

Human Resource Development

The Neglected, Crucial Common Denominator

by Qazi Kholiqzaman Ahmad

"Exhaust the field of the possible" — is the famous Pindaric dictum very much applicable to development in Bangladesh. One of the leading development economists of the country takes a look at the "field of the possible," namely, the field of human potentials and capabilities which, as he observes, have remained mostly unutilized over the last twenty-four years. Strongly suggests he that "poverty must be attacked through mainstream policies and programmes in a framework that seeks to develop human capabilities purposefully"

It should be an essential part of national economic management that the course a country traverses is reviewed regularly to learn from the past experiences towards shaping the future. But, when a country enters the 25th year of its independence, as does Bangladesh on 26 March, 1995, that should be a landmark event calling for a thorough examination of what has been happening in relation to the various aspects of the economy and society to take note of the successes achieved but, more importantly, to identify the failures and weaknesses with a view to designing appropriate policies and programmes for a more secure and worthwhile future for the nation as a whole and the people at large. I welcome the initiative of *The Daily Star* for deciding to embark on such a review process on its pages. In this essay, I wish to deal with a very fundamental issue, namely, human capabilities. This, in fact, is the real foundation of human development. The crucial importance of human capabilities in development derives directly from the fact that human beings are the prime movers of all development.

Indeed, every person is born with certain potential capabilities. The question arises as to how those potential capabilities are developed and extended as the individuals grow. The success achieved in a country in creating an environment for improvement of the people determines the prospect of development in that country. Now the initial impetus for the flowering of potential human capabilities comes from, or is created by, the education that people receive as they grow up, right from their childhood.

In this context, John Kenneth Galbraith made a very eloquent statement in 1962 (*Economic Development*, Houghton Mifflin Company, Boston): "... there is one generalization that is reasonably safe. People are the common denominator for progress. So, paucities *verbis*, no improvement is possible with unimproved people, and advance is certain when people are liberated and educated." The history of economic development in the so-called developing world, over the past 32 years since those words were written, is a glaring testimony to the profundity of the judge-

ment. Countries with the persistent prevalence of large-scale illiteracy in Africa and South Asia have remained steeped in poverty. On the other hand, the literate populations of East and South East Asia have achieved phenomenal economic progress over the past decades. It is not suggested for a moment that education is the only factor that makes the difference, but it is by far the most important differentiating common denominator of progress that was behind the widely varying outcomes.

Let us review some relevant statistics from Bangladesh and a few other countries of Asia which were broadly at the same stage of socio-economic development in the early 1950s, only about four decades ago. We do this by matching the selected indicators of progress against some indicators bearing on human capabilities. The countries chosen are Thailand, South Korea, Malaysia and China. The indicators are shown in the following Table.

Human Capabilities and Socio-Economic Progress (Selected Countries)

Human Development Profile	Per capita GNP (US\$)		Life expectancy at birth (years)	Human Development Index (rank)	Human Adult (15+) literacy rate (%)	Human Capability Profile		
	1991	1991 (PPP\$)				Access to health services (% of population)	Access to sanitation (% of population)	Infant mortality rate (per 1000 live births)
Bangladesh	220	1,160	52	146	37	60	32	109
China	370	2,946	71	94	80	90	83	27
Thailand	1,650	5,270	69	54	94	90	76	26
Malaysia	2,520	7,400	70	57	80	70	72	14
South Korea	6,350	8,320	70	32	97	100	92	21

Sources: UNDP, Human Development Report 1994.

It will be noted from Table 1 that per capita GNP in China remains low, but per capita real GDP has reached a fairly high level. On the whole, therefore, the countries other than Bangladesh shown in the Table have achieved a high level of social development associated with fairly high to substantial economic growth in three of the countries except China where social progress has been high, low per capita income notwithstanding. Bangladesh has achieved neither.

It can also be seen from Table 1 that while Bangladesh failed to achieve a breakthrough in developing its human capabilities, that other countries succeeded tremendously in this regard. Their populations became literate,

and their health status also improved simultaneously. Thus, these countries had people whose capabilities were developed and liberated through education. That is, they got improved people. On the other hand, Bangladesh remained stuck with, in the words of Galbraith, unimproved people.

