

## Inaugural Spirit

Few inaugural ceremonies in the recent times have been such reverberative symphonies of hope and amity as has been the opening of Commonwealth Heads of the Government Meeting in Edinburgh last Wednesday. The utterances of this august assembly on Day One though largely ceremonial rang out for their unmistakable cordiality and a special kind of bond and served as a great tone-setter for the issues to be discussed in the four-day meet of the 54 nations of the Commonwealth family.

Firm commitment to democratic ideals accompanied by a strong vow to work for bolstering trade and development lay at the core of the opening day's message. What really made it all so savoury and saved the renewed commitment to democracy from being labelled as the jejune rehashing along the lines of tradition was the leaders' bold and open acceptance of a new world order where economics has the key role. It was this exhilarating mixture of democratic ideals and the aspirations to meet the economic challenges of the 21st century that has filled our hearts with optimism about the Commonwealth's future.

That this Commonwealth meet could go down in the annals as one that saw a significant shift from inane formality towards a more meaningful and understanding gathering of the heads of the nations was augured on the side-lines, too. Nothing could have highlighted the spirit of family reunion and amity more than the snippet on the late arrival of the South African president Mandela and his characteristic flair for informal approach in his loud welcoming words to the British PM and his sweet apology to the queen as sweetly reciprocated by them.

Bangladesh had her share to the family spirit well contributed when Prime Minister Sheikh Hasina and her British counterpart Tony Blair exchanged fresh sentiments on Bangla-British cooperation while jointly opening the new headquarters of a British oil exploration company Cairn.

It was not a mere glorification of the family spirit; for there was indeed a global vision that tinged the imagination of this great communication bridge between the developed and the developing world.

We look forward to its success.

## Slum Fires and...

Yet another devastating fire at a city slum. This time in broad daylight it engulfed the embankment adjoining the Rayerbazar perishables market. As many as three hundred shacks vanished into ashes roasting alive two children and bruising 40 persons with burn injuries in the process. The thinly bamboo-built shanties with polythene roofing extended an open invitation to gutting by any flame bending snakishly from an open fire through wind-accident or a mouthful of swishing. With a kucha bazar warren nearby, the inflammability of the locale was in a given way menacing.

There were as many as 2,156 slums in the metropolis, according to a survey carried out in 1989. Now the number may have reached the 3000-mark, the totality of slum acreage being an awesome chunk of the metropolitan land area. As it is, the city creaks under a tremendous migratory influx from the rural areas, put at 7 per cent which is at least three times the rate of population growth in the country.

With the living conditions of a countless number of the urban poor being terribly hazardous for them and an appalling blot on the conscience of others, one wishes the slum dwellers' resettlement project which may run into difficulty, according to a Daily Star report, will be duly steered clear of it. It is understood that progress on this 28.5 million US dollar project, scheduled for implementation in January next to re-locate the hapless people in reasonably developed, habitats is hindered by uncertainty shrouding availability of land required for the purpose. Different ministries are yet to submit lists of khas lands sparable for the next ten years to the Local Government Engineering Department, the implementing agency for the project. The ADB which is ready to extend a credit worth 20 million US dollars insists on a 15-year land guarantee for new settlers. The ministries seem hard-pup to squeeze into khas lands within the metropolitan limits or thereabouts for such a long time, but on the peripheries it may not quite be an insurmountable proposition. The land lease may be integrated into a poverty eradication strategy for developing tertiary growth centres away from the urban insulation. Let there be a cabinet decision on this.

## Ferrying Quarrels

Given their frequent recurrences, river-crossing ordeals are hardly newsy now-a-days. These aren't startling enough stuffs to make us sit up and take special note of, except perhaps fleetingly getting us to grit our teeth in a remote empathy with the accursed hardship of the numerous stranded victims. But occasionally something or the other may happen, for instance, an altercation over bribing some BIWTC booking clerks into breaking the serial for trucks that could fray tempers of the aggrieved ones. This was exactly behind the 'boil over the gout' one saw flaring up since Wednesday night with as many 3000 vehicles getting immobilised on Friday following a barricade put up by agitated truck drivers.

As if the situation was any less desperate hydrologically that man-made factors had to be interpolated into it for a near-total dysfunction. It has been a month since the service got disrupted with the declining water tables of the Padma and Jamuna. The cross-river movement has already been reduced to half the capacity with shoals developing and affecting even narrowing the alternative routes being used to relieve the mounting traffic pressure.

