

Tales from My Professional Life

Nurul Islam

With an introduction and comments by

- K A S Murshid
- Keith Griffin
- Azizur Rahman Khan
- Rehman Sobhan



Bangladesh Institute of Development Studies

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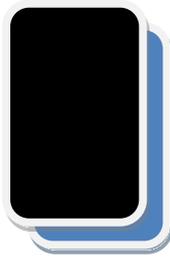
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Acronyms

AL	Awami League
BDI	Bangladesh Development Initiative
BER	Bureau of Economic Research
BIDE	Bangladesh Institute of Development Economics
BIDS	Bangladesh Institute of Development Studies
CPD	Centre for Policy Dialogue
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GNP	Gross National Product
IEA	International Economic Association
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
ILO	International Labour Organization
IMF	International Monetary Fund
NEI	Netherlands Economic Institute
NGO	Non-governmental Organisation
PIDE	Pakistan Institute of Development Economics
RTC	Round Table Conference
SDG	Sustainable Development Goals
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
US	United States
WCARRD	World Conference on Agrarian Reform and Rural Development
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

INTRODUCTION

*K. A. S. MURSHID**

This special supplement is dedicated to Professor Nurul Islam and to his generation of scholars who have contributed so much and in so many ways to produce the Bangladesh of today – a country that despite immense challenges and overwhelming constraints managed to turn the odds around. Thus today, Bangladesh is a middle-income country, set on a steady, stable path of growth with greatly reduced poverty and significant achievements in human development. This journey has by no means been easy. With hindsight our task is to determine how the test case of development that was Bangladesh, managed to become a development paradox. That task is of course enormous and it is certainly not the intention of these contributions to take it on. Nevertheless, Professor Nurul Islam’s reminiscences and the critical perspectives provided by three prominent economists of his generation, namely Professors Rehman Sobhan, Keith Griffin and Azizur Rahman Khan provide a fascinating insight into the “initial conditions” marked by complex political and economic processes leading up to Bangladesh’s liberation war, and beyond.

This is a complex story that goes well beyond the personal achievements and experiences of a brilliant economist caught up in a difficult period in a difficult country - this story simultaneously alludes to the rise of a growing, self-confident and assertive academic-professional middle-class in East Bengal. This is also a story of how a handful of these professionals in the Pakistan Institute of Development Economics – PIDE, (the forerunner of Bangladesh Institute of Development Studies - BIDS), managed to stand up to powerful interests in (West) Pakistan and subsequently found themselves grappling with the ground realities of a post-war economy that needed to be rebuilt from scratch.

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Professor Islam covers six decades of his professional career in his paper. I believe that most readers will be drawn to the first two formative decades, spanning the period from the mid-1950s to the 1970s – from the time that a young Nurul Islam returned home with a Harvard-PhD in 1955 and quickly established himself as a star teacher at Dhaka University, to the time of his sudden departure from independent Bangladesh, hoping to return “soon.” The assassination of the Father of the Nation in August 1975, sealed his fate with Professor Islam choosing to go into self-exile.

His story is interesting at many levels. The struggle for personal and institutional excellence as a teacher and later as a researcher; the challenges faced as the first “native” director of PIDE and his remarkable success in turning PIDE into a well-known centre of research excellence in the region; the growing demands to be policy relevant, first at home and then in an international environment – all pertain to issues that are still as relevant to us today as ever before.

Amongst the commentators, the only “independent, objective” foreigner here is Keith Griffin who provides a refreshing outside perspective on Nurul Islam, in particular while narrating his early struggles against the economists from West Pakistan led by the aggressive, articulate and powerful pro-establishment figure, Dr. Mahbub-Ul-Haq. Keith Griffin’s description of the early days of PIDE is also of great interest to BIDS as part of a shared history.

The Bengali economists led by Professor Islam particularly disagreed on Pakistan’s strategy for economic planning and the industrialisation strategy that was being pursued. The notion that inequality should be pursued as a development strategy was hotly debated leading Professor Islam to proclaim that Pakistan produced the wrong industrial products, in the wrong way – under a regime of high but random rates of tariff protection, direct controls on imports and an overvalued exchange rate, that were designed basically to exploit East Pakistani farmers to subsidise Pakistan’s nascent capitalist class.

Professor Azizur Rahman Khan, a direct student and a former colleague of Professor Islam, provides a useful rundown of the broad mileposts of a long and variegated career. I believe the most significant contribution from Professor Khan is his narrative of the early career of Professor Islam as a young, awe-inspiring, highly respected teacher of Dhaka University.

Of the three commentaries, that of Professor Rehman Sobhan’s is perhaps of the most interest, highlighting the role of Professor Islam as a freedom fighter.

We thus learn of the close association with Bangabandhu Sheikh Mujibur Rahman and his inclusion in his inner circle of advisors both preceding the liberation War and afterwards. We also learn how Dr. Kamal Hossain and Professor Sobhan decide to draw upon the wisdom of Professor Islam and some of his senior associates at PIDE to draft the economic components of the historic Awami League Manifesto in 1970.

Professor Sobhan in his paper goes into considerable detail of the personalities and challenges faced during the immediate post-liberation period when Nurul Islam was given the tutelage of the Planning Commission. Professor Islam and his colleagues soon realised that academic planning was a little different from policy making in the face of harsh ground realities and intense political lobbying. The new reality took its toll and we find that one by one, our economists began to be disillusioned and quietly left the country – an exit that was quickened by the assassination of Bangabandhu.

It is perhaps noteworthy that of the brilliant group of first-generation economists of Bangladesh that was put together by Professor Islam to work for the first Planning Commission of the country, only Professor Rehman Sobhan decided to remain in Bangladesh, going on to head up the BIDS (the successor of PIDE), establishing an independent, non-government think tank (CPD) and generally assuming the uncontested role of the guru of the economics profession of the country. While reading Professor Islam's paper, one gets the sense that with hindsight, perhaps he regrets not having engaged with Bangladesh more substantively over the last forty years than he was in fact able to do. His "natural" career choice perhaps should have been that of a Professor at a prestigious university to teach macro, trade or industry – that instead he decided to work for FAO may not have been his best move despite his evident record of success there.

One is thus left to wonder whether the profession in Bangladesh would have fared better if more of our first generation stalwarts were to remain in the country to assume the critical, much needed task of training students and researchers, and indeed playing a much wider nation-building role as key members of academia and civil society.

