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Khan, Tanvir A.

School of Business, Independent University,Bangladesh

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BOOK REVIEW



Swadesh Ranjan Bose Edited by Jaseem Ahmed, Collected Works Volume I, Regional Cooperation for Development in South Asia and Volume II, Essays on Economic Policies, Inequality and Problems of Development (The University Press Limited, Dhaka, Bangladesh, 2011, Vol I xxxiv + 178, Hardcover Tk. 300, Vol II pp xlviii +550, Hardcover Tk. 600), ISBN 978 984 506 001 1, & 978 984 506 002 8 respectively.

Tanvir A. Khan
Independent University, Bangladesh

The collected works of the late Dr. Swadesh Ranjan Bose are brought together in these two volumes which represent a variety of issues ranging from his pioneering work of regional economic development to the classic works on the consequences to Bangladesh of the Government of Pakistan's distortionary policies that at the expense of East Pakistan favored the industrial development of West Pakistan.

Both the volumes contain a number of articles which are pioneering in nature and seem to retain its classic character as when they were first published reflecting its freshness and relevance even today.

Noorjahan Begum (later Bose) conceived of publishing these collections and Jaseem, her son along with two daughters, Anita and Monica Bose were essential to the success of this 'book-project'. Noorjahan never lost heart or her belief in the value of this book which was her late husband's harvest. And what a harvest!

Young Ranjan entered the PhD program at Cambridge in the early sixties in the Department of Economics with a Ford Foundation scholarship. His scholarship grew fruits in the tree of 'regional economic cooperation' which was his PhD dissertation topic. What we call SAARC nowadays was Ranjan's thoughts of yesteryears which proved to be a landmark in regional studies. His mentor, Dr. Nurul Islam visited young Ranjan at Cambridge number of times and his chest expanded number of inches to have heard from his supervisors glowing words about his research subject. Uncannily perceptive and extremely farsighted

was the Indo-Pakistan trade subject which although popular in the 1960s was under cover for sometime because of the Indo-Pak war of 1965. It arose from the ashes of the war to gain a new footing in the post-1971 period in Bangladesh.

Beyond the call of duty were a number of scholars who lent a hand to their mentor, Dr. Nurul Islam when he was heavily immersed in the autonomy movement of East Pakistan. Ranjan and other Bangladesh colleagues at the Pakistan Institute of Development Economics (PIDE) gave their valuable advice to the leadership on East-West Pakistan economic relations. The major contribution of this group was towards the economic provisions of the 1970 election manifesto of Awami League.

PIDE was in the process of being shifted to Dhaka from Karachi and during those days of transformation, the West Pakistani staff seemed to have formed an impediment to the process. A few senior Bangladesh economists namely Swadesh, Kholiquzzaman and Hasan Imam were instrumental in this emergent move and rescued the operation with great determination.

PIDE transformed itself organically into BIDS (Bangladesh Institute of Development Studies) and the search for a leader did not take much time. The mentor, Dr. Nurul Islam was called upon in the line of duty to form the first Planning Commission. The onus of leading BIDS fell on the shoulders of Dr. Swadesh Bose. The very idea of extending the ToR of Development Economics to Development Studies to incorporate multi-disciplinary thinking was also a milestone of the thought process of these visionaries. Dr. Bose assisted in framing a new constitution for an autonomous organization formalized by an Act of Parliament.

Not only was he leading BIDS but Dr. Bose was also called upon to give his valuable feedback in the agricultural sector since his great expertise and deep knowledge in this field assisted in etching out the First Five Year Plan document.

Dr. Bose left BIDS for Oxford in 1973 to pursue research at Queen Elizabeth House. World Bank opened a window for him in 1974 where he anchored till his retirement. The person who was refused a US student visa based on his previous **leftist student activities** to go to Harvard University to the PhD program in the Department of Economics in 1962 finds a place in a Bretton Woods Institution nearly a decade later was a bit startling. His associations with people who mattered such as Mark Leiserson, who was Director of PIDE during 1962-64, might have helped him in climbing the stairs of meritocracy. Obviously his close friendship with Professor Austin Robinson along with Keith Griffin of Oxford University, Professor Brian Reddaway, Pranab Bardhan, Amya Das Gupta to name just a few had a catalytic influence on his career.

