



Professor Nurul Islam and his book namely “Development Planning in Bangladesh: A Study in Political Economy”

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Abstract

Prof. Nurul Islam was one of the greatest economists in Bangladesh. The book we are discussing is like a triangular association between the planners, the bureaucrats and the politicians which is like a Three-Party Cooperative Game. The book is very much understanding for studying because it reveals after devastating war of independence between Pakistan and Bangladesh and now Bangladesh is enjoying the benefits of independence and we believe that in the year 2026 we shall be able to LDC graduate.

Key Words: *Development Planning, Political Economy, Professor Nurul Islam, Bangladesh.*

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1. INTRODUCTION

Professor Nurul Islam was one of the greatest economists of the country. He is a legendary person of the nation and .He was an active supporter of independence of Bangladesh and supporter and assisted 6th point demand in the year 1966 of the leader Father of the Nation Bangabandhu Sheikh Mujibur Rahman. He worked hard through taking key task in creating Bangladesh's sovereignty under the leadership of Bangabandhu and stable financial system of the country. He acknowledged the Bangladesh Bank Award (2009) for his activities of theoretical and applied economics. He also received BDI Lifetime Achievement Award in the year 2013. On 9th May, 2023 such a veteran economist, social thinker was died. It was a great loss of humanity. Sobhan (2023) argued that "Nurul has written his own accounts of how we responded to the challenge of setting up a national planning agency in a newly created, resource-less, war-devastated nation".

2. THE BOOK

Professor Nurul Islam's one of the book namely "Development Planning in Bangladesh: A study in Political Economy "was underneath on the expansion problems of two wings of the then Pakistan and latter on Bangaldesh. Professor Nurul Islam is an unforgettable expert on the development difficulties in Bangladesh immediately after independence as Pakistanis destroyed the country during the divested war in 1971. No one with such deep knowledge in the development writing of this country can pay any attention to either some of his published works or his edited volumes to read. His technical capability, incisive approaching, as well as his wide information about the topic, has been well recognized by supplementary specialists from national and world.

After independence of the country, when the new government of Bangladesh appointed him (January 1972), the first Deputy Chairman of the newly created Planning Commission, it was unquestionably the best choice for the position that the country could have made. Within a short period of time, he mobilized a team of more than fifty economists' and statisticians to work with him in the Planning Commission. By June 1972, it grew into a large and active department. The hall- mark of its success was the ability to produce a Five-Year Plan, 1973-78, in just about a year. By November 1973, the arrangement was openly commenced. For a country like Bangladesh which was war trodden steeped in overriding inefficiencies, this was a remarkable achievement. The book essentially deals with: the socio-political background of the First Five-Year Plan; the organization of the planning machinery and its relationship with the bureaucracy and the political leadership; the formulation and execution of plans; and an appraisal of domestic resource mobilization and industrial policies. A good deal of space has been devoted to the analysis of the socio-political climate prevailing in the country at the time of preparing the Five-Year Plan as well as to the verdict of the government party's promises to the planned development of the country. This is necessary, because, after all, a plan is just a consistent set of policies geared to fulfilling the wishes of the populace represented in some form of the political statements.

Planners are just a number of technological civil bureaucrats and cannot have any preferences of their own. They must understand and carefully interpret the popular demands that have brought



the politicians into power. However, depending upon the political commitments and complexions of a government the nature of the plan could be a very different plan for a completely socialist economy, a plan for an economy with a large public sector and a small private sector, and a plan for an economy with a small public sector and a very large private sector. Planning for each of these types of economic systems can mean substantially different types of exercises. Professor Islam points out that over 80% of the country's industrial assets became the responsibility of the new public sector management which itself lacked in managerial abilities.

The most charming feature of the book can be found in Professor Islam's account of the triangular association between the planners, the bureaucrats and the politicians which is like a Three-Party Cooperative Game like castle panic is a incredible cooperative game where players have to group jointly to attain a sequences of objectives in order to defend their social group against intimidating enormousness. The catch is that players can only succeed by contributing to the welfare of their team. By the very nature of the power vested in the hands of the planners, the Planning Commission became a super ministry; engendering jealousy and malice in the ranks of the civil service which considers itself the demigod in the entire subcontinent. The basis of this power conflict, as far as can be draw, dishonesty in two government events: In the first place, the Planning Commission was vested with overwhelming powers: get ready all plans; assign all resources and to counsel the government on all economic rules including plans concerning foreign aid; Sponsor, organize, inspect and endorse all development projects.