All four contributions are highly readable and in their own way, dwell not only on the life and times of an iconic Bangladeshi economist but also on aspects of history, political economy, policy-making and institution building in both Pakistan and Bangladesh. The papers also allow us to gain an insight into the role of key individuals and personalities in a crucial period of our national history that

makes this compendium invaluable to researchers and scholars. BDS is privileged to have been able to publish these papers, which were presented at the 2015 BDI conference held in Berkeley, California in November 2015. We gratefully acknowledge our debt to BDI.

TALES FROM MY PROFESSIONAL LIFE

*NURUL ISLAM**

Unlike most economists, I had a professional life—a rather chequered career—in which I had held a wide variety of assignments or jobs over a span of six decades. Many economists had combined two or three of such assignments, but in my case it was many more; my career ranged from teaching and research as a university teacher to research only as the head of a research institute, to being the head of a national highest policymaking body, to being an international civil servant in an United Nations organisation, and then a research fellow in an international research institute.

The various stages in my professional life are indicated as follows: Associate (Reader) and then Professor of Economics (1955–1964); Director of Pakistan Institute of Development Economics (PIDE), Bangladesh Institute of Development Studies (BIDS) (1964 to 1971–72); Deputy Chairman of the first Bangladesh Planning Commission (1972–75); Assistant Director General of the Economics and Social Policy Department, Food and Agricultural Organization of the United Nations (FAO), Rome, Italy (1977–87); and Research Adviser/Emeritus Fellow, International Food Policy Research Institute, Washington, DC (1987 onwards).

Dhaka University

I joined the University of Dhaka in mid-1955 on my return from Harvard after obtaining Ph.D. in economics. There were two major challenges confronting the economics department. One was a severe dearth of highly qualified teachers since most of the senior teachers who were Hindus had left for India in 1947 and soon thereafter. The second challenge was that of the outdated syllabus inherited

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from the past which did not incorporate the latest developments in economics. My first task was to modernise it and I did it extensively, especially in the area of economic theory (micro, macro, and international trade). This involved in the absence of senior teachers—a very heavy teaching load requiring at a stretch four or more hours of teaching every day in both BA honours and MA post-graduate classes. In those days, teaching responsibilities were taken very seriously, and included not only class lectures but also tutorial classes for small groups of students. It was considered a solemn moral responsibility of a teacher to the students. The current tradition, as we know, however, is indeed a far cry from what was in the past.

Similarly, it was considered a duty in those days for a university teacher to be engaged in research; most of the teachers, especially the young and highly trained ones, felt the need for some research as their obligation. The *Pakistan Economic Journal* was a choice outlet for such research by the teachers. It was published by the Pakistan Economic Association and its editorial office was the Dhaka University Economics Department and the senior, well-known teachers of the Pakistan universities were in the editorial board.

Even though my interest was in international trade and/or macroeconomics in the prevailing academic environment in our department and in the absence of a peer group for interaction and cross-fertilisation of research ideas or findings, I thought I should focus my research on national economic problems, especially of East Pakistan. I had a few colleagues who conducted rural economic surveys. I decided to undertake research using the data collected in these surveys and test specific hypotheses relating to the rural economy of East Pakistan. In fact, I wanted direct contact with the rural economy. Accordingly, I participated in the surveys in course of which I had met and interviewed farmers and traders, etc. in the villages. This enabled me to get a personal acquaintance with and knowledge of the behaviour, attitudes and views of the rural people in the country. The subjects of research ranged from the production and marketing of jute to rural credit and rural employment. The questions examined included the structure of the marketing chain of raw jute, including the degree of competition or otherwise in the various stages of the supply chain; analysis of the concept of disguised rural unemployment or underemployment; sources of credit for rural families and their uses; for example, I learned that the predominant sources of credit were friends and relations and own savings and not the rural money lenders commonly believed. Again, I was told that the farmers had grown jute even when rice

growing was more profitable, because in view of high fluctuations in market price of jute, a guaranteed access to the amount of rice that was needed by the family, i.e. household food security was not assured through the sale of jute for rice in the market—posing a puzzle that could be better understood as an example of decision-making under conditions of uncertainty.

Unlike nowadays, there were no foreign donors, i.e. foreign foundations or international civil societies or think tanks to finance our research. The actual expenditures on research such as the cost of surveys, i.e. research assistants and publications, etc., were met by domestic sources. The research on credit and rural unemployment was financed by the Central Bank, i.e. the State Bank of Pakistan; that on jute by the jute ministry. These research projects were undertaken at our initiative and not that of the financiers. They liked our ideas and financed the research costs of the Government of East Pakistan. My first research work on the macroeconomic aspects of East Pakistan was commissioned by the East Pakistan Finance Department. This research was taken at the initiative of the Additional Chief Secretary. The study was on the development potentials and resource requirements for the development of East Pakistan. This was much used subsequently by the East Pakistan government in its negotiations with the Pakistan government on resource allocations to East Pakistan.

During the latter part of the 1950s and early 1960s, I was a member of a few commissions appointed by the government of Pakistan on East-West economic relations. This was a very interesting experience for an academic in the political economy of interregional resource allocation. The objective was to allocate resources obtained by Pakistan government from tax and non-tax resources as well as foreign aid between the two regions in order to reduce income disparity between East and West Pakistan. There was a great deal of debate in the Commission. First, on how to measure income disparity; and, second, on how to measure the impact of government development expenditures on income disparity. On the first issue, there was heated discussion as to whether East or West income should be the base for the calculation of the extent of disparity. Obviously, since West income was higher, if it was the base, the percentage deficit of East's income below West's would be less than the percentage excess of West income over East income, if the latter was the base. The members of the West preferred the first measure since in the public eye the disparity would appear less. Alternatively, they preferred the disparity to be measured by the excess of average of all Pakistan over East income. This would be less than the percentage excess of West income over East. It was finally agreed that all three

measures would be provided in the report of the Commission. At this distance of time, the controversy appears ridiculous in terms of economic logic. But the politics was important since the objective of the members from West was to make percentage figure of disparity as low in the perception of the public.

Secondly, there were long debates about the absorptive capacity of the East in terms of the capacity of East Pakistan government to utilise additional resources. This is reminiscent of the debate about the absorptive capacity for foreign aid on the part of the developing countries. It was argued that the absorptive capacity was not independent of use of resources. The latter itself can be used to enhance the absorptive capacity, if this was not high.

