T is a pleasure to read an article by Dr R H

Khandker, a senior

econometrician, planner and

development economist, who

has made notable contribu-

tions to the planning and development of both Pakistan

and Bangladesh economies in

It is with due respect and in

an academic spirit that one

ventures to elaborate and

he has put forward in his

recently published article

"Economics of Mastani: A

Daily Star. December 19,

more serious treatment by all

social scientists than just a

"Light-Heated Analysis" by an

economist since its

widespread practice in vari-

ous forms in Bangladesh

these days seems to be slowly

but surely leading to the de-

struction of the moral and

politico-economic founda-

tions of the society. It is easy

is controlled by muscle men

with guns and goons, and not

by logic, rationality and

ethics, then that society will

degenerate into an animal

world. In such a society, laws

cency, fairness and justice

that characterise a civilised

society will vanish. It will not

remain a habitat for human

beings any more. One is

driven to believe that the

days of satire, cynicism and

indifference on the situation

in Bangladesh seem to have

gone past and some hard

thinking is necessary to find

ways of exit from the present

state of socio-economic and

political mess that the coun-

try has been led to during the

last quarter of a century.

written.

his various official capacities

Economics of Mastani: Some Observations

by Kabir U Ahmad

"Mastani" certainly a dangerous crime and economists can bring out in a very meaningful and measurable way the damages it is doing to the economy and the society and can prescribe the degree of punishments commensurate with such damages taking into account the direct and indirect effects of such crimes on the society

Economic Effects of "Mastani"

Before analysing the effurther develop the ideas that fects of "Mastani", one has to define it first. In simple language, "mastans" are those who take away money or valu-Light-Hearted Analysis" (The ables from other individuals or institutions at gun point 1995) that this short paper is Such an act of extortion of resources from others by Dr Khandker has dwelt on force can be termed a subject which needs a far

However, from the point of view of national income accounts, which is a numerical representation of the major aggregates of the flows of the economy, Dr Khandker has tried to categorise it, quite rightly, as an enterprise (I would say a "bad or criminal enterprise") producing disservice" to the economy. If to visualise that if the society it is producing a "disservice", then that implies that it is adversely affecting the economy. Therefore, it is definitely reducing the GDP Many examples from the current events in Bangladesh of jungle will prevail; and de- can be cited wherefrom one can see clearly that "Mastans" are preventing the smooth production processes in the factories and trading places by enforcing "holdups" and "seizes" etc which slow down productions and sales. On the other hand, they also take away lumpsum of money from the managers/owners of businesses. When life is threatened and the managers/owners find that the law enforcing agencies are ineffective, then they have to come to terms with these

"Mastans" by agreeing to pay them a regular sum of money every month. The former (ie. the production slow down) reduces output while the latter (forced extraction of money) cuts into the profitability of the existing levels of output as well as savings of the entrepreneurs. It seems the latter transaction can be treated as a "transfer by force" (which is different from economically defined "transfer" payment which has legal sanctions behind it), but the former cannot be a "transfer', and it should be treated as a creation of "bads" as the public finance theories call them these days. There is no doubt that these "bads" reduce the volume of net social output just as the industrial "pollution" does directly or indirectly. Further, the savings component of the "transfer by force" reduces the potential investment and growth of the economy.

However, the paradox here is that if one places "Mastani" under the "Enterprise" head in the national income accounts producing "bads", then in the "Household" account it should reduce income, but "Mastan" households are. having handsome amount of money (not economically defined "income") to spend. For consistency in the accounts, these "Mastan" households' illegal receipts should be deducted from the other non-Mastan Households' (proper)

income and Entrepreneurs' profits. The numerical representation of these items in the national income accounts will make the lie of the national income estimators unbelievably complicated. However, this raises the most fundamental question whether "Mastani" should be

ity at all. Should "Mastani" be Treated as an Economic

treated as an economic activ-

Activity? The straight answer is "no", because when economists talk of an activity, they normally mean a legally approved activity of the society. In this sense, which is the only correct sense of the term, "Mastani" is not an economic activity. However, it should be noted that law in a given society is based on its accepted ethics, religious beliefs, customs, conventions and well-defined socio-economic benefits or universal social welfare. The activities of the "Mastans" are totally against all these fundamental bases of the law of the land, and hence these are illegal activities just as stealing, robbing and mugging etc are. Dr Khandker is right in saying that "mastani is a criminal phenomenon and a serious one". It should be severely punished just as the other crimes and offences are. The next question that becomes pertinent is whether economics can say something useful about crimes or "Mastani".