The two-month-long ordinary dredging activity has not altered the navigability of channels, so that we are left with no choice but to harness in this the most modern, giant of a dredger engaged in the Jamuna bridge construction project.

# The Draft Fifth Five-Year Plan

*The best plan for Bangladesh would be a kind of flexible demonstrative plan which will indicate to the market what is possibly the best outcome for the country and facilitate the resource allocation for such outcome through appropriate monetary and fiscal policies.*

well as of their own internal inventory cycles of substandard industrial productions as well as shortages of agricultural productions.

Their plans could not stop the occurrences of these unexpected events. Socialist system of the Soviet and Eastern European variety has broken down and so has planning in a completely controlled economy. The reasons for this break down are many. Nevertheless, coming to the main line of argument, Marxist thinking does not accommodate business fluctuations in socialist economies.

In a quite different way, John Maynard Keynes, whose main contribution to economics was on the maintenance of full employment in an advanced industrialised economy by controlled use of fiscal and monetary policies, advanced the ideas of maintaining both the internal and external economic stability. For the latter, he became the architect of the Bretton Woods institutions (The present World Bank and IMF which these days perform different functions). His vision was to maintain full employment level of activities in an economy with both domestic and international stability. The system that he instituted lasted only up to 1974 when international stability collapsed and somewhat later maintenance of full employment was also thrown out of the domestic political agenda of the industrialised world. But the influence of his thinking on managing the economy by using fiscal and monetary policies has not only persisted over the years but also became an article of faith with planners of many third world countries. Keynes was not an economist of medium or long-term growth, which he made fun of, but his emphasis on savings and investments became the roots of later explosion of growth theories.

But it is his theoretical ideas of economic management and controllability of the economy that became the foundations of planning in the Third World countries. Some third world Marxist economists blended

Marxism and Keynesianism in both developmental analyses and planning. All in all, it is his ideas of manageability and controllability of the economy that contributed to the SSG growth path in the planning exercises. But these ideas have increasingly been challenged in the face of the cyclical pattern of world development and, as a result, have become less exciting and useful these days. Business cycles, as J R Hicks said, do exist and have been active in quite a powerful way. As one can see, these are playing havoc in various parts of the world. The upshot of all these is that five-year plans envisaging SSG path may remain far from being fulfilled. The DFFYP has no

fully implement any one of its five-year plans so far. Yet it does not seem to have learnt the right lessons of history. There is a deeper question that the situation raises at all possible? This will be dealt with in a different article sometimes later.

## Prices, Institutions and Incentives in the Plan

All planners and economists are familiar about the role of prices in economic activities. For medium-term plan of five-year term, resource allocation with shadow prices and their translation into projects and other activities at market

industries have become white elephants and causing hemorrhages to the tax-payers' money, what is the rationale for assigning additional project development and management responsibility to the thoroughly inefficient public sector? This raises the question of a planning in a normal economy versus in a corrupt economy.

## Planning in a Regular Economy versus Corrupt Economy

The question that is most pertinent today in Bangladesh is whether a five-year plan drawn under the assumptions of a regular economy be useful in an economy which is widely acknowledged to be a thoroughly corrupt. By and large one can say that except the output prices of rice, vegetables and raw jute etc., of the agricultural sector, prices of all industrial products, transports, services and trade are influenced by corrupt practices of officials and extortionists. The prices with which DFFYP has calculated its planned expenditure reflects this phenomenon to some extent since it has used market prices. But while doing the exercises on capital-output ratio and world prices of imported machinery, spare parts and raw material prices etc., one feels somewhat certain that the corruption charges at the customs and at other points have not been entered. The costs of projects at the delivery points and of imported goods for industrial purposes will be much higher than what the plan has calculated. Over the years, this divergence between the plan estimates and the real costs in a corrupt economy will go up. The real costs of delivery of all the projects whether in public or private sector will be much higher than what has been estimated. Therefore, the real fulfilment of plan targets will be very much lower.