Apart from lessons in political economy, I had a valuable experience in gaining knowledge of the details of various tax and non-tax revenues of the central and provincial governments. The administrative problems of the tax system were within the terms of reference, including the estimation of the impact and incidence of taxation. Again, the distinction between capital expenditures and current expenditures, on the one hand, and that between development and non-development expenditures, on the other, was discussed and an agreement had to be reached on a uniform set of definitions which were to be used for the purposes of domestic budgetary allocation as well as for the allocation of foreign aid.

This was indeed an experience which was very helpful when I was in the post-independence Planning Commission dealing with financial system and budgetary procedures. During this period of my university life, I was also involved in advising on the minimum wages of industrial workers in some selected large-scale industries in East Pakistan. I had to read up the literature on the economics of minimum wages and lessons of experience of a few developing countries in this respect.

During this period, one of my research was on the estimation of a number of consumer demand functions for a wide variety of consumer goods, including prominently important food items, i.e. cereals and non-cereals and the criteria for the selection of the most appropriate coefficients for the projection of demand for various commodities. This was based on a very intensive analysis of the household income and expenditure surveys conducted by the East Pakistan Bureau of Statistics for a number of years.

As various research studies were being undertaken in the Departments of Economics and Commerce, we felt that there should be an institutional

framework for research undertaken by the university teachers. The university administration was persuaded to provide the overhead facilities, including space and other physical facilities, on a very limited scale. Professor Atwar Hossain was the first chairman of the Commerce Department and I was the second chairman. After two or three years of teaching in the university, I felt the need for bringing myself up to date with the latest developments in economics as I felt that I was getting out of date in Dhaka far away from the centres of teaching and research in advanced countries.

There was an increasing use of mathematics and statistical methods in economic analysis during this period. Linear programming in economics by then was the rage of the time. I had no knowledge of matrix algebra. I requested a colleague of mine in the Statistics Department to help me learn matrix algebra. My eagerness to keep abreast with the latest developments took me to England on a Nuffield Foundation Fellowship—first to London School of Economics where I tried to get a greater command of matrix algebra and to read up on the literature on linear programming starting with Samuelson, Solow, and Dorfman's classic text on linear programming in economics. I proceeded then to Department of Applied Economics at Cambridge University where I acquainted myself with the latest developments and refinements in National Income Accounting in the company of the then leading authority on National Income Accounting, i.e. Professor Richard Stone. At London, I had the opportunity of attending the advanced faculty seminar in economics, by Lionel Robbins, for teachers of economics conducted by the famous economist and the long-time director of the London School of Economics and the author of the renowned treatise in economics on its nature and significance. Every fortnight, one teacher was to undertake a very detailed review of one of the latest well-known contributions in economics and present his findings to the seminar. At the same time, two other teachers would be prepared to react to his review with comments and put the findings in the context of the other research on that and other closely related subjects. This was followed by a free-flowing discussion by the rest of the members of the seminar. I thought that it was a very intensive and productive way of bringing the faculty members up-to-date on the latest developments in economics.

Following my stay in the United Kingdom, I moved to the Netherlands Economic Institute (NEI) to spend a few months. The subject which was very intensely discussed in those days in the research seminar conducted by Jan

Tinbergen—later on a Nobel Laureate—who was the director of the Institute, was on the theory of economic policy as area in which he had made pioneering contribution. I was one of a few visiting fellows debating all the aspects of the relationship between targets and instruments of economic policy. The theory that policymaking requires as many instruments as targets had its heyday. To use one instrument to achieve two targets was inefficient and would fail to achieve the targets. Jan Tinbergen explained this in terms of mathematical formulation, i.e. for a solution of a system of equations one needs as many equations as independent variables; if there were more variables than equations then some variables are redundant and if there were more equations than variable then there was no solution. It was while at the Institute I completed my book on a short-term econometric model for the Pakistan economy.

Pakistan Institute of Development Economics (PIDE)

After almost 10 years of teaching at Dhaka University, I moved to the Pakistan Institute of Development Economics (PIDE) in Karachi at the end of 1964, which until then was directed by foreign university economists mainly from the United States under a Ford Foundation grant to the Government of Pakistan and the Yale University. The Ford Foundation insisted that the continued grant was conditional upon the leadership of the Institute being taken up by a Pakistani. There was no highly-trained West Pakistani economist who was willing to lead a semi-government small research institute which had no visibility either in the administration or on policymaking circles. Hence, the choice of last resort fell upon an East Pakistani economist who was well known to the renowned U.S. economists.

As distinguished from the life in the university, at PIDE it was all research and no teaching. I had adequate resources at my disposal to pursue research in my areas of interest, i.e. trade, foreign investment, aid, etc. This was a great improvement over my past academic environment in that I was in an environment in which I had resident economic researchers from well-known foreign universities visiting for a period of two to three years with whom I could interact and benefit from discussions and debates on a daily basis on subjects of our mutual research interests. Moreover, there were short-term visiting scholars. In addition, a foreign advisory group consisting of a few distinguished foreign economists such as Jan Tinbergen (mentioned earlier), Austin Robinson of Cambridge University, Lloyd Reynolds of Yale University, and others would

visit for a period up to two weeks at a time to review, comment, and advise on our research programme and publications.

At the same time, there was, in Karachi, an additional group of policy-oriented foreign researchers, including the members of the Harvard Advisory group attached to the Pakistan Planning Commission as well as a number of economists in the United States and other foreign aid missions. These were the days when the United States was heavily involved in the economic development policies of Pakistan.

All these features of my new professional environment provided a unique opportunity for me to keep abreast with the economic profession in the advanced centres of learning abroad. The resources provided by the government were untied and research topics were left to researchers to decide in the light of research specialties and priority policy issues of Pakistan which required in-depth long-term research. The Ford Foundation provided, through Yale University Economic Growth, generous grant for the cost of foreign advisers, library, and equipment as well as a large number of scholarships to train abroad economists for Ph.D. degrees abroad, both from the institute and from other institutions in the country.

