

# An ode to Prof Anisur Rahman



## AN OPEN DIALOGUE

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ABDULLAH SHIBLI

Prof Anisur Rahman, a founding father of the "Two Economies" theory, which formed the intellectual foundation of Bangladesh's Liberation War, passed away on January 5, 2025 in Dhaka. An economist's economist, he was a scholar of immense influence across the social divide, and renowned for his lifelong commitment to the emancipation of the masses. Until his last days, he stood up for his cause and commitment to social democracy and people's participation in the development of this nation.

Born in 1933 in Brahmanbaria and laid to eternal rest in his ancestral home in Netrakona, Prof Rahman was the son of Hafizur Rahman, a former civil servant and cabinet minister in Pakistan. He received his early education in Kolkata and passed his matriculation from St Gregory's High School in 1949, where he was a classmate of Amartya Sen, another noted economist and Nobel laureate. He then attended Dhaka College and received his BA Honours and MA in economics from Dhaka University in 1955 and 1956, respectively. He then joined the Department of Economics of DU in 1957 as a faculty member, where he taught for three years before leaving for Harvard University, where he obtained his PhD in economics in 1962.

When he returned from Harvard, he began a very creative sojourn. He rejoined DU, serving as the chairman of the economics department in 1974-75. Simultaneously, his talent as an exponent of Rabindranath Tagore's artistic forms started to take shape and he bloomed as a musician and taught briefly at Chhayanaut.

"He excelled in every area he

took an interest in, athletics, music or academic research," said Zafar Ahmed Caesar, formerly of the World Bank. Zafar, a former student of Prof Rahman, has researched the professor's life and career. He offered some memorable anecdotes about the professor. "His multifaceted talents blossomed at an early age, during his high school years."

My connection with Prof Rahman began as a first-year student in DU's economics department. At that time, we were in the thick of the Six-Point Movement, a political programme first outlined by the Awami League (AL) and embraced by people during the period leading up to the 1970

Pakistan. I rummaged through all the issues of the *Forum* magazine and found a few articles by Prof Rahman, among others. The expositions in this platform piqued my interest in data-based economic analysis. I also explored his papers in *Pakistan Development Review*, a peer-reviewed journal, and thus began my lifelong journey as an economist. As a fruit of this labour, I was able to summarise my findings on the economic disparities between then East and West Pakistan (now Bangladesh and Pakistan) and the ongoing transfer of resources from the East to the West since 1947.

Prof Rahman devoted his energy to research and training a cadre of economists, civil servants, and scholars both at Dhaka University and at the University of Islamabad in Pakistan, in 1967-70. Among his noted students during his tenure at Islamabad were Wahiduddin Mahmud and Anisul Islam Mahmud.

His contribution to our nation's journey to independence began in the early 1960s. Along with Prof Rehman Sobhan and Akhlaqur Rahman, he developed the 'Two Economies' theory, which highlighted the significant economic disparities between then East and West Pakistan. They articulated this theory and analysed the imbalances between the two regions of Pakistan in professional journals as well as in other print media.

general election in Pakistan. As an aspirant economist, I became aware of Prof Rahman's seminal contribution to the "Two Economies" theory, the keystone of the Six-Point campaign, which led to AL's landslide victory in November 1970.

In the spring of 1970, the economics students of DU launched a newsletter named *Optima*, and I took a keen interest in the prevalent disparities between the two wings of

Rehman Sobhan and Akhlaqur Rahman, he developed the "Two Economies" theory, which highlighted the significant economic disparities between then East and West Pakistan. They articulated this theory and analysed the imbalances between the two regions of Pakistan in professional journals as well as in other print media, particularly *Forum*. Other economists who shaped the theory were Dr A Sadeque, Nurul Islam, and Habibur Rahman.

I was fortunate to have him as my teacher during my final years as an MA student in 1974-75. After Bangladesh gained independence, Prof Rahman became a member of the first Planning Commission of the newborn nation. But, frustrated by the lack of political will of the government to take actionable steps to ameliorate the condition of workers and peasants, he soon left the Planning Commission and returned to teaching.