Should "Mastani" Remain in the Domain of **Crimes Only?**

Dr Khandker has con-

cluded his article by saying that "Let it (ie Mastani) remain in the domain of crimes and not brought in to confuse economics". One has to respectfully differ with him on this. Economics certainly can shed lights on crimes, murders, drug trafficking, stealing, and other offenses by showing the costs that these illegal activities are inflicting on the society and, therefore, the punishments that the society should be imposing on these offenders. Over the last forty years or so the domain of economics has been widening a great deal by exploring the areas like "Economics and Law" and Economics and Ethics" etc. Crime is no longer a subject exclusively relegated to the discipline of law. It has been gradually incorporated into the sphere of political economy especially into Public Finance in the context avoidance and evasion of taxes, and drug control etc. Similarly, ethics is also being incorporated into economic analysis in a very fruitful way in welfare theory. Highly respectable journals like Journal of Law and Economics, and Journal of Economics and Philosophy are publishing important contributions to these new areas which are widening the frontiers of economics. A quick example of such an all-embracing issue is population control. The question where abortion should be legalised for population control contains very valid ethical and legal considerations.

"Mastani" certainly a dangerous crime and economists can bring out in a very meaningful and measurable way the damages it is doing to the economy and the society and can prescribe the degree of punishments commensurate with such damages taking into account the direct and indirect effects of such crimes on the society. No other social science can do this job. This is being done in various countries at the time of treating offences and prescribing penalties to the offenders.

Economic Incentives and

"Mastani" The other way that economics can analyse "Mastani" or crime is to see how and when an individual will have incentive to adopt an illegal activity or "Mastani'. If the reward of "Mastani" is very high while the risk is relatively low, then people will have incentives to take recourse to "Mastani" rather than taking up a normal career of start a business which has risk. Right now, it seems, the punishment for "Mastani" in Bangladesh is rather low compared with the benefits obtained by "Mastani". It seems law is weak and the law enforcement agencies are ineffective and easily bribable and hence a favourable climate for "Mastani" prevails in the country.

How has it come about what can be done to eradicated it are complex questions that need serious thinking and careful investigations. It seems the entire political culture of Bangladesh is

wrapped up with "Mastani". Political Dimensions of

"Mastani" in

Bangladesh

and it reminds one the epi-

It is a dangerous subject

thet that "fools rush in where angles fear to tread". Nevertheless, it is high time that some objective analysis is done in general terms without referring to any particular group or individual. "Mastans" in Bangladesh are supported. financed and armed largely by political parties for their political advantages. "Mastani" culture seems to be rooted in the politics of the country. It has now become a part of the political culture to maintain these para militia, as it were, in every part of the country. Students from universities, colleges, and madrashas as well as workers from various industries and unemployed youths are recruited by political parties to promote their respective ideologies. When they need money, they hold business organisations for ransoms. Their political patrons

It is easy to understand that when these students finish their universities and

them for such activities.

do not punish or condemn

they continue with what they were doing before. Newspaper reports have it that there are independent locallybased "Mastan" groups who establish their authority to collect ransoms at gun points. When political parties want to spread their networks in those areas, they have to come to terms with these groups. Side by side, when these groups go out for collection of ransoms from their localities, the police officers are kept silent by giving them a share of their collections so that no police actions can taken place against them. Even if there is any legal action, powerful people in high positions

colleges and do not find jobs.

usually bale them out. So the "Mastans" are not just some isolated socially deviant groups, they are in alliance with the law enforcement agencies as well as with various political parties. Therefore, they seem to have a wider socio-political and administrative support base.