3. DISCUSSION

As the Deputy Chairman of the Planning Commission Professor Islam, who was an academician and economist but not a civil servant, was given the status of a minister under whom the senior civil servants had to work. As the truthful acknowledgments of Professor Islam discloses the leadership of the Planning Commission did intentionally and naively on a lot of juncture and atmosphere of thinker benefit over the bureaucracy. The dissimilarities of view amid the planners and the politicians become yet wider at what time the planners pushed for domestic resource mobilization through taxation on the extra farmers earnings and on the importers, as well as from side to side the withdrawal of subsidies on fertilizers and on food supplies in the urban parts. The politicians in the meantime completed statements to make happy their constituents, but when it came to the phase of execution, the planners pointed out that their stipulate for resources did not robust into the split prototype forecasted in the plan, which must have infuriated them. The disagreement between the bureaucrats and the politicians, on the other hand, had a dissimilar type of derivation. The politicians put an end to the Constitutional Guarantees, after that to any chance of dismissal or removal of the civil servants which the latter enjoyed since British rule. The measure detached from the so-called privileged overhaul.

In view of such a sour triangular relationship among the politicians, the bureaucrats and the planners, it can be esteemed why the execution of the plan fell short of what was merely expected. The planners expressed a Five-Year Plan, 1973-78, without focusing it on a standpoint plan, for which, perhaps, there was no time. Besides, many important analytical issues had to be overlooked. However, the First Five-Year Plan was based on a consistency (input-output) model,

and not on an optimizing model. It has 33 sectors, 19 of which were business segments. All the final demands- private and public consumptions, exports and investments were extravagances as exogenous.

The model fundamentally determined the inter-sectorial consistency of production plans given the coefficient of the activity vectors (characterized by linearity, non-substitutability of inputs, and the absence of technological change either unbiased or partial), and the target values of the closing demand paths. Further, this input-output model was essentially static and deterministic. The usual problems of capturing the dynamics of growth with a static model were very much present in the then first five year plan. From the point of view of technical exercise, it was rather impressive.

The Leontief input-output model presumes that all motion vectors are in use at their efficiency stage. That means, the activity levels, i.e. productions, are of need on their frontiers. This is not only a bold announcement for a country like Bangladesh, but also its leaders to all kinds of unreasonable plans of outputs and input requirements in the approach. Professor Islam confine this tip to a number of degree when he says nothing could have established more decisively that the input-output coefficients were not a substance of now manufacture and work of art of output; they depended originally on the efficiency of association, management and organization.

Prof. Nurul Islam's great donation was to get ready the First five year plan of the country. The nationwide plan in Bangladesh for the period 1973 to 1978 was prepared under his direct supervision. The main purposes of the Plan were: (i) speed up economic growth to attain on the whole GDP growth rate of 5 per cent per annum, (ii) poverty mitigation and job creation through human resources development and (iii) augmented self- reliance programme. Unfortunately sad demises of the father of the nation Bangabandhu Sheikh Mujibur Rahman in the year 1975, the plan was not correctly put into practice. If the plan was executed than the tale of Bangladesh's development will other shape of the scenario. It was offered for an amount of economic expenditure of Tk. 44,500 million in 1972/73 prices. This figure also includes the non-investment development expenditures like subsidies on fertilizers, water supply and food supply etc. There was no investigation in the attempt of how saving would grow so fast over the five- year period. This has been an effort by Professor Islam who possesses explanation.

The first five-year plan was to create value from the beginning to end by generating bend marble. This plan was basically concerned with the enlargement of Gross national product and shows no worry about the distributional feature of the economic growth. It is understandable that in an economy with extremely skewed income and wealth distribution, the dynamics of growth makes the income distribution even additionally skewed, at least in the medium-term era .Professor Nurul Islam has dealt with home resource mobilization in a quite inclusive way. He acknowledged quite rightly, three significant sources of national savings: the surplus agriculturalists, the trader and the state-owned productions. He has too highlighted the latent use of surplus labor for infrastructural improvement. His investigations, comments and critical evaluations of a variety of tax-subsidy events are tremendously enlightening. He has shown that there was range for raising revenues by indirect taxes on a variety of imported and domestically manufactured goods with a view to mopping up a share of the trader's profits. So was there range for taxing the extra farmers who were making substantial profits due to hyperinflation, by

accusing a sensible price of dung and water supplies which were so long provide free. Likewise, there was range of economizing on the food subsidy in the urban areas by charging the cost-price of food which was about 150% higher than the rationed price. But these proposals were unacceptable to the government for political considerations. On the top of it, land tax, which was a time-tested source of revenue to the Government, was abolished for owners of land up to eight acres. This measure reduced the receipt of land revenues from Tk. 180 million to Tk. 30 million per year. Although Professor Islam has talked of increasing land taxes on owners of land above 8 acres, which was, of course, turned down by politicians, there was a reverberation cause for the reintroduction of land taxes on the proprietors of land above, say, 5 acres, especially in 1974 when the country was going through a severe financial crisis, because in rural areas people owning 5-8 acres of land are the reasonably well-to-do ones. According to the author's own calculations, the net income per acre in 1973/74 varied between Tk. 1,000 and Tk. 3,000; that is, a farmer with holding of about 5 acres had a net income between Tk. 5,000 and Tk. 15,000 per year.