In recent years, there has been policy focus on expansion of education in Bangladesh. A breakthrough, however, does not seem to be around the corner. The implementation of the policy remains plagued with problems, which include pervasive corruption and poor management. But, the major thrust in Bangladesh remains an attempt to alleviate poverty and achieve human development through mainly income growth. The focus is on income-generating activities at the grassroots levels through what are known as special employment, mostly self-employment or income generating schemes or programmes. The crucial element in these

The future income of the beneficiaries becomes uncertain or, at best, it gets trapped at a low-level equilibrium.

Otherwise, why is it that so many high profile, huge government and non-governmental special credit-based income-generating programmes are adding up to so little even in terms of production, let alone initiating a process of sustainable development? On the other hand, indiscriminate economic liberalization has been eroding the production base, especially in the small and micro-enterprise sectors.

I suggest that, when the majority of the people of a country are poor, poverty must be attacked through mainstream policies and programmes in a framework that seeks to develop human capabilities purposefully and creates an enabling environment with appropriate macro, meso and micro policies for the proper utilization of those improved capabilities. On the other hand, special pro-

grammes may be more useful when there are pockets of poverty in the midst of affluence with certainly is not the case in Bangladesh. It is, therefore, suggested that a thorough re-examination of the strategies being followed in Bangladesh for poverty alleviation and economic growth be urgently undertaken. This must be done sooner rather than later. In that case, it may be possible to avoid the eventuality of a crash-landing of the whole business of special programmes/schemes for the poor who constitute the large majority in this country, ignoring the need for creating the environment for the development of their capabilities as the most vital mainstream activity.

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Daily Star (DS): How do you look at the different phases and major turning points of Bangladesh's foreign policy as it has evolved over the last twenty-four years?

Fakhruddin Ahmad (FA): Bangladesh's foreign policy has three distinct phases: (i) the pre-16th December 1971 policy pursued by the government in exile; (ii) after the 16th December, particularly after the return of Bangabandhu Sheikh Mujibur Rahman, the foreign policy took a distinct turn. The principles were: non-alignment, friendship with all and emphasis on recognition. In fact, the basic principle of the foreign policy was determined by Sheikh Mujib himself: "Friendship to all, malice to none." That has remained the cornerstone of Bangladesh's foreign policy ever since.

During the first three years, one could find Bangladesh having good relations with both India and the Soviet Union. The general perception was that our policy was more tilted, but I would not say that this meant that Bangladesh was subservient to India or the Soviet Union. Bangladesh had found it convenient and in its own interest to do so, because of these countries' help (in supporting the independence struggle). This had a practical impact on the conduct of our foreign relations.

(iii) The third period that began during Zia's time was in effect a continuation of the foreign policy pursued by Sheikh Mujib. The emphasis was on some aspects and different nuances. For example, efforts in relations with China were made during Sheikh Mujib's time when the process was started, but (results) materialised during Zia's time. This (initial groundwork) was profitably utilised and Bangladesh's relations with China took a positive turn.

Relations with the Western countries also developed more closely, because of certain policies adopted — mainly, the liberalisation of

the economy, and the introduction of multi-party system of government.

The most important contribution to foreign policy during Zia's time was the concept of regional cooperation. The most important step was taken in the region by formally proposing to set up SAARC. This was indicative of Zia's pragmatic approach to foreign policy despite the country's problems with India.

During Sheikh Mujib's period, regional cooperation could not be developed, because of relations with Pakistan. But he had indicated on his first official visit to Calcutta, India on February 6, 1972, that the countries (in the region) should pool their resources to work for their own betterment. This could not be developed because of strained relations with Pakistan.

DS: How did our relationship with Pakistan improve?

FA: Well, we obtained recognition from Pakistan in 1974; but, diplomatic relations with Pakistan were not established then. However, during Zia's time, such relations could be established to an extent. In fact, there were some conditions emphasized during Sheikh Mujib's time: that there should be movement in issues concerning assets and repatriation of those who wanted to return to Pakistan. But there was a failure to resolve these issues. Bangladesh was putting pressure through Islamic countries and the Commonwealth on Pakistan so that an agreement could be reached. This was, however, abandoned after the change of the government under Khandaker Mushtaq.