We were all excited to have him teach us the Economic Theory course and his chosen topic was capital theory. We had many talented teachers at DU, but his course was a capstone. In capital theory, he gave us an introduction to the Cambridge controversies, raging then between two camps on either side of the Atlantic. Paul Samuelson, a Nobel laureate in economics and a faculty member of the Massachusetts Institute of Technology (MIT), and

Joan Robinson of the University of Cambridge in the UK, were leading the charge in a well drawn-out decade-long battle for the heart and soul of the theory of economic growth. The essays were long and very mathematical. We were totally unprepared for the complicated theorems and proofs that were part of the professional journal.

Fortunately for us, Prof Rahman, true to his commitment to his Marxist theory and his dedication to his students, considered that we should get a flavour of the field of theoretical economics and see how the profession handles disagreements and comes to a conclusion. He simplified the maths and brought every aspect of the ongoing battle to our level of understanding. He gave us a quick baptism by fire, and we felt empowered to see the frontlines of a debate between Samuelson, Solow, Robinson, and Sraffa, the titans of the field.

When Prof Rahman decided

that he was going to assign the paper "Heterogeneous capital, the production function and the theory of distribution," written by a young Italian scholar named Piero Garegnani, I was not sure if he was being too bold. I came from the humanities background and was unprepared unlike most of my classmates—Ahsan (Mansur), Selim (Jahan) and Zafar (Ahmed), who came from a science background. But Anisur Rahman was a brilliant teacher and made it all so simple!

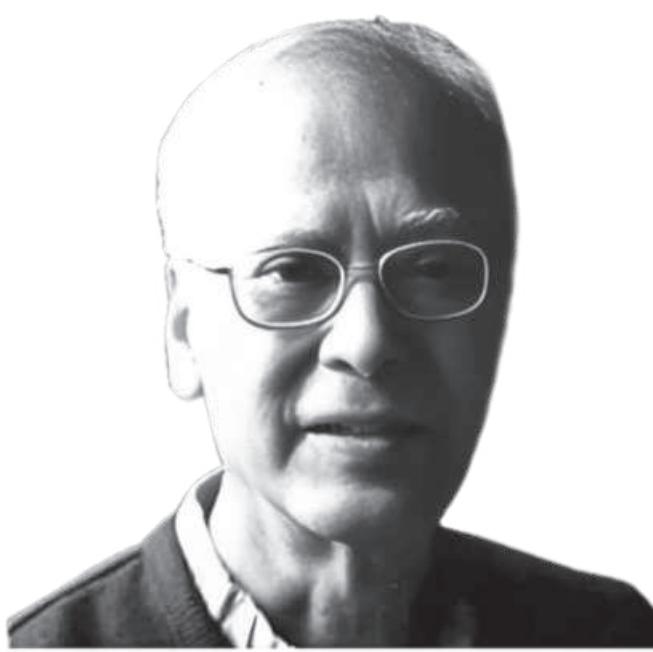
Years later, I registered for an advanced technical course titled Input-Output Analysis in my final years of coursework at Boston University. I felt such relief that my professor, Oldrich Kyn, assigned the article by Garegnani for the course and I winged it, thanks to Prof Anisur Rahman.

After he left Dhaka University in 1977, he joined the International Labour Office in Geneva, where he directed a programme on the participation of the rural poor in development until his retirement in 1990.

Prof Rahman was a strong advocate for self-development and participatory action research. He played an instrumental role in the introduction and promotion of participatory action research in Bangladesh through Research Initiatives, Bangladesh (RIB), a research-funding agency.

As we mourn this loss, we can hope that at this critical juncture of our nation, a leader resembling the vision of Prof Rahman will come forward and rise to the occasion to serve *dukhi manush*, as he called the downtrodden people of this country, and have the courage to tackle the problems and issues that needed to be addressed to make a safe passage for Bangladesh to emerge into a prosperous, democratic and equitable society.