The decision in all these matters was left in the hands of the Director and his senior staff. The assurance of academic independence was also the declared policy of the government even though the Governing Board was headed by the head of the Pakistan Planning Commission with members such as the finance secretary, etc.—i.e., all the economic czars of the Pakistan government. The policy of non-interference by the Board in the professional decisions of the Director was effective partly because that was the condition included in the agreement between the government and the Ford Foundation. This unprecedented freedom ensured by the aid conditionality, which would be viewed as unrealistic in the context of today, allowed us to undertake research on some of the important controversial policy issues of the day—sometimes with very critical conclusions from the point of view of the policymakers of Pakistan. I had the opportunity to pursue research on my primary areas of interest, i.e. trade, aid, and investment. I published articles at home and abroad on such topics as comparative costs of manufacturing industries and their competitiveness; rationale and effectiveness of export incentives and export performance; comparative domestic resource costs of different exports, etc. as well as evaluation of the latest thinking on the international development assistance,

including an analysis of the macroeconomic effects of foreign aid to Pakistan's development. These were the days of the Lewis' theorem of unlimited supplies of labour and turning point in wages in the labour market of developing countries, etc. I undertook an evaluation of this whole area of research, including its limitations and policy implications. My tenure at the Institute was the most productive period of my professional life in respect of the quality and quantity of my research.

At the same time, a few research outputs of the Institute on the Pakistan economy were of a very controversial nature. For the first time, an estimate of per capita income of East and West Pakistan was separately published. Until this time, no authentic estimate of income of East and West Pakistan was available in the public domain. The income disparity between east and west was a highly politically charged subject as East Pakistan was demanding for an end of discriminatory policies on the part of the Pakistan government, and a substantial redirection of investment resources and policy incentives towards East Pakistan. At the same time, articles were written at the Institute on disparity between East and West Pakistan in respect of comparative performance of agriculture as well as industry. Research on these politically explosive issues from the point of the Pakistan establishment was naturally disliked by it. But the Institute was protected first by its link with the highly respectable academic community abroad which ensured the high analytical quality of our research. Secondly, the political and army leadership in Pakistan did not feel threatened by these articles since they rightly assumed that these articles published in academic journals, such as the Institute's journal, had no audience among the public. The members of the public or politicians were not aware of these research publications and did not read them even if they were aware. Moreover, the military-civilian leadership was secure in their power to be able to deal with any fallout effect of such research findings in case they found their way into the political discourse. In fact, in course of time, these research findings were subject of discussions in various conferences which were highly publicized in the press and were known to the educated middle class in Pakistan. There was no direct or indirect adverse impact on our lives. I consider this to be due to the sense of confidence and lack of a sense of insecurity on the part of the ruling elite that it did not consider it necessary to clamp down on academics like us—at least not until the time when we became much more directly involved in political activism as the struggle against West Pakistan gained momentum.

First Bangladesh Planning Commission

By the end of 1970, the PIDE had its headquarters shifted to Dhaka. I was involved closely with the political leadership of the independence movement from March 1969 onwards even when I was the Director of PIDE. By that time, I crossed the line of academic neutrality and became an active participant in politics. Consequently, after the crackdown of the Pakistan Military in East Pakistan, I was on exile until independence in December 1971. In early 1972, I was appointed the Deputy Chairman of the first Planning Commission which was headed by the Prime Minister. The change from a research institute to the Planning Commission—a job involving policymaking and policy advice to the politicians—was a very significant one. The job was doubly difficult since I was involved in building a new institution, i.e., Planning Commission as a part of the government machinery. We prepared the first Five-Year Plan and we constructed a macroeconomic model for the economy based on input-output framework. As the deputy chairman, I had the direct supervisory responsibility for the macroeconomic framework and related projections and policy recommendations of its Five-Year Plan. The making of a Five-Year Plan as well as its follow up in terms of annual development programmes as the instrument for its implementation involved lengthy-process of consultation not only with the Finance Ministry responsible for mobilising domestic resources, but also with the different ministries responsible for sectoral programmes and policies. The burden of detailed negotiations and discussions with the different ministries and agencies for specific programmes and policies fell on the members of the commission.

The first lesson for me in the next job was to learn the techniques of how to explain to and dialogue with politicians in the language they could understand the economic issues and policy choices. It was a difficult task and I did my best. I thought I improved over time in this task in relating my dialogue to a specific policy choice. As always, individual ministries wanted more resources for their respective development programmes without regard to the fact that when their respective demands for resources were put together the sum total exceeded the aggregate resources available. But they were not willing to raise the tax revenues. The process of bargaining in the cabinet was not always pleasant. In fact, instead of agreeing on the basis of their discussions and negotiations on an agreed allocation of resources among their respective ministries, the ministers often left to the Planning Commission and finance ministry to do the reallocation in the light of their conflicting claims. This was a convenient way out for the individual

ministries to find a scapegoat to counter the complaints of their various constituent interest groups because of their unmet demands.

The second lesson was for me to understand that in policymaking what appeared to be a logical and straightforward choice for an economist was not so straightforward for the politicians. An economist, while suggesting solution for a problem or suggesting a policy, does not take into account the political feasibility of his policy prescriptions. However, an economist's advice provided without a clear understanding of the political feasibility, constraint was not likely to be accepted. This was, for example, the case of fertiliser subsidy. It was a highly popular measure among the farmers. The party in power was dominated by middle farmers who had been used to fertiliser subsidy for a long time. The demonstration that there was a substantial leakage in the government-controlled system of distribution through sales outside the public distribution system and that the subsidy often went more to the bigger farmers than to the smaller ones, did not dissuade the political leaders from continuing with this policy. Moreover, compared to the period when the subsidy was introduced, the food price was much higher to make food production profitable in the absence of low cost input policy such as fertiliser subsidy. At the same time, most of the traders in the supply chain were also the main supporters of the regime. The argument that large expenditures on subsidy reduced the available resources for other investments in agriculture, such as irrigation or extension services, did not sway the leadership. It was feared by them that any removal of subsidy might result in a fall in food supply. This was a risk that they were unwilling to take. They were willing to consider a gradual reduction in subsidy provided there was a substantial increase in supply of fertiliser along with an associated increase in other modern inputs such as high-yielding seeds as well as the supply of agricultural credit accessible by all farmers, including small famers.

One can provide yet another example. This was the case of food subsidy. The subsidised food was distributed through a public distribution system to everybody in four major urban centres of the country, all employees of the police and military establishment, low-income government employees, and all the industrial workers all over the country. The largest burden of subsidy arose from the last two categories, especially the industrial workers. The latter were organised in large trade unions and were linked with the ruling political party. Any attempt to reduce subsidy, if it was not accepted by the trade unions, was likely to lead to political and social instability if they resorted to collective action. There was a leakage in the public food distribution as subsidised food was sold to

the non-target groups and also there was a high budgetary cost of the public distribution system. There would be, therefore, an increase in efficiency if, instead of food subsidy, the real wages of the workers were adjusted upwards to compensate for the withdrawal of subsidy. This would leave access of the workers to their required food undisturbed since they would have an increase in income to buy in the open market whatever food they needed. This would save government resources by avoiding the cost of food distribution and leakage through sales to the non-target groups.