How to Eradicate "Mastani"?

How to eradicate this cancer from the fabric of the society? An answer to this question needs years of hard thinking, policymaking, commitment at the highest level of administration, planning and effective implementation of policies over decades. Above all, there is a need for a conscious political movement against it. There is no short cut to the solution of this problem. The quicker the leaders of the country in all spheres of life become aware of the dimensions of the problem the better it is for the sheer survival of a just and civilised society for which the people of country fought so hard.

Balkan Vietnam-Syndrome

'OME experts call it "post-trauma stress syndrome", others refer to it as "Vietnamese syndrome-Serbian style."

Emotional residues of war, the memory of conflict, and the trauma of withdrawal from the tension of battle. are tugging at hearts and minds in Serbia.

"The war in former Yugoslavia ... will continue to exist in the hearts and minds of thousands and thousands of people who were its victims," says Vuk Draskovic, leader of the Serbian Renewal Movement (SPO), the biggest antiwar opposition party in Serbia. "After the nationalist hysteria, there will come national sobering... the invalids will dream about their limbs. the refugees will dream about their homes... and there will not be enough psychiatrists to help them.

Draskovic made the comments at a recent panel discussion here. Participants in the panel discussion concluded that the economic destruction caused by four years of war, and the disintegration of the federal political system, would leave big scars on the mind of the nation. They expect the trauma to affect thousands of people who had direct or indirect contact with war.

Brutal episodes chronicled by today's newspapers headlines are likely to endure and become tomorrow's nightmares.

Several months ago, a drunk young man went to a psychiatric clinic in Belgrade and asked to be "cured". The doctor had a quick diagnosis - he told the man he was drunk. The man went outside, removed a pin from a

James Bond

Four years of war has left deep emotional scars on the people of former Yugoslavia. Vesna Peric Zimonjic of Inter Press Service reports from Belgrade.

on it, and blew himself to

Another young man tossed a hand grenade into the back of a bus because he felt the people were talking too loud. One woman was killed. In another incident, a man went to his girlfriend's home and used an automatic rifle to kill her and her whole family. "She didn't love me any more and I could not stand it," he said.

All three were "volunteer guards" who had fought in Croatia and Bosnia for years. along with local Serbs. Experts say they all suffer from post-trauma stress syndrome.

Experts at the panel discussion noted similarities between some of these episodes and "Vietnamese syndrome" suffered by US soldiers after the Vietnam War. Victims feel manipulated and used for the needs of daily politics of national leaders and politicians

"The US government used to say that 'America was defended in Vietnam to explain its adventure to the soldiers.... Belgrade used the similar sentence — Serbia is defended in Knin', said Dr Jovan Maric, a prominent Belgrade psychiatrist. Knin is the stronghold of rebel Croatian Serbs which was overrun by the Croatian army last Au-

"Once the US soldiers saw they have been manipulated and the war was lost, their eyes opened. And the sober-

hand grenade threw his body ing moment looks like the one here. People see that

they have fought for nothing.

ithat their 'national Serb

ideas' were used and then

disposed of," he said. Official Serbia has backed the war in Bosnia since August 1994, when Serbian President Slobodan Milosevic. longing for international sanctions to be lifted, turned from war instigator to

peacemaking politician. Victims of wars - both soldiers and civilians — are often depressed, and many commit suicide. Although it was never officially admitted that Serbia was at war, thousands of people from Serbia proper volunteered and joined local Serbs in wars in Croatia and Bosnia since conflict erupted in former Yu-

goslavia in 1991. Some believed the official propaganda that "Serbian national interest was at stake" Others went in search of fun and adventure. Experts say they all returned with prob-

lems related to the fighting. Compounding the problem, said the experts, is the fact that official Serbian policy has changed from pursuing war, to the role of peacemaker adopted by Milosevic. "People are disappointed, disillusioned and feel manipulated," said one

Official statistics on involvement of Serbs from Serbia proper in wars in Croatia and Bosnia were never released, but several

associations of "Serbian volunteers" but the number at 120,000 to 160,000 men.