Losing the Ford Foundation Scholarship in 1962 was a great depression but the balancing factor in his life was marrying Noorjahan Begum, the widow of his political friend Mohammad Imadullah in 1963. He didn't have to look back since the trajectory of higher education coupled with career advancement was a meteoric rise. Dr. Bose took his spouse and his son Jaseem to Karachi to join PIDE only to be catapulted to the Cambridge University, thanks to the Ford Foundation Scholarship. The Foundation did not give up on him even though the two Governments (US Vis a Vis UK) acted diametrically on opposite poles.

Dr. Bose was a man not only of intellect and social commitment but as his mentor had observed, his zest for life and capacity for the enjoyment of the good things of life were the other important characteristics he possessed. This observation was a conclusion that Dr. Nurul Islam arrived at where the two families jointly spent a holiday in the Hawaii Islands during the early 1990s. Dr. Bose not only drove them to the interesting tourist sites but was also the main adviser and guide.

A wide area was covered by Dr. Bose in his life ranging from an analysis of agricultural development issues to those of trade, poverty, labour market and employment. His PhD dissertation at Cambridge titled 'Regional Economic Cooperation Among South Asian Countries, With Special Reference to India and Pakistan' was a landmark in regional studies and regional economics. It could not be published after the 1965-67 war between India and Pakistan.

The Collected Works, Part 1 of Dr. Swadesh Bose has seven chapters to its credit. Each chapter has focused on micro-specific elements of regional cooperation and neatly tied the various facets into one organic whole at the end. The salient features of these chapters deal with the possibilities of a more efficient allocation of resources for development through specialization (Chapter 2). The last three chapters (4, 5 & 6) have been tied to Chapter 2 by magnifying the great possibilities that existed in cost saving through specialization and trade between India and Pakistan. A Large number of industries could not be covered. However, advantages were indicated in the case of some industries. Dr. Bose was confident in his opinion that had wider studies been conducted could show that not only would it help the two countries but also advantageous for both East and West Pakistan. Dr. Bose also opined that had Myanmar (then Burma) and Srilanka (then Ceylon) been covered, the possibilities of inter-regional specialization would have expanded within the entire region through economic development.

There was scope to expand the development of existing and new industries if mutual trade could be realized through specialization. In the case of India and Pakistan, significant diversion of trade with other countries was not necessary if considerable expansion of mutual trade took place. It would also not render idle any existing capacities in these countries.

Existing restrictions hampered growth up to the potential level (chapter 3) and in the event if reduction or removal took place, a number of positive phenomena could occur Such as: a large saving in transportation costs, better utilization of existing production facilities, reduction of prices for consumers and it could pave the way for a wider variety of choice.

Countries would not be deprived if the opportunities of growth of manufacturing industries were taken in right earnest. The cases in point are the dependence on certain primary exports e.g. Jute from East Pakistan and Rice from Burma. Large gains could be realized through an expansion of acreage and productivity of jute since it had a clear comparative advantage in jute production in East Pakistan. Similarly, could be the case in the expansion of production and export of rice from Burma.

Import-substitution was the policy and the continuation, given the national markets of India and Pakistan, would eventually bring great devastation regarding potential advantages of specialization in newer areas. National development planning with a sense of vision and proper coordination as has been tried in a free trade area or a customs union could be a boon for both the countries. Since both countries depended heavily on foreign aid to overcome the paucity in investible surplus, the clear route out was to go for specialization and each country could gain and develop.

Preferential trading arrangements appear as supplemental ammunition for the development of particular industries if the policy planners agreed to modify their proposed national plans in a practical way. Reciprocal trade commitments along with various forms of preferences were prescribed as a mechanism for bringing about specialization. Integration of state trading agreements in development plans of each country could be a long term strategy as is practiced among the Comecon countries. Public sector products as well as private sector products have been recommended for trading arrangements through state agencies and in some cases can take the form of barter deals. Package deals may cover expansion of trade in the private sector products by mutual preferences such as quotas, import licensing, tariffs, and agreed export subsidies in certain products. The sooner the efforts to specialization are enhanced, the easier the task will become as each country will shed their vested interests in delinking from its relatively inefficient industries.