The industrial workers rejected this proposal on several grounds. First, they did not quite understand the method of compensatory adjustment of wages for the loss of a definite quantity of subsidised food which was currently available to them irrespective of availability and price of food in the open market. Secondly, they were not sure that all the industrial employers would implement the scheme thus requiring the workers to bargain or in the case of non-implementation to get into conflict with the recalcitrant employers. Thirdly, they were not sure that, in the future, a different government in power would necessarily follow this method of compensation and even if they did they might not compensate to the extent needed. The system of fixed quantity of food rations had been in effect for years and everybody concerned was familiar with it. Since the proposal was rejected by the industrial workers and could therefore not be implemented, it could not be used for the low-paid government employees either. These above cases are two examples, among others, where the political economy consideration or political feasibility constraint ruled out professionally appropriate economic policy proposals.

As an economist with specialisation in macroeconomics and international trade theory and policy, I was quite at home with the macroeconomic model based on an input-output analysis undertaken for the first time in Bangladesh. Also, I was on familiar ground to prepare economic policy papers with the help of my colleagues and inputs from the ministries affected by and involved in such policies. However, as the deputy chairman of the Commission, I was included in cabinet and committees on all other subjects which had any implications for development programmes or economic policy or resource allocation. Hence, I had to participate in cabinet deliberations on sectoral issues such as choice in the agricultural sector between low lift irrigation, deep tubewells and shallow tubewells, or appropriate balance between fertiliser and irrigation investment, or allocation of resources between rural credit and supply of inputs. I had to familiarise myself with the criteria for an appropriate balance between various

types of soil nutrients and chemicals or agricultural extension systems. For the first time, I had to know the interrelationships between the various tiers of the educational pyramid—i.e. primary, secondary, and tertiary education—keeping in mind that output of one tier is input to another tier. For example, output from each lower stage provides input, i.e. students to the next upper tier and similarly the outputs of the higher tier provide teachers for the next lower tier. The appropriate ratios and proportions between inputs and outputs at various tiers of the educational system to be used in these balancing exercises for the purposes of resource allocation were a part of my education. Yet another example was in the field of family planning. I recall the discussion on the family planning programmes involving the workload of the female family workers and the most appropriate way of getting the best results out of their visits to the family to motivate the women who were the main targets of their visits. I still remember the dictum that the best time a woman was most susceptible and receptive to the family planning message was immediately before, during, and after the birth of a child. For the first time, I realised that nutrition was a multidimensional subject comprising programmes in education, agriculture, health, etc. The challenge for me was to suggest mechanisms to coordinate and integrate programmes in different ministries to enhance the level of nutrition. In fact, we ended up suggesting that there should be a unit in the Planning Commission to coordinate the multisectoral programmes with nutritional components.

The above examples illustrate that in dealing with issues concerning the various sectors of the economy as a policy coordinator in the Commission as well as a participant in the deliberations of the cabinet and its various committees which were not directly within the purview of the Planning Commission but which needed an input from an economist, I had to wander faraway from economics to other subjects and disciplines. I became a jack of all trades with a smattering knowledge of or acquaintance with various other subjects.

The negotiation of foreign aid was the responsibility of the Planning Commission, which had to negotiate the quantum and composition of aid that was required for the implementation of the annual development programmes and the Five-Year Plan. While the details of the projects receiving foreign assistance were the responsibilities of the members of the Commission, along with the officials of the relevant sectoral ministries, I was involved with associated policy issues as well as macroeconomic policy issues which were the domain of the World Bank and the IMF. Apart from project aid, other forms of aid, i.e.

commodity aid, and other structural adjustment or balance of payments loans had very heavy policy components. I recall an important negotiation on the exchange rate. As always, capital controls or trade and exchange controls were frowned upon by the donors as a method of meeting imbalance in external payments. This was a subject under negotiation with the donors right from one year after independence starting with the Bank's economic report on Bangladesh in early 1972. We generally agreed with the need for exchange rate adjustments but the differences with the Fund and the Bank related to the extent of depreciation and its timing as well as the assurance of balance of payment assistance and the amount of such assistance. In a tough negotiation, we did very serious homework and I must confess that it was a good quality professional work. We posed the role of monetary and fiscal policies to restore macroeconomic stability as a supplement to exchange rate adjustment. In fact, we did take measures in fiscal and monetary policy area, i.e. by increasing taxes and reducing public expenditure which were intended to reduce excess demand and inflationary pressure at home and thus to ease the pressure on the balance of payments. We requested the donors to start some resource flow or financial support in appreciation of our efforts in this respect ahead of devaluation. We suggested that, since the immediate effect of devaluation would be a rise in import prices, with some aid flows to start with, we would be in a better position to dampen such effects by increasing imports. Moreover, we were very concerned about the rise in prices of food imports and hence in the domestic price of imports. We wanted to wait until the next harvest before we devalued since an expected good harvest would help us cushion the impact of higher import price consequent on devaluation. Food import price had already started to rise and to exert upward pressure on domestic price. Devaluation would aggravate inflationary pressure at this stage. Donors insisted on devaluation as a prior condition for any assistance at all and other fiscal and monetary measures were not considered as a basis for starting the flow of any assistance. The case for delaying devaluation until next harvests, when food prices were expected to be lower, was accepted by IMF.

Fortunately, the deputy director of the Exchange Restrictions Department of IMF in charge of negotiation on exchange rate adjustment and the director of the Asia Department were known to me from their Harvard days though they were senior to me in class. The deputy director came to Dhaka to negotiate and at the same time the Bank also joined hand even though the Fund had the ultimate say. While the timing of the act of devaluation was accepted, on the other two issues

they were adamant even though there was very little room left open for decision on the extent of devaluation.

The Fund official agreed that there was no precise mathematical model which dictated a precise degree of devaluation. It was based on the guess-estimates of supply and demand response of export and import to exchange rate changes and of the impact on aggregate demand of supporting measures. He agreed with our technical argument and suggested that their stipulation of a specific degree of devaluation was based on their judgment and a general analysis of the export and import sector. In the context of an unequal relationship between the powerful donor and the poor recipient, the judgment of the donor had much greater weight.