Experts say the problem of hundreds of thousands of refugees who have fled wartorn areas only adds to the picture. Serbia has hosted some 400,000 refugees since 1991, including 200,000 who left Krajina when that region fell to Croatia.

"The first studies of those people show that they have almost lost the wish and the ability to adjust to the new situation, due to the shock they suffered. They are falling into the state of emotional stupor, they don't feel satisfled for being alive and have lost the joy of life," Maric said. "They have great fears for their future. One can say those people have suffered permanent damage of per-

In Bosnia, "there is not a single man, regardless of national origin, who will not feel the mental consequences of war for a long time," said Maric.

A report in the Belgrade independent weekly Vreme cites 14 cases of random killings in Serbia proper since the autumn of 1991, in which 47 people died and dozens were injured.

Dr Aleksandar Vuco, psychiatrist from Belgrade Dragisa Misovic hospital, argues that the return of fighters into a deeply divided society caused major psychological troubles that lead to "Vietnamese syndrome" -Serbian style.

Although official propaganda has insisted that wars in Croatia and Bosnia were just, necessary or inevitable. The Serbian public is deeply divided over the problem.

Rice Productivity Trend over the Current Century agricultural development was

ANGLADESH agriculture is land-based and. synonymous with rice production. Aggregate production and per hectare yield of rice is all-important. criteria to measure its development. In the years ahead issues related to rice production would dictate the direction and dimension of agricultural development. The country's socio-economic and political stability largely depends on the status of rice production. Before entering the new century, it might be useful to evaluate the productivity trend of our main cereal crop with a view to taking more pragmatic policies and scientific programmes that could help us boost our rice production as well as yield per hectare. Historical evidence shows that the country agriculturally prospered during 13th, 14th and 15th centuries.

In the 19th century, used

to we export 30000-40000 tons of rice annually. Constraints related to rice cultivation became evident during the 20th century. Between 1901 and 1947, foodgrain production remained stagnant. The population and cuitivated area rose by 38 and 18 per cent respectively. During this period (1901 19-17) the annual output of foodgrain was constant but output from cash crops was notable (53 per cent). This resulted increase of agricul tural output by 18 per cent. It was because Europeans getting permission to buy lands in undivided India first of all moved towards increasing the production of commercial crops to protect their own interests. Rice productivity did not show any consistent decline or increase. The possible reasons for stagnation yield over the first-half of the century might be due to colonial regimes exploitation of peasantry under the system of Zamindari lac's of technical know-how

Besides, rising and falling of empires, deteriorating law and order situations also caused lower productivity of rice. However, the newly developed countries at their early stage of development prospered agriculturally by using improved varieties of foodgrains. It was the era of beginning of using HYVs in agriculture which unfortunately did not affect profoundly our agriculture. Although rice improvement works were initiated in 1911 in Dhaka, it did not receive

much attention in terms of technical advancement as it was not a commercial crop. Varieties developed during this period were almost not acceptable to the farmers as those varieties yielded only 10 to 15 per cent higher than the traditional varieties. Population growth rate

by Dr Subash Dasgupta

production. As a result, the country did not face any food crisis during British period. We started importing rice since 1947-48 of the order of 5602 tons. After creation of India and Pakistan we could not have any irrigated lands and use of improved varieties and chemical fertilisers were nil. Research works on Boro rice were initiated after 1947. It is true that at that time more emphasis was laid in increasing rice production than cash crops. Though second world war, great famine of 1943, population pressure. etc., forced us to have a more dynamic outlook in rice production unfortunately, we had also missed the opportunities of increasing rice productivity during Pakistan period (1947 - 1971).