Further, by retaining a huge amount of resources at the command of public sector officials, the corruption of which is well documented, the plan has created avenues of enriching this segment of the fortunate

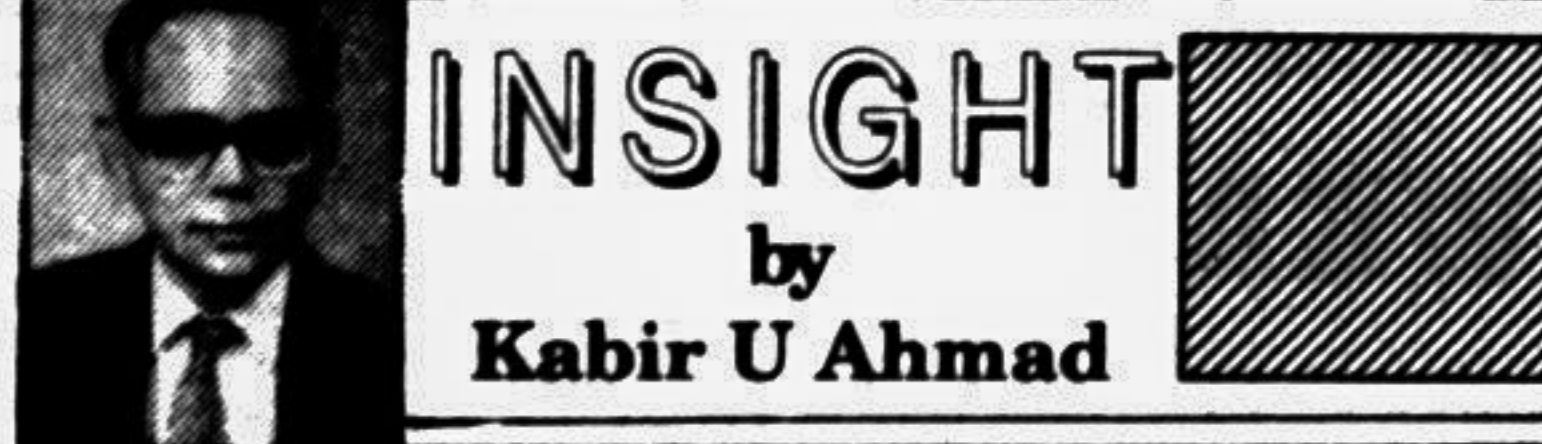
few in the society. This will further skew the existing pattern of unequal income distribution. Are the planners promoting poverty alleviation and economic growth etc., through such allocations?

## What Kind of Plan is Suitable for Bangladesh?

The old traditional Five-Year Plan will not yield expected results in Bangladesh for reasons pointed out above. The best plan for Bangladesh would be a kind of flexible demonstrative plan which will indicate to the market what is possibly the best outcome for the country and facilitate the resource allocation for such outcome through appropriate monetary and fiscal policies. It should not distort prices and private incentive structures and should withdraw from all economic activities which market can do better retaining only the basic defence, law and order, judiciary and social services. The structure of the plan should be a very flexible and adaptive one so that risks can be estimated and revisions can be made easily as soon as any important set of data changes. Such a model should be estimated regularly every month to feed the market and the entrepreneurs. It should fix the export, import and production targets of the economy to reach certain growth and employment objectives. It should maintain interest and exchange rates at reasonable levels so as to stimulate the economy to meet the specified targets.

Let the economy grow with an expanding private sector and a decreasing size of public sector while the government plays only the role of facilitator. Indirect tax burden, which distorts prices and resource allocation, should be reduced while the direct tax burden, which is now at a scandalously low level, should be increased to finance a substantially downsized and efficient government. The government should have a clear plan and implementation programme of social safety network which should be an integral part of the planning model. This should be the general direction of planning and development of Bangladesh.

This is the concluding part on the subject; the first one was published on last Sunday



INSIGHT by Kabir U Ahmad

recognition of this important reality, let alone accommodating its effects in a meaningful way.

Since the end of the second world war, countries after countries in Europe, Asia and Africa started with five-year plans with all the good intentions to speed up their rates of economic growth thinking that this would ensure their millennium sooner than by other means, but eventually most of these countries, if not totally abandoned, have been thoroughly disillusioned with planning as a tool for development. Today, it will not be an overstatement to say that five-year plans as development tools have lost their original aura and appeal all over the world. Very few countries these days seriously pursue five-year plans or have been successful in implementing them.