When Zia had taken over, he used it (the process initiated by Mujib) to his advantage. Zia's government did not have to start afresh.

The pre-recognition period was primarily confined to seeking and obtaining recognition from various countries.

DS: Wasn't securing recognition a tremendous diplomatic success?

Bangladesh Foreign Policy

"We have not yet been able to develop a consensus-based foreign policy"

An interview with Fakhruddin Ahmad by Lamis Hossain

A country's foreign policy cannot evolve in *vacuo*. It is animated and activated by the quality of political leadership, by economic conditions prevailing in the country, by its geographical location, and above all, by people's support mobilized in favour of the policy itself. How has then Bangladesh fared in the area of foreign policy over the last twenty-four years? Answers here one of the most prominent foreign policy thinkers and activists, who, in his interview, also looks into the dialectics of continuities and discontinuities of the Bangladesh Foreign Policy which is still saddled with some of the glaringly unresolved, crisis-ridden international issues.

FA: Within three months of liberation, Bangladesh was recognised by the Commonwealth, and most of the countries of Asia, most of the West and Eastern block countries. I would say that this showed the success of the pre-liberation movement with regards to recognition.

In one particular year, in 1974, we earned tremendous respect and recognition. Twelve heads of State visited Bangladesh. This was excluding ministerial level visits. The foundation of our policy was sound. Later on, successive governments could improve or build on the foundation, because it paved the way for them.

The foreign policy was formulated on a national consensus approach: it had broad support from all sections of the people. There was no controversy as such. Some could say that it was tilted, but there was an independent direction in the policy. There were of course some divisions in opinion, but the foreign policy was not lying dormant. It was active and seen to be active.

Our foreign policy is a continuing one; it wasn't all built in a day, but the basic principles were laid down then. These basic principles remain unchanged, although their nuances keep changing

with time. One needs to notice that our geographic location is a crucial factor in our foreign policy. You cannot evolve a foreign policy in a vacuum. It depends on geographic and economic conditions. We are dependent on foreign aid. These are very vital components, and we have to know how to maneuver these.

DS: Do you think that these factors, including dependence on aid, dictate our foreign policy?

FA: Yes, because of our dependence, we are very much vulnerable; but, then, how can we resist such vulnerability, while at the same time managing to receive aid and support, depends on the quality of our political leadership.

Nowadays, foreign policy is very much linked with the management of the economy. If your economy goes well, you can also manage your foreign policy. The act of governance will reflect on how you conduct your foreign policy.

We have not yet been able to develop a consensus-based foreign policy. A democratic country should think of doing this. It is not very difficult; but, no attempt has been made.

Bangladesh is economically disadvantaged. We need more than any other country the regional strength of

Agriculture

Performance and Policies

by Abu Abdullah

TWENTY-FOUR years after independence, Bangladesh is less overwhelmingly agricultural than it used to be. Labour force employed in agriculture has gone down from 79 per cent in 1974 to about 40 per cent, while its contribution to Gross Domestic Product has fallen from about 60 per cent to about 35 per cent. At first glance, this may sound like good news — "everybody" knows that as countries grow richer, their agricultural sectors grow smaller. The problem is that this is a sign of economic health only if the decline in agriculture (decline in size, not efficiency) is accompanied by rapid and efficient industrialization. This has not happened in Bangladesh. Those who have moved out of agriculture have usually moved into services, construction, and transport, mainly rickshaws and vans.

"Agriculture" is usually defined to include crops, fisheries and livestock. Crops are the dominant sector, contributing more than 75 per cent of value added. And within crops, rice dominates, with a share of 75 per cent of the total crop acreage. Rice has also been the main growth sector. Other crops have mostly stagnated, with a few recent exceptions like potatoes and vegetables. The story of Bangladesh agriculture is mainly the story of rice.

