরণী ও অন্যান্য প্রকাশনা তত্ত্বাবধান, সম্পাদনা ও প্রকাশনার বন্দোবস্ত করিবার জন্য কার্ধনির্বাহক কমিটি একজন সম্পাদক অথবা একটি সম্পাদকীয় পরিষদ নিয়োগ করিবেন।
- ৪। সমিতির হিসাব বৎসরে একবার কার্ধনির্বাহক কমিটি কর্তৃক নিয়োগকৃত কোন নিরীক্ষকের দ্বারা নিরীক্ষিত হইবে।
- ৫। উপরে বর্ণিত নিয়মবহির্ভূত কোন ব্যাপার কার্ধনির্বাহক কমিটি নিজস্ব বিবেচনায় স্থির করিবেন।

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