A careful look at countries like India, Egypt, Pakistan and other similarly placed ones will confirm this observation. For sheer internal imbalances and external recessions and booms, Bangladesh could not success-

## LETTER FROM AMERICA

# "Sputnik" Launched Space Exploration Forty Years Ago

Dr. Fakhruddin Ahmed writes from Princeton

*For the US, it meant the subordination of all other national interests to the launching of immensely expensive crash programmes to outdo the Russians in this competition. The space race was on!*

Many American space enthusiasts, stricken with gloom at that time, now reflect that it was the best thing that could have happened to the American space programme. Only four years later, President Kennedy would call for what became the Apollo programme. (President Kennedy would ask the Congress, in 1961, to fund a programme to send a man to the moon, and to bring him back safely to Earth, before the end of the 1960 decade.) An enormous infrastructure of space research and development centres, test and launch facilities, support industry and university programmes would come into being. For the US, it meant the subordination of all other national interests to the launching of immensely expensive crash programmes to outdo the Russians in this competition. The space race was on!

*Pravda* was delighted to print, on October 6, 1957, the praises of friends and enemies over their Sputnik feat. Reactions from Peking (that friendship would dissolve in a few years hence), Warsaw, Paris, Vienna, Rome, London, and specially from New York prompted the *Pravda* to declare victory with a banner headline: "Russians won the competition."

It was a competition America should have won hands down. Serious proposal to launch an American Earth-orbiting satellite had been discussed since the mid-1940s. In February, 1946, first the Douglas Aircraft Company and then the project Research and Development (RAND) were funded with 1 million dollars to submit secret proposal for the design of an Earth-orbiting satellite. RAND's eventual report on "Preliminary Design of an Experimental World-Circling Spaceship" predicted with misguided perception: "The achievement of a satellite craft by the United States would inflame the imagination of mankind, and would probably produce repercussions in the world comparable to the explosion of the atomic bomb."

In Russia, Konstantin Tsiolkovsky had shown mathe-

matically in 1903 how a device launched at a certain velocity would achieve Earth orbit. In 1948, visionary Mikhail Tikhonravov made the case for development of a device to Sergei Papovich Korolev, the legendary chief designer of the Soviet space programme. No government support was forthcoming until 1953.

The US's most substantive design came from the legendary rocket scientist, German-born Werner Von Braun, who was with the US Army. However, President Dwight Eisenhower wanted to keep the military out of space research. In the International Geophysical Year (1957-58) programmes, dedicated to scientific research and open skies, Eisenhower did not want to disturb Soviet Premier Nikita Khrushchev's sensibilities about overflights over Russia. Therefore, a project ill-named Vanguard, under the auspices of the National Science Foundation (NSF) and based on antiquated technology, was entrusted with the task of carrying the US banner into the space age.

With the Communist Party's nervous acquiescence in August, 1957, Korolev placed the development of Russian space programme on a fast track. In a little more than a month, a plain, polished 83.6 kg sphere containing only radio transmitter, batteries and temperature measuring devices was successfully catapulted into the Earth's orbit.

The rest is history. Sputnik 1 went up successfully, followed only two months later by Sputnik 2, which sacrificed to science a dog named Laika. US's Vanguard failed twice, before the Von Braun team was rushed in to successfully orbit the Explorer satellite on January 31, 1958. Spaceship "Redstone" lifted the first American, Shepherd, into space in May, 1961. Korolev went on to lead the Soviet Union to spectacular successes — the 1.3-ton Sputnik 3, the first man (Yuri Gagarin) in space, first woman, first three men, first walk in space, the first spacecraft to impact the Moon and Venus and fly by Mars. However, piggy-backing on the computer technology

and unlimited funds, the US very quickly leaptfrogged ahead of the Russians in the race for space.

Korolev failed with the project that was his consuming passion — beating the Americans to a circumnavigation and then a landing on the Moon. He died in 1966, while at the peak

of Soviet effort. The Soviet Moon — launch vehicle failed catastrophically in four test launches between 1969 and 1972. During that time, the United States landed six missions with 12 astronauts on the lunar surface.

Throughout the cold war, the space race intensified. The

# Sher-e-Bangla—the Legendary Hero of Politics

by Prof Roushan Ara Hoque

TWENTY-SIXTH October, 1997 marks the 124th anniversary of birth of the great legendary hero of politics, Sher-e-Bangla A K Fazlul Huq, who with his wise statesmanship and great foresight reshaped the political future of millions of Muslims of this sub-continent. He was a great pioneer of Bengali nationalism, an exponent of democracy, and the saviour of millions of oppressed peasants.