The Collected Works, Part 2 of Dr. Swadesh Bose are arranged in four sections. The problems of agriculture and the rural sector are dealt in Section 1. The essays on exchange rate policies and labour markets are highlighted in Section 2. Section 3 deals with two contentious essays and a book review relating to the initial phase after the liberation of Bangladesh. The essays on economic

policies, development efforts and resulting inequalities which were written in the context of the policy-regime of Pakistan much ahead of 1971 comprises Section 4.

Section 1 dealt with a continuum where the basic development in Pakistan in the sixties related to agriculture and the rural sector had an influence as a spill-over effect in Bangladesh after its liberation. The classic analysis has relevance even after four decades and the basics cannot be ignored as sterile and having mere historical significance. The much talked issue about the replication of the Comilla model and the possibilities of an equitable Green Revolution was critiqued. The prescription was to broaden membership and democratize the organization of the cooperative and to ensure financial discipline and adopt progressive taxation on agricultural income of land, and then the prospects of the Green revolution would be much better than otherwise.

Section 2 dealt with issues not only in Pakistan but included rural India and nine African countries as well. Rural India and the essentials of it employment scenario of that current context was an exercise of very high discipline as it gave well-informed feedback to the policy planners to look closely into its unskilled labour market. The questions posed for further survey and analysis: are all migrant laborers seasonal or is there a permanent migratory labour force without any base and how does it affect agricultural and rural development in the source areas?

Two eminent scholars (Ravi Gulhati and Vimal Atukorala of East Asia and Pacific Regional Office of the World Bank) joined hands with Dr. Bose to examine the exchange rate policies during their post-independence period. The conclusion reached was that the governments use exchange rates very actively to expand exports and save on imports. A substantial real depreciation in the exchange rate in several instances was prescribed given the acute financial and economic crisis in many African countries. In both the cases a recall investigation might give a different result given the changes that have taken place worldwide but the work of Dr. Bose can still be used as a model to replicate.

Section 3 deals with a critique of two essays related to food grain availability and possibilities of famine and the second to do with the price situation in post liberation Bangladesh. In the first instance, a number of major weaknesses were reflected upon to dismantle the gloomy prediction made by a number of organizations such as Oxfam, War on Want, a World Bank mission, US AID and an unpublished United Nations Report. What was not accounted in these reports was a very massive exodus of population since late March 1971; dependence on traditional subsistence-type food grain production has been overemphasized; large scale speculation and hoarding of foodgrains was totally unfounded; considerable internal food grain movement through riverine areas was not taken in to account;

food grain requirement of the number of the people killed by the Pakistani Army was neglected; and depletion of a certain proportion of population in various localities necessarily causes labour shortage and decline in agricultural production was a wrong assumption.

Kirsten Westergarrd had authored *'State and Rural Society in Bangladesh: A Study in Relationship'* which was published in 1985. The observations of Bose were very clear. The sweeping generalizations that a military bureaucratic rule is necessary in a society like Bangladesh were too narrowly based arguments and he found them very shallow in its analysis. Bose questioned whether economic factors alone could explain the violent coup in 1975 and the subsequent depoliticisation. He observed that to be absolutely sure of one's view point, one would have to allow a full circle and not presume that the dialectics in the process of nation-building has completed its course by 1975. Bose contends that otherwise the demands for secularism and a return to the spirits of the 1972 constitution would not have made a comeback as reflected in the verdict of the 2008 General Election. In the same vein he does not excuse the responsibility of the Government stating that the success or failure in its fulfillment will largely depend on the ability of a 'secularly oriented' government to give a clean and honest administration. He further states that this government has to live up to the expectations in the minds of the electorate who have returned them to power.