**The author acknowledges the resources made available by Zafar Ahmed Caesar.**



Prof Anisur Rahman (1933-2025)

PHOTO: COLLECTED

## Viewing the defaulted loan saga through a micro lens



Tahsin Sahriar is assistant director (research) at the Bangladesh Bank. Views expressed in this article are the author's own and do not reflect that of his employers.

TAHSIN SAHRIAR

Over the years, the volume of non-performing loans (NPLs) in Bangladesh has increased so significantly that it has become a major reason for Bangladesh's economic woes. According to the recent data of Bangladesh Bank, NPLs rose to a record Tk 284,977 crore in September 2024, surpassing the earlier record of Tk 211,391 crore just three months prior, making up around 17 percent of the total outstanding loans.

The increasing trend of NPLs can be attributed to several factors, including poor governance, inadequate business and industry analysis, political influence, and the borrowers' inability to repay debt due to internal economic conditions, all of which are widely recognised even to a layman. Instead, let's look into whether the defaulted loan culture has evolved into an institutionalised practice at the micro level that ultimately translates into a higher NPL ratio at the aggregate level.

A brief introduction to institutional economics is needed to delve further into this discussion. Institutional economics encompasses a broad idea of institutions beyond what we typically understand. Rather, it deals with formal and informal institutions; officially recognised rules and written laws and regulations formulated by the government, organisations and other formal entities fall under formal institutions, and socially constructed rules and norms, customs and traditions, and unwritten ethical standards are viewed as informal institutions. Briefly, institutional economics explores how laws, regulations, social norms, customs and organisations shape and influence economic behaviour and outcomes.

In light of this framework, a

link can be established between informal institutions at the micro level and the prevalence of NPLs at the macro level, questioning whether the practice of defaulted loans has become ingrained deeply enough to be considered an institution.

In the context of Bangladesh's economy, if we look around,

enables smoother transactions, allowing consumers to acquire their desired products without paying the full amount upfront while giving sellers confidence in securing a sale, thereby reducing risks for both sides. At first glance, this may appear to be a positive phenomenon, as trust fosters regular transactions that contribute to economic growth. However, on the flip side, the lack of evidence for these transactions, such as receipts or written documentation, creates a chance for consumers to avoid repaying the money after fully maximising the utility from the product they have consumed. At micro level transactions, the story of defaulting starts simply from here.

Although specific data on

the habit of not paying back the promised amount after receiving a service has become so deep-rooted at the micro level that people no longer think much of it. It suggests that the reluctance to make payments has already become a norm, to the point where it can be considered an institution, according to institutional economics.

receiving a service has become so deep-rooted at the micro level that people no longer think much of it. It suggests that the reluctance to make payments has already become a norm, to the point where it can be considered an institution, according to institutional economics. Just as political influence on campus is used to avoid paying debts, and trust is overlooked when it comes to settling dues at the micro level, political influence prevents good governance from acting as a safeguard against the rising amount of defaulted loans at the macro level. Is it merely a coincidence that the dynamics observed at the micro level are mirrored at the macro level?

This is the question policymakers must explore to determine if defaulting on loans has already become an institutionalised practice. The similarity between avoiding payment at the micro and macro levels should not be overlooked. If loan-defaulting has indeed become institutionalised, addressing NPLs requires a whole new approach, confronting the core issue. In order to do that, mismatches in smaller-scale transactions should not be ignored. Last but not the least, taking steps to foster an ambience of goodwill in the micro sphere could create an institution capable of deterring the practice of loan default and NPLs in the macro sphere.



FILE ILLUSTRATION: BIPLOB CHAKRABORTY

this type of mismatch in micro-level transactions is unavailable, the above-mentioned scenario is one that almost anyone can relate to through their day-to-day experiences. Another common example, frequently featured in the media, is students with political ties who fail to make timely payments at their universities' cafeteria and other shops on the campuses. One report from last year cited how a student with political affiliation was suspended for allegedly attacking the cafeteria owner at a residential hall in Dhaka University for requesting the payment of dues amounting to Tk 2,650.