Technological Change in Agriculture

There have been far-reaching changes in the rice-economy of Bangladesh. First, there has been a fairly spectacular technical change. Bangladeshi farmers have largely abandoned traditional seeds, manures, and irrigation practices in favour of the high-yielding modern varieties of rice initially issued by the International Rice Research Institute in the sixties, and along with this the associated chemical fertilisers and mechanized irrigation (mostly in the winter season rice crop). Thus, in 1976-77, only 14 per cent of the total rice area was under modern varieties, and even as late as 1986-87 this percentage was about 33. By now, the figure is over 65 per cent — over 95 per cent for Boro and over 50 per cent for Aman. Along with this went rapid increases in fertilizer use. Between 1974-75 and 1993-94, for example, the use of urea went up more than tenfold, from 146 thousand metric tons to about 1.8 million metric tons. Over approximately the same period, the number of shallow tubewells went up from 5000 to over 360,000, the number of deep tubewells from 4100 to 34,000, while the number of low-lift pumps was comparatively stagnant, rising from 35,000 to 56,000. The results of these devel-

While the story of agriculture in Bangladesh is mainly the story of rice, its output has been tellingly stagnating for the last five years — notes one of the leading economists of the country. Warns he that it would involve Bangladesh in catastrophes of intractable proportions if lessons learnt from the past turn out to be inadequate and wrong.

opments were not perhaps as impressive as one might have expected, but given the poor land-resources per head and the rates of population growth, they were still by no means negligible. In the twelve year period from 1972-73 to 1983-84, foodgrain production per capita averaged 134 kg per person, and equalled or exceeded 140 kg/person only in two years. In contrast, in the five years from 1989-90 to 1993-94, average annual production per head was 146 kg/person — though over the same period there was a sharp decline in this figure from 149 kg/person in 1989-90 to 140 kg/person in 1993-94. All the same, production had increased to a point where it seemed that "self-sufficiency in rice" was a realistic expectation, until the recent reversal.

While the benefits of the "Green Revolution" in terms of output increase are not in doubt, questions are often raised about its possible adverse effects on the distribution of income and on the environment. It was feared that (a) MV rice will benefit large farmers and bypass poorer farmers who lack the money to buy the inputs and farm-labourers who have no land, (b) it will benefit ecologically favoured areas and by-pass others, thus increasing regional inequalities, and (c) that the chemical inputs like fertilizer and pesticides will cause water-pollution, endanger fish and other aquatic species, and pose health hazards. The first two questions have been investigated in some depth by Mahabub Hossain. He finds that whatever may have been the case in other countries, in Bangladesh all classes have benefitted from the new technology, including wage labourers, since the new varieties generate more employment. Small farmers and tenants have adoption rates similar to rich farmers. And even the "left-out" regions benefit from (a) lower rice prices, which benefit at least the poor in those regions, and (b) labour migration, temporary or permanent, from low-adopting to high adopting areas. The ecological concerns are probably premature given that the current levels of inputs use are still quite low by international standards, but health hazard

problems, specially from pesticides, do exist for both the grower and the consumer, but for vegetables rather than rice.

Policy Changes

The policy regime for agriculture can be broadly divided into two phases. The first phase, from independence to the late seventies, can be characterized as state-led. The three major inputs — seeds, chemical fertilizer, and irrigation equipment — were produced and/or imported and distributed to farmers at subsidized prices by the Bangladesh Agricultural Development Corporation. For irrigation, the technology of choice were the low lift pump and the deep tubewell, both with potentially large command areas (about 40-50 acres for LLP and 60-80 acres for DTWs), which necessitated the users' group formation of optimum capacity utilization.

Starting from the late seventies, the policy regime became increasingly privatized. While the production of fertilizer remained in public hands, its import and distribution were over time completely privatized, as were import and distribution of diesel engines and accessories for the irrigation equipment. For urea and domestically produced TSP prices to traders who bought from the factories continued to be regulated by the government, and were held constant and even reduced for urea in recent times. But there were, until January 1995, no restrictions on the prices wholesalers or dealers could charge their customers.

These policies have many critics. The privatization of irrigation equipment is accused of creating "water-lords" and causing excessive extraction of groundwater. Actually, free access to equipment and competition among water-sellers is the best remedy against "water-lordism," and an annual recharge of groundwater resources is generally more than adequate at the current or foreseeable levels of extraction.