was 0.8 per cent which was

Whereas Japan, Taiwan and China registered the highest yield record in rice during this period which helped them to become developed countries. Some major reasons of low yield of rice in our country were massive migration of minority community to India have resulted to loss the land productivity records and proper idea about crop suitability as well as cropping patterns to the new landowners; well to do farmers were more inclined to buying lands in order to become land lords which was accelerated through the Basic Democracy concept of the then Pakistan government; number of ab-

sentee landlords and thus almost similar to foodgrain small holding farmers started increasing gradually. As a result, the land productivity was gradually impoverished due to lack of investment in land and improvement and it was directed towards exploitation of lands. Furthermore, fragmentation of land holdings, systems of share cropping, increase in cropping intensity, lack of technical know how etc., also contributed to low yield of

But in the early '50's a miracle variety (Pajam) was evolved through Indica-Japonica hybridisation programme. This variety was suitable for cultivation in all the three seasons. Massive cultivation of Pajam variety in early '60s and introduction of IR-8 variety in the late 60s have resulted in increasing rice productivity to some extent inspite of declining soil fertility alarmingly. But the performance was not nearly up to the rate of population increase in this period. As a consequence, the problem of food deficiency remained. Achievement of self sufficiency in food production by using HYV seed fertiliser ir rigation technology was the main target of post-independence period Needless to say, rice productivity had to play significant role in this regard.

Unfortunately, the concept perceived during the '60s for increasing produc tion appeared to be the same in this period also. In fact,

Rice Productivity Trend

Year	Aus(t/ha)	Aman (t/ha)	Boro (t/ha)	Average (t/ha)
1947-1948	0.79	0.94	1.06	0.93
1971-1972	0.79	1.06	2.00	1 28
1981-1982	1.03	1.19	2.46	1.56
1991-1992		1 73	2.58	1.96
1992-1993		1.77	2.53	2.01

Population and Rice Productivity

Index (1947-'48=100) Description Disconnection Total rice | Decimple

Year	Population index	index	area index	rice production index
1947-1948	100	100	100	100
1971-1972	175	145	120	83
1981-1982	215	199	136	93
1991-1992	5 19.5%APT#1595	267	141	103
1992-1993	263	268	151	102

the expansion of previous efforts. As a result, problems of productivity remained unsolved. Between 1971-72 and 1991-92 we were able to increase our rice productivity by 2.4 per cent annually whereas the population growth rate at the same period was 2.7 per cent. One weighty reason for low yield of rice is that in developing HYV major attention were given to climatic conditions than stress situations. The later one is more crucial in increasing yield than former one. We had also missed the scope for using Hybrid rice technology in rice cultivation. Absence of scientific approaches in input firrigation. fertiliser, pesticides, skill, etc) utilisation and management is another cause of low productivity. Thailand, the Philippines, Indonesia, Vietnam, etc., are some of the countries which registered significant achievement in increasing rice productivity during this period. Hence, over the century,

rice productivity has not increased to our expectation though yield growth were the primary contributor to rice output growth in many countries of the world through these periods. Lower productivity of rice brought serious consequences to our life. If the present trend continues, a grave hardship is unavoidable in near future. There is no other alternative except to increase per hectare yield of rice and thus attain self-sufficiency in food and vacant scarcelands for cultivation of other crops. Produce more rice with less land will be dominating concern of the future. Our present rice production systems are performing below their potential. Rice production system will be sustainable if we will be able to increase the per hectare yield by 40 per cent from its present level or if we ensure three per cent annual growth rate which is quite achievable supported by proper planning and management backed by scientific policies of government.

Rice productivity trends in the countries which already achieved remarkable success in this direction were almost similar to our country's trends at the beginning of this century. But at the end of the century, we see that they outstripped us in terms of rice productivity manifold which helped them to become prosperous countries. So in the future we should not miss any opportunity that would help us increase the productivity of rice crop.

The writer works at Technology Transfer Monitoring Unit, Bangladesh Agricultural Research Council, Dhaka

BY IAN FLEMING ALL WANT IS A





by Jim Davis







