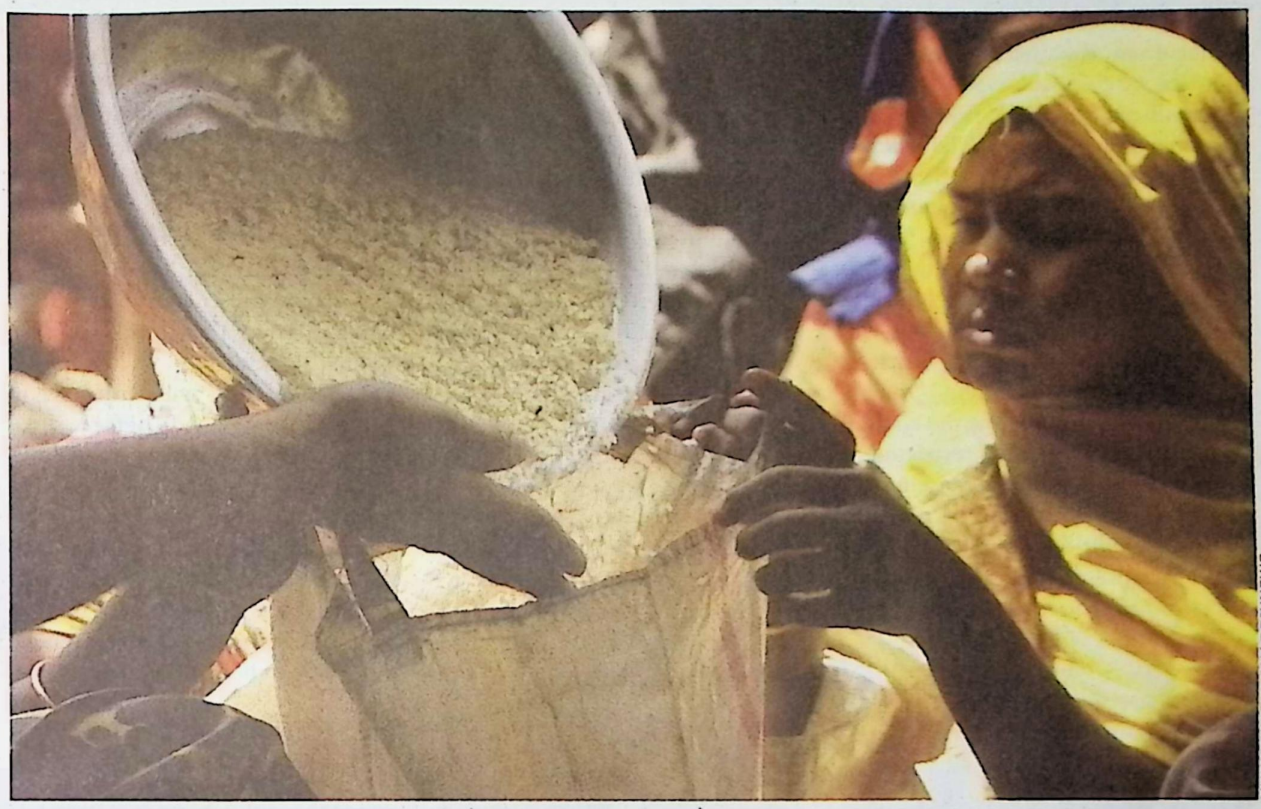


MUNIR UZ ZAMAN/ DRIKNEWS

populated land was meant to be industrialised. All those imported thoughts have to be revisited now.

Putting our money where our mouth is

Mainstream politicians, and the elite, like to trumpet the relative decline of agriculture compared to services or manufacturing. They cite this shift as evidence of the economy "modernising."

Bangladeshi governments prefer not to adequately subsidise agriculture and therefore fail to support what should be the number one sector.

If pushed, you might correctly say that Motia Chowdhury was a better minister than the following hapless ministers in BNP-Jamaat were, but that is not saying much. Take it beyond to the Asian scale, and we have done precious little for our farmers.

The East Asian economic miracle was built on first ensuring that the rural and agricultural sectors created jobs, with the government paying farmers higher prices for rice. The key was "guaranteed prices" so that a small farmer (in actuality, the owner of a small business) could plan production, and borrow, knowing what his or her income would be.

Forget the stuff coming out of the Bank, DFID, and USAID. Look at the experience of Taiwan, South Korea, and Japan. Look at China post-1978 and the phenomenal rise in food production after procurement prices were raised.

Even within restrictive WTO rules, we can provide subsidies of up to 10% of agricultural GDP.

What is our track record?

In 2002-3, only 0.54% of agricultural GDP was provided in subsidy. That figure rose to 0.77% the next year, and to 3.6% in 2004-5. Even the latter only amounted to less than 2.5% of the total budget and was a one-off reaction to devastating floods that year.

Despite the WTO arrangement, governments are loath to boost the sector, which happens to employ 60% of the population.

To compound this, subsidies are preferred for the inputs needed in production. Primarily fertiliser and pesticides. This benefits dealers, including importers, and they do not care about the appropriate level of usage.

Very few people wish to concentrate on the output side, i.e. the price the farmer obtains. Have we considered whether the level of price and the volume bought are anywhere near where we should be? Very little is ever written about this or discussed among the intelligentsia.

We hear more about rogue traders, hoarders, and distributors. Well, the private sector is simply maximising profits and where were you when the government agencies were being disemboweled?

Politics has revolved around promoting urban over rural needs. Thus, when it comes to food, the