In private, he told me that he might have fully agreed with me in a Harvard seminar, but then he could not afford to do so as the official of the Fund. He was an Indian and originally from Bangladesh. He expressed a fervent desire to meet the Prime Minister not for any discussion on exchange rate but just to pay respects to a great leader who was the architect of an independent nation against formidable odds. I did take him to the Prime Minister who as usual charmed him. He later on told me, when he recorded this meeting in his back-to-office report in Washington, his effectiveness as a Fund official in the eyes of his bosses went up several notches.

As the food aid flow accelerated in late 1974 and harvests were good in early 1975, Bangladesh devalued so that post-devaluation inflation was moderated. However, in addition to devaluation, differential import taxes and export incentives had to be introduced to regulate the volume of exports and imports.

Food and Agriculture Organization of the United Nations (FAO)

While at the Planning Commission I was dealing with the overall and economy-wide policy issues of one country and gained some smattering knowledge of social and non-economic/technical subjects, at FAO, Assistant Director General in charge of the Social and Economic Department, I had to deal only with one sector, i.e. food and agriculture sector but with its various subsectors in great detail. It included the international aspects of the food and agriculture sector as well as inter-country comparison of national food and agricultural policies. In addition, I had to deal with a wide variety of international and UN organisations for joint deliberations and cooperative projects with them. Moreover, I had to deal with the representatives of the member governments of the FAO located in Rome.

As far as the international aspects of agriculture were concerned, the most important analytical and conceptual issue, which faced the international community in the mid-1970s, was that of world food security. I was involved in the analysis of the global food and agricultural policy issues as well as cross-country comparisons of agricultural policy issues in this sector such as state interventions in the markets for outputs and inputs. In addition, I and my colleagues formulated the concept of world food security which captured all the critical aspects of food security. This comprised (a) the assurance of adequate food supply to meet the needs of an increasing population, (b) the stability of supplies over the seasons in a year and over the years in the face of inter-seasonal and inter-year fluctuations in food supply which were either weather-induced or policy-induced, and (c) the access of all people to the basic food that they needed for health and adequate nutrition. Each of the above aspects of food security had both national and international aspects.

At the international level, the policy issues to ensure adequate food supply related to firstly, the flow of adequate external resources to agriculture, i.e. development assistance and private capital, and secondly, to food aid. The analysis of the international trade and trade policy issues also assumed a critical importance in this context since access to world market for non-food exports as well as an assured supply of food in the world market for the food-deficit poor countries was critical for world food security.

All these issues required me and my colleagues to face the problem of the North-South divide since interests of the two groups of countries did not necessarily coincide. In this context, it is worth mentioning that, since the inception of FAO, I was the only economist to be appointed from the developing countries. My immediate predecessor was an economist from New Zealand. However, the post of the Director General had changed hands between the developed and developing countries over the years. During my tenure, the Director General was from a developing country, i.e. Lebanon. The heads of the other technical departments such as agriculture, livestock, fisheries, etc., however, changed hands between the two groups of countries. Since economic policy issues in FAO were the responsibility of this department, the budget of this department was almost one-third of the entire organisation. In this environment, my conduct and performance was under close observation, especially from developed member countries. Fortunately, however, because of my background of higher education in the United States and my research experience both in advanced and developing countries, including the United

Kingdom and the United States, the citadels of the Western world, the latter were willing to give me the benefit of doubt.

An important task was to monitor the flow of foreign aid to the agricultural sector. In the aftermath of the world food crisis of 1973–74, there was an understanding that the developed countries would commit to increase the flow of aid to the agricultural sector. Such an increase, in addition to domestic investment, was required to accelerate the growth in the agricultural sector. We, in FAO, had to undertake estimates of investment requirements to increase agricultural output at the rate of 5 per cent or more for the developing countries as a whole as a rough guide to required resource flow. This was considered in the context of the UN International Development Strategy which contained a commitment of the developed countries to provide 0.7 per cent of their gross domestic product (GDP) as aggregate foreign aid. This target as well as the estimated requirement of foreign assistance for agriculture was scarcely met by the actual provision of assistance. Our periodic publications pointed to the shortfalls in their expected performance. Naturally, the developed member countries did not like to be told that their generosity did not meet expectations. There was a continuous debate regarding our estimates, on the one hand, and, on the other, the ability of the recipients to absorb additional resources.

Food aid, on the other hand, raised a different set of problems. There was a Committee of Food Aid and Policies consisting of donor and recipient countries (1) to channel the multilateral aid through the World Food Aid programme, and (2) to monitor the flow of bilateral aid. It was the responsibility of our department to undertake all the necessary analysis and related documentation. One important issue related to the adverse impact of food aid on the incentives for domestic food production, i.e. by reducing domestic food prices. The challenge was to formulate rural development projects in such a way that food aid financed development projects, i.e. mainly rural infrastructure projects, that should increase the demand for food to match the increase in food supply provided by food aid; in other words, the increase in income generated by development projects and consequent increase in food demand would match the increase in food supply. However, in emergency situations of food shortage caused by wars or weather-related crop failures, food prices were higher causing deprivation. Under those circumstances, the disincentives for food production were unlikely to be a relevant issue. Our analytical analysis and empirical case studies had to be designed and accomplished with a view to resolving these controversial issues. The food-surplus developed countries were anxious not to

be accused of dumping food surplus on the food-deficit poor countries and thus discouraging domestic food production.

I had to work in close cooperation with the chief of the World Food Programme (WFP) which was in charge of implementing emergency as well as development food aid. The head of the WFP was invariably from a food-surplus developed country. Insofar as the direction of aid was concerned, it was found that the poorest food-deficit countries did not always have priority in the allocation of food aid by the donor countries. After all, it was well known that aid flow was influenced by strategic and political considerations of the donor countries. To point out that the aid flow was not predominantly directed to the very low-income countries did not make me and my colleagues very popular to the donors.

The North-South divide was much more serious and controversial on the issue of trade because the most preponderant players in the world food export trade were the developed countries, i.e. North America and Australia, as exporters, while the importers were predominantly the poor countries. Moreover, the price support policy of the European Union (EU) countries hampered the export of agricultural commodities of a few developing countries. The EU followed a price support and food stock policy which ensured adequate and stable domestic supply at a price higher than the world price. Moreover, export subsidy policy for agricultural exports such as cotton in the case of the United States discouraged the exports of developing countries. These policies and their adverse effects on the developing countries were analysed by FAO.