The politics of the planners and the implicit model of politicians' performance in Professor Islam's political- economy was very much visible. It is attractive to observe that Professor Islam who has been a technical neo-classical economist, both by knowledge and skill, has lastly been paying attention to the vital interactions of politics and economics in the economic decision-making procedure of the country. This is the evolution of the thinking of economists in the country in the introductory part of this paper. However, it seems that this is also the area in which Professor Islam's observations and analyses show major weaknesses.

Professor Nurul Islam has known the impression that the planner, chiefly the leadership of the then Development Commission, were the stage mostly as financial consultants and infrequently did not fully share the expectations and goals of the political leadership. On the other hand, the party's misinformation line seems not to be included. The judgment of the government party and political leadership in Bangladesh had obtained its most excellent role mostly as a nationalist party, in the appearance of Bengali Patriotism in the 1950s and the 1960s. No spectator of the political developments in Bangladesh can believe this report as totally right. Two issues can be identified as the major contributors to the growth of Bengali nationalism during the period of 1947-1971; one was the historic Language Movement and the other was the Autonomy Movement.

In the Language Movement, the Awami League was certainly in the leadership. On the Autonomy issue, the levitation of demand for more works and more import authorizations for the Bengali mid class and businessmen, the Awami League certainly was in the forefront during the period 1949-54. In the second place, Professor Islam has characterized the Awami League as a socialist and Democratic Party. In view of the party's treatment of the opposition during the 1973 election and its complete centralization of powers in the hands of Bangabandhu Sheikh Mujibur Rahman in 1974/75 for developing the country's situation under BAKSHAL. What seems very significant is his complete silence on the alignment of Bangladesh with the major aid-giving countries and the affects of foreign aid on the development of various separate attention groups which work out considerable influence on domestic economic policies and politics of the economy. Issues like private investment ceiling, partnership with foreign private investment and the disinvestment of public sector industries were essential views to fight back between

divergent interest groups within the Awami League party, as well as within the country. Khondokar Mostak Ahmed, Ziaur Rahman and Mahbub Alam Chashi etc. were betrayer. Tragic death of Bangabandhu and his family members and relatives on 15 August, 1975 is unfortunate for the nation and hampered economic progress.

Although Professor Islam's did not discuss explicitly his model of politician's behavior in economic analysis yet one can still place his analysis within the framework of a model. Broadly viewed, there are two principal approaches to politicians' behavior in the economy: The Marxist approach and the Neo-classical approach. The former focuses attention on the social classes and their interests, because it is their class interests that determine their political behavior which in turn, determine the shape of economics. This approach, within limits, provides good insights into the vital interactions between politics and economics, as well as broad predictions of the future course of events. But worldwide Marxist, the approach now is not working. The neo-classical approach, on the other hand, which until very recently treated political behavior only as constraints on the optimal allocation of resources, now treats politics as an extension of economic rationality.

The essential idea here is that if popularity of the government goes down below critical level, then the government will manipulate economic policies to improve its popularity ratings by the citizens especially before the election. This model brings out explicitly the interdependence between economics and politics of the party in power. The empirical testing of this model with USA and Britain data seem to show important consequences.

Some lessons that Professor Islam has drawn from his experience is that if the technocrats instead of an Economist is to provide the leadership of the Commission: is they must be willing to play a political role; they must gain support amongst the interest groups and be ready to neutralize opponents, if they are to get their suggestions accepted, and more significant implemented. Rahman (2023) argued that Professor Nurul Islam authorized professionalism as a necessary in the multidimensional paradigm in sympathetic the path of inclusive development.

4. CONCLUSION

The author is also expressed that this advice is considered to be a rather dangerous advice; because the only sensible view about the planners is that they are nothing but technical civil servants and hence they cannot play a political role. If they seek political support among interested groups, they will import the battles of the political field into the spheres of planning. The plan then will not be a national plan, but a plan for some vested quarter. We must be getting rid of vested quarter. Additional, the process of neutralization of adversary only put off its conflict which cannot but blow up in the future. The planners must be least operational to decide such circumstances.

I express my gratitude to India for their support on our independence war under the dedicated and legendary leadership of our father of the nation Bangabandhu Sheikh Mujibur Rahman. Rahman. I also convey thankfulness to the then Indian Prime Minister Ms. Indira Priyadarshini Gandhi for her vital support towards independence war. The book is very much understanding for studying because it reveals after devastating war of independence between Pakistan and Bangladesh where Bangladesh become proudly sovereign country how the

nation building in Bangladesh has been going on. Bangladesh will be LDC graduate by 2026. Prof. Islam may be considered for Swadhinata Padak (posthumous).

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