Born on 26 October, 1873 in a respectable zamindar family of Sattaria in Rajapur Thana of Barisal district Fazlul Huq began his career as a lawyer. But being destined to be the saviour of the oppressed peasants he joined active politics in 1911. In 1913 he was elected a member of the Bengal Legislative Assembly from Dhaka division. He saved the teeming peasants from the oppression of the zamindars by abolishing the Zamindari system, the Mahajani system and the Land Tenancy Act by giving the ownership of land to the farmers. By setting a large number of Debt-Settlement Boards he saved millions of farmers from the exploitation of cruel landlords. Thus he had won the hearts of the poor peasants who in turn, loved and respected him as their most honoured "Hud" Saheb. He united them under one political banner and formed the Krishak Proja Party consisting of all peasants. To create awareness among them about their basic rights he had established thousands of primary schools and made primary education compulsory for them. Thus he laid the foundation of a strong and united middle class Muslim community who in course of time gave leadership to the Liberation War of 1971.

Fazlul Huq was an exponent of Hindu-Muslim unity. He declared that the Hindus and the Muslims were brethren and he himself served for the well-being of both the communities. He first became a member of All India National Congress and after the formation of Muslim League he became its President. Then he strived hard for the political and economic emancipation of both the communities. He was successful in forming the Lucknow Pact in 1916 and forged harmony among them. As a grateful response to his contribution the people of Lucknow honoured him with the title 'Sher-e-Bangla', that is, 'Tiger of Bengal'.

Sher-e-Bangla was a great patron of education, for which the then British DPI called him 'the Benthams of Bengal'. In 1921 he helped establish the University of Dhaka after the model of the residential university of Oxford.

In 1923 he established the Islamic College, the Lady Brabourne College, and the Bethun College of Calcutta. He upgraded the Anglo-Oriental College, of Aligarh into a full-fledged university. He had also established the Eden Girls' College, Central Women's College, City Law College, Tejgaon Agricultural College in Dhaka and many schools throughout the whole country. He had also proposed to establish one Medical College at Barisal. Later on when the Medical School of Barisal was upgraded it was renamed after him. For his great patronage for revival of Muslims in this part of the world King Abdul Aziz of Saudi Arabia called him 'the Kamal Pasha of East Bengal'.

Incidentally, the greatest contribution of Sher-e-Bangla perhaps was that he was the first visionary of the liberation of Bangladesh as an independent state. With great foresight he formulated the Lahore Resolution of 1940 including in it the proposal of establishing

separate independent states in different Muslim majority areas of the sub-continent. But subsequently Jinnah changed the word 'states to state' and established only one Muslim state with two wings thousand of miles apart having different languages, cultures and heritage. However, in the first constitution of Pakistan framed in accordance with the Lahore Resolution, full autonomy was granted to the provinces. But instead of giving autonomy to East Pakistan, when the Pakistani rulers began political domination and economic exploitation Sher-e-Bangla formed a United Front with other parties and declared his 21-point electoral manifesto which brought overwhelming victory for his Front and he became the Chief Minister of East Pakistan on 3rd April, 1954. As a part of implementing the 21-point Programme he revived the spirit of Bengali nationalism by giving strong impetus to inculcate Bengali language, culture and heritage. Gradually 21st February was declared as 'Shaheed Dibash'. Along with Urdu Bangla was declared as one of the state languages of East Pakistan. The construction of the 'Shaheed Minar' at the site of bloodshed of the martyrs. For further study and research of Bangla the Bangla Academy was established, at Bardwan House. To inculcate Bengali culture more intensively the Bengali New Year's Day started to be observed as 'Pahela Baishakh'. All these steps encouraged the nationalist spirit which ultimately inspired all to join the war of independence.



## To the Editor

### Introducing "Green Page"

Sir, As reported by BSS and published in the newspapers, a suggestion to introduce a 'Green page' in the newspapers and periodicals has been made during launching of a national programme by an NGO — 'The Jungle' — in Calcutta on September 27 last. The Green page as suggested would focus on the issues relating to the environment.

I find the suggestion quite

appropriate in the present context when the environment of not only of this subcontinent but of the entire world is experiencing a serious degradation due to the hazardous effects of several pollutants on it.

M. Zahidul Haque  
BAI, Dhaka-1207.

### Terror at Fenil

Sir, Newspaper reports about Fenil are just devastating. We are aware of one bold ex-DC of Fenil who tried to set things right but was himself attacked and survived luckily. It is

strange that a man is running a parallel government and has taken over the entire district to be his serfdom and yet the government is witnessing the whole episode as a silent spectator.

Has the time not yet come to restore public confidence with real boldness and thwart every act of audacity with all the ruthlessness that it calls for?

We guess the PM has already vowed to do so!

F Ali  
Dhaka