Section 4 emphasizes on resulting inequalities given the economic policies and development efforts of the administration in the context of the policy-regime of Pakistan prior to 1971. The implications of the policy initiatives were observed to be suspect and discriminatory by Bose and he did not hesitate to spell out his logic with exemplary courage and academic honesty. The direction towards the two economy proposition for East and West Pakistan were the recommendations of Bose et al and therefore the events that followed did not come as a surprise since Bose was very much a part of the think-tank of Sheikh Mujibur Rahman who was spearheading the fight against disparity in the eastern wing. The generation of savings in East Pakistan and the subsequent transfer of resources to the West were substantiated with hard facts, thanks to the arguments of Bose which were based on the theoretical underpinning of the highest scholarship in the economics discipline. The conclusions remain representatively excellent and authentic examples even to this day and any veritable serious reader would be convinced about the contributory policy designs that eventually divided and ended the future of Pakistan.

Dr. Bose was critical of the optimistic views of few writers who overlooked the uninterrupted decade of army rule setting in a sense of complacency in the psyche of the administration and the storms of discontent that was cumulatively

gathering in the eastern wing. Dr. Gustav Papanek was high in his praise of the army-bureaucracy-private enterprise nexus reflecting a path to prosperity while in reality according to Dr. Bose a one-sided story was being narrated by Dr. Papanek as he wanted to succeed by playing down the inefficiencies and the inequities of the present system. That serious difficulties were being faced by Pakistan was kept under locks. Domestic finance could not be mobilized, dependence on foreign aid could not be reduced because of mounting debt service burden, and allocation of resources was not being done properly which culminated in the failure to reduce interpersonal and inter-regional equity. The process of accumulation in Pakistan was left undisturbed. Papanek's optimism had no valid foundation according to Bose and quite the opposite was taking place; Pakistan as a state and as an economy was failing.

Professor Huda has also not remained unscathed. While commenting on Huda's address at the annual conference of the Pakistan Economic Association in 1968, Bose gave his word of caution stating that the acceptance of a planner's 'sound and well-considered' recommendations may hardly be acceptable in the absence of the necessary political conditions. Optimization cannot be calculated in a vacuum where planner's have premeditated ideas and predetermined priorities. The arrogance of the planners became devastatingly counterproductive. Mere face lifts could not hide the inner contradictions. The ownership of the growing capital stock was a very important factor for a country's economic and social growth and genuine worries were being shown for increasing concentration of wealth and economic power in the hands of a few industrialists. They had tremendous political influence which they employed to mastermind the inequalities which became more pronounced with the formation of cartels and monopolies by private industrialists.

The classic case of Myrdal's 'back-wash effect' was reflected in the two regions where the large inflow of foreign aid was mostly absorbed in West Pakistan; the development expenditure in East Pakistan varied between 20 percent and 36 percent of the aggregate portfolio; discriminatory exchange and import control measures were followed where the West was largely supplying excessively high priced manufactured goods to East Pakistan. This factual account transpired from the archives of Dr. Bose who wrote "The Pakistan Economy since Independence (1947-70)' and the final break-up of Pakistan was the ultimate conclusion.

The papers written jointly with Edwin H. Clark II in a changing scenario of the agrarian economies had impressed the academics. The changes that were taking place in the end of the 70s became irrelevant since a different world emerged where there was no more East Pakistan; no more transfer of resources to bolster investment; high expectations of growth zeroed; and the process abruptly

came to a halt. The past cost projections were useless in the wake of the oil-shock after the Arab-Israel war in the 1970s.

Activism was what he practiced in his youth but that simmered down in later life. What was not forgotten however was ushering in a better social fabric. As age matured so did introspection and the contradictions were perceived with the socio-economic reality that stood in the way. He wanted to be everything but not to be a populist who sentimentally analyzes events through a framework of 'vulgar economics' and dogmatism. Maybe the practice that he faithfully pursued in his younger days was to be shunned with objectives of inquiry with the aim to identify the constraints and threats. His framework of analysis has not lost its significance to this day and development scholars in an era of renewed interest in Development Economics would find these valuable essays as essential feedback not only in this region but also in various parts of the world.