The habit of not paying back the promised amount after

Government of the People's Republic of Bangladesh  
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Memo No. 35.01.7980.462.07.001.20-145

Date: 15/01/2025

### Invitation for e-Tender (LTM)

e-Tender is invited in the national e-GP system portal for the following works:

Tender ID & Package No.	1062810, 11/e-GP/LTM/PRD/PMP-Minor/2024-2025
Name of Tender	Maintenance of existing pavement by Repair with seal coats works at Ch.1+650 to 01+800, Ch.2+00 to 02+200, Ch.2+500 to 02+800, Ch.3+00 to 03+200, Ch.3+500 to 03+700, Ch.4+100 to 04+600 and Ch.9+700 to 10+000 of Pirojpur-Nazirpur-Matiabanga-Patpati-Gopalganj (Z-7704) Road (Pirojpur portion) Under Pirojpur Road Division during the year 2024-25.
Tender Last Selling Date and Time	03-February-2025 & Time 16:00
Tender Closing & Opening Date and Time	04-February-2025 & Time 12:00
Tender ID & Package No.	1062811, 12/e-GP/LTM/PRD/PMP-Minor/2024-2025
Name of Tender	Maintenance of existing pavement by Seal coat including necessary repair works at Ch. 05+00 to 06+100 km & Bulb palisading with geo bags works at Ch. 04+350 to 04+400 km & Ch. 03+200 to 03+250 km of Pirojpur(Hularhat)-Sriramkathi-Swarupkathi Road (Z-7707) under Pirojpur Road Division during the year in 2024-2025.
Tender Last Selling Date and Time	03-February-2025 & Time 16:00
Tender Closing & Opening Date and Time	04-February-2025 & Time 12:15
Tender ID & Package No.	1062812, 13/e-GP/LTM/PRD/PMP-Minor/2024-2025
Name of Tender	Maintenance of existing Damage Shoulder by BulbPalisiding with Geotextile bags works at Ch. 0-050 to 0-150, Ch. 1-295 to 1-310, Ch. 2-300 to 2-320, Ch. 2-600 to 2-615, Ch. 2-800 to 2-815 & Ch. 3-300 to 3-312 km of Nujipur-Sriramkathi-Swarupkathi Road (Z-7706) under Pirojpur Road Division during the year in 2024-2025.
Tender Last Selling Date and Time	03-February-2025 & Time 16:00
Tender Closing & Opening Date and Time	04-February-2025 & Time 12:30
Tender ID & Package No.	1062813, 14/e-GP/LTM/PRD/PMP-Minor/2024-2025
Name of Tender	Providing, fitting, fixing and Commissioning of Solar Street Light at Chirpara Bailey Bridge of Kawthali-Chirpara-Vitaraha-Bhanda Road (Z-8713), at Amraji ferry ghat of Gariarpur-Baranipara-Sawrapur-Kawthali-Naikati Road (Z-8033) and at Swarupkathi ferry ghat both approach of Pirojpur (Hularhat) Sriramkathi-Swarupkathi Road (Z-7707) under Pirojpur Road Division during the year 2024-2025
Tender Last Selling Date and Time	03-February-2025 & Time 16:00
Tender Closing & Opening Date and Time	04-February-2025 & Time 12:45
Tender ID & Package No.	1062814, 15/e-GP/LTM/PRD/PMP-Minor/2024-2025
Name of Tender	Protective work at Chirpara Bailey Bridge Approach at ch: 0+720 Km of Kawthali-Chirpara- Bhitabura -Bhanda- Road (Z-8713) under Pirojpur Road Division during the year 2024-2025
Tender Last Selling Date and Time	03-February-2025 & Time 16:00
Tender Closing & Opening Date and Time	04-February-2025 & Time 13:00

This is an online tender, where only e-tender will be accepted in e-GP portal and no offline/hard copy will be accepted. To submit e-tender, please register on e-GP system (<http://www.eprocure.gov.bd>). For more details please contact e-GP help desk, ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd))

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