The instability of food supplies and prices in the world food markets resulting in periodic high food prices in the world market had adverse impact on the poor and vulnerable sectors of the population of the developing countries. To provide stable supply of food to the poor countries was a priority issue in international deliberations in the FAO forums. I was involved in formulating proposals for international stocks to offset the impact of fluctuations on the world food supply. The two alternative proposals were discussed, i.e. international stocks to be owned and managed by an international agency or internationally coordinated but nationally owned and managed stocks. Again, the divide between North and South or the rich-exporting and the poor-importing countries became apparent. Since the major part of the stocks was to be held by the rich exporting countries, none of these proposals were eventually accepted. Similar proposals were discussed during the recent 2007–08 food crisis and were duly rejected.

The system of governance in FAO as in all the UN-specialised agencies was such that all countries had equal votes in the decision-making process, i.e. in budget and expenditure decisions. This, in effect, meant that the decision-making process was dominated by the developing countries where the financing of the budget was based on the assessed contributions of the member countries based on their per capita income. In other words, the rich countries like the United States carried the major burden of the budget while Papua New Guinea had the same vote as the United States or EU. The latter found this situation absurd and resented it seriously. Therefore, there was a constant struggle on their part to keep the budget as small as possible. Every year, the budget session was a tense and wrenching experience in the face of disagreements between the two sets of countries. We, in the Secretariat, had to tread a very delicate path in the midst of these controversies. There was a great deal of pressure by the rich countries to keep the technical assistance projects at the country level to be financed by FAO from its budget as low as possible. They preferred that such assistance was bilaterally provided so that they would retain the freedom to choose the recipient and the types of technical assistance. Moreover, bilateral technical assistance provided employment for their own nationals in technical assistance projects in lieu of the FAO-recruited international experts.

The Economic and Social Policy Department was responsible for the annual flagship publication of FAO called the State of Food and Agriculture, which reviewed the supply and demand situation of food in many countries, regions, and the world as a whole. It included an analysis of the various factors affecting supply and demand of food. At the same time, there were monthly and quarterly reports on evolving food situation and estimates of impending shortages, if any, in specific countries and regions. This was published as a part of what was generally called the Food Information and Early Warning System established by FAO to enable countries and international agencies to deal with emerging food shortages. Also, for the first time, we undertook a long-term perspective study of world food and agriculture for 10 years and more. This was done under my direct supervision with a highly competent group of macroeconomists and econometricians as well as agricultural experts. Interacting and directly supervising this group was for me a highly satisfying intellectual exercise. In the process, I learned a lot about projection techniques as well.

As far as subjects that I had to deal with at FAO, they ranged from the technical aspects of agriculture such as economics of irrigation and appropriate balance between different types of fertiliser and pesticide to such institutional

issues as alternative systems of land tenure, including communal land rights and peasant or cooperative farming, different types of cooperative associations and farmer's organisations, and agricultural education and extension systems, etc. Moreover, I had to deal most intensively with the complex challenge of under nutrition as well as policies to combat it. Our department was responsible for a periodic publication called World Food Survey which estimated the extent of undernutrition in individual countries, regions, and the world as a whole. This involved working very closely with technical experts who estimated the nutritional requirements of individuals, on the one hand, and the supply of nutrients, on the other. Based on such exercises, the gap between requirements and supplies of nutrients on a country basis was estimated. We had to work very closely with World Health Organization (WHO) and United Nations Children's Fund (UNICEF). In those days, the emphasis was on the calories, proteins, and the concept and measurement of micronutrient were still in its infancy. In cooperation with WHO, I had to chair the Codex Alimentarius Commission dealing with food safety issues and establishing food safety standards for various kinds of food which were adopted by national governments and which were also used in international trade negotiations on food trade. These served as the basis of sanitary and phytosanitary regulations by different countries.

While at the Planning Commission, I had been initiated into being a jack of all trades with a rudimentary knowledge of some of these non-economic issues; at FAO, my involvement with non-economic and technical issues relating to the agricultural sector was greatly expanded.

The task of coordinating programmes of FAO in the social and economic field with UN organisations fell on me. This included the International Labour Organization (ILO) on rural labour market and employment in rural non-farm sector, United Nations Educational, Scientific and Cultural Organization (UNESCO) on rural education, and United Nations Conference on Trade and Development (UNCTAD) and World Trade Organization (WTO) on trade in agricultural commodities. This task was not always without frictions and competition when dealing with overlapping and cross-cutting issues with each agency trying to assert its primacy and superior competence in its domain.

International Food Policy Research Institute (IFPRI)

After 10 years in FAO in Rome, I moved to the International Food Policy Research Institute (IFPRI) in Washington. It was a significant transition from a job at FAO with a very considerable administrative and supervisory

responsibility for the single largest department of the organisation with five divisions with about 150 or so employees in Rome and about 100 or so in the various countries as technical assistance experts. However, I could not avoid spending long hours in meetings of various committees dealing with a large number of issues as discussed above.

I had no administrative responsibility at all at IFPRI and had all the time to do research and study. In the late 1980s, the Institute had access to adequate resources to undertake research in the light of research interests of researchers and priorities as determined by the Director General and the Board consisting of both policy analysts and policymakers in the field of food and agricultural policy. The basic mandate of such an international research organisation was to undertake research on international policy issues without regard to political considerations either in the choice of research topics or in respect of its findings or conclusions reached. Moreover, it was also expected to undertake case studies of individual countries or comparative studies of several countries on selected policy issues. The lessons of such case studies were to be available to the other countries in their task of formulating and implementing food policies. The independence of the Institute was facilitated by the fact that, in the early days, most of its finances came from private foundations and even the grants from individual donor countries were largely untied to specific research topics.

While at IFPRI, I published a few studies which I had thought of while at FAO but could not pursue in view of my heavy responsibilities. To mention a few, one of the studies dealt with the non-traditional agricultural exports of developing countries—a subject which until then did not draw much attention or was not studied at all since the focus was on cereals and major agricultural raw materials. It was a comprehensive study dealing with the pattern, composition, and direction of horticultural exports of developing countries as well as their determinants. Other topics included an analysis of the rural non-farm sector and the gaps in the existing empirical studies of the sector, including the formulation of a framework for future case studies of the non-farm sector; evaluation of the objectives, policies, and their consequences for the stabilisation of food prices in a number of countries. Also, I supervised a prospective study of food demand and supply balance in the light of increasing population and income growth, especially in the developing countries. I also worked on foreign aid to agriculture, including the evolution of its subsectoral composition over the years. It was interesting how the definition of aid has been changed by the donors from

time to time. For example, assistance to international non-government organisations (NGOs), which operated in developed countries, working on economic development issues, assistance to the settlement of developing-country refugees or immigrants in developed countries and food aid, including administrative budgets of donor countries, etc. were all included as aid to the agricultural sector. In other words, all aid did not constitute a flow of resources to developing countries. Over time, these and other related expenditures incurred in the donor countries have been on the increase as components of aid flow.