The recent crisis in the urea market has been seen by many as a vindication of their distrust of the market. The price rise is attributed to "unscrupulous profit-thirsty traders." Space does not permit a detailed examination

of this complex issue here. But the crisis was in fact caused in the first instance by a supply shortfall. The total production in July-December 1994 was less than the corresponding period in the previous year, though not by much. More importantly, exports were much higher, causing a shortfall in domestic availability. This over-exporting was almost certainly due to a severe

Underestimation of domestic demand by the Ministry of Agriculture. This was compounded by factory-level attempts to divert the trade from established dealers with well-developed retail networks to comparative newcomers — perhaps to increase competitiveness, perhaps from less honorable motives. Given the ensuing onslaught on the market — the fixation of a Maximum Retail Price, distribution through DCs, the Arbitrary seizure of the urea stocks in store or transit, and even arrests of traders — it is a wonder that the market appears still to be functioning at all.

It would be disastrous for Bangladesh if the wrong lessons were learned from this crisis, and policy reforms were rolled back to the days of public sector distribution of fertilizer. The lesson to be learned rather is that the Ministry should improve its demand forecasting capacity, and perhaps that BCIC's production capacity should be increased. The situation should improve, once KAFCO goes into production.

Outlook for the Future

After growing at nearly 3 per cent for most of the eighties, rice-output has been stagnating for the last five years. The reasons are not clearly understood. There are, however, some danger signals on the supply side: yields of the high-yielding varieties have been declining or stagnant in spite of increased input use. Agricultural scientists attribute this to a variety of causes — unbalanced fertilizer doses (too much urea compared to phosphates and potash), micronutrient mining, soil degradation due to year-round wet conditions, insufficient replenishment of seeds from research centres, etc. Paradoxically, cheap fertilizer, particularly urea, may have contributed to sloppy cultivation practices. The most important contribution that the government can make over the next decade or so is probably to improve the quality of extension.

Ultimately, agriculture in Bangladesh cannot offer a decent living to farmers unless the pressure on the land is relieved. This can only be done by attaining high growth of output and employment outside agriculture. The key to the future development of agriculture therefore lies in export-led industrialization.

and India, the refugee issues with Myanmar and not being able to develop SAARC. So far, we have been managing our foreign policy on an *ad hoc* basis. During the last three years, there have been tremendous changes all throughout the world; the move towards the market economy and democracy, and making human rights a universal issue. Foreign policy cannot remain dissociated from these.

We have to adjust and incorporate these into our foreign policy and bring benefits to the people in the shortest period of time. In fact, intensive interaction with various sectors is required.

DS: How do we stand in the international arena?

FA: Everyone around the world is moving towards regionalism. We haven't made any progress in our region. We need to make efforts to have a strong regional power so as to interact with others.

We have strong ties with the Islamic countries, the Commonwealth and the West. If we develop our own region, these will be complementary. They are developing (EU, NAFTA, etc), but we are not taking any lessons from these. Most of the countries today are advancing in a regional way.

DS: What should our direction in the future be?

FA: This depends on the quality of our political leadership. A country's foreign policy cannot be seen in isolation from the total efforts of that leadership. In the present

world is moving towards regionalism. We haven't made any progress in our region. We need to make efforts to have a strong regional power so as to interact with others.

DS: What were the major failures of our foreign policy?

FA: Not being able to resolve Farakka, not being able to resolve disputes with Pakistan

context of economic diplomacy, we have more economic disadvantages than advantages; so we have to pursue relentlessly. What we do internally with regard to the political leadership and the government reflects on our foreign policy.

So far we have been known as a basket case. We must change this image through our efforts. The West wants to help us to see development, because we are a small country with so many people.

Our approach now is that we are getting aid because we are poor, so we can carry on this way. This has to be changed. How you govern, how you shape the direction of the economy and how you mo-

bilise people's support have direct bearing on a country's foreign policy.

DS: By that token, how has our foreign policy fared last year in the light of the political stalemate?

FA: Because of the political stalemate and economic discontent, we are faced with this question: How will we be able to progress if we are not able to tackle these problems? These are negative factors and there is no denying that this has affected our foreign policy.

If you have political stability, then you can have a positive influence on the conduct of your country's foreign policy. If you are weak, vacillating and unstable, then you don't command respect and respect is important for a country's foreign policy.

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