In recent years, the resources available to the research centres have been increasingly tied to the preferences and policy needs of the donors in general or in particular donor assistance projects and programmes in individual countries. This had the consequence of restricting not only freedom of choice on the part of the leadership of the Institute to choose of research projects but also the countries on which research could be done.

I retired as Research Adviser/Fellow in the mid-1990s and stayed on as Emeritus Fellow. In this period, I have paid increased attention to problems of governance and political economy of policymaking in developing countries. This included a study of governance and development in Bangladesh as well as one on Corruption. The interrelationship between governance and development is mutually dependent. In other words, better governance helps development and growth leads to better governance.

In early stages of development, there are sectors which are not seriously affected by poor governance. To illustrate, informal methods of contract enforcement, based on social capital and trust, work quite well. As economic transactions and supply chain get complicated, the formal methods of contract enforcement assume greater importance. Again, while corruption results in the high costs of projects involving the transfer of public funds to private hands, it does not adversely affect efficiency of resource use provided a few conditions are met. This happens if political leadership is strictly development oriented and insists on efficient implementation of projects, and if it is assuredly known whom to bribe, how much to bribe, and the bribe recipient delivers his part of the bargain. Also, it is necessary that corruption does not affect the choice of projects and hence does not misallocate resources or affect adversely the quality of projects or performance. However, these are very stringent conditions and are seldom realised. Under the best of circumstances, however, even when all these conditions are met, there is still the possibility of an adverse effect on income distribution.

As I look at my long professional life, some random lessons come to my mind as stated below, intellectual curiosity is the basis of a satisfying professional life and stimulates research. An efficient and successful teacher has to keep abreast of latest developments in the subject of his specialisation. In these days of globalisation of information and knowledge, it is very soon found out when a teacher is outdated and he soon loses respect.

One never stops learning throughout one's professional life as new techniques are developed and new ideas are generated.

Best research is done in an environment in which there are members of a peer group with whom to interact, debate, and discuss. This is especially true of social sciences if not in mathematics or similar natural sciences.

One should never underestimate what one can learn from what often appears to be foolish or not very well-informed or articulated questions or queries from those one tends to consider less educated or less sophisticated. This requires humility and a desire on the part of the scholar to stop and think what lies behind such questions.

In economics, there is no final answer to a question or final solution to a problem. In development economics, for example, we do not as yet fully and finally know what the factors are which generate and sustain growth. We may broadly know the range of factors which generate growth. As Robert Solow once remarked, we possibly know most of the ingredients which generate growth but we do not quite know the recipe.

In quantitative economics, the answer to a question or confirmation of a hypothesis depends on what kind of data and what methods of analysis or estimation techniques are used. It is now increasingly recognised that the quality and quantity of data in the developing countries are inadequate for satisfactory analysis of their economies or to answer many crucial policy questions. This is one of the most important issues that is emphasized by the recently concluded UN conference on the subject of Sustainable Development Goals (SDGs).

Great caution should be exercised in drawing policy conclusions on the basis of quantitative analysis. It is necessary to test the hypothesis by multiple quantitative analyses using different sets of data both time series and cross section, as well as using different estimation techniques. If all the results (of multiple analyses) lead to the same conclusion, there is a *prima facie* case for making the policy conclusion. Even then the final decision should be based on common sense and experience.

ENCOUNTERS WITH NURUL ISLAM

KEITH GRIFFIN*

I first met Nurul Islam exactly 50 years ago. Nurul was Director of the Pakistan Institute of Development Economics (PIDE) and I was a young development economist at Oxford University. I was invited by Nurul to spend three months at PIDE as a Research Adviser, although it was unclear who I was to advise or what research I was expected to do. I knew very little about Pakistan, but I had spent two years at a similar research institute in Chile and one year working on rural development in the planning commission in Algeria.

My first priority when I arrived in Karachi was to inform myself as much as I could about economic conditions in Pakistan and the government's economic policies. Nurul gave me a full set of PIDE's house journal, *The Pakistan Development Review*, as well as copies of research reports and the publications of the planning commission. I was impressed by the technical competence of the papers published in the PDR but was a little disappointed that its authors often failed to underline the policy implications of their research.

Before arriving in Pakistan I read Mahbub-ul Haq's book, *The Strategy of Economic Planning* – and strongly disagreed with it.¹ Mahbub argued that the rate of growth depended on the level of savings and savings, in turn, depended at least in part on the distribution of income. Hence, he said, “additional output should be distributed in favour of the “savings sectors.”² By “savings sectors,” he meant the industrial capitalist class. Thus in Mahbub's scheme development was to be achieved, and poverty ultimately reduced, by transferring income from the poor to the rich. This struck me as paradoxical and false.

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¹ Mahbub-ul Haq, *The Strategy of Economic Planning*, Karachi: Oxford University Press, 1963.

² Ibid., p.25.

Lo and behold, when I read the plan documents Nurul had given me, I discovered that Pakistan's plan, openly and explicitly, was based on a set of policies designed to promote industrialisation by transferring income from agriculture to private investors in industry. The plan read as if it had been written by Mahbub-ul Haq. When I mentioned this to Nurul Islam, he told me that Mahbub was the head of the perspective planning division of the planning commission and that he had indeed written most of the plan.

It was then that I decided that I wanted to do research on how resources were mobilised in Pakistan in order to finance the five-year plan. Nurul agreed to my proposal without enquiring closely into what I intended to do. He in effect gave me a free hand. My hidden agenda was to write a comprehensive critique of the government's development strategy and by implication to challenge Mahbub-ul Haq's justification for deliberately increasing inequality in the distribution of income and wealth.

In my mind, at that time, Mahbub was the villain. He was the man in the black hat. Nurul was the man in the white hat. Mahbub was flamboyant, highly self-confident, powerful, the intellectual leader of the governing establishment and the economics profession in West Pakistan. Nurul was the most prominent outsider by virtue of his position as the Director of the largest and most competent economics research institute in the country. He was a pillar of the profession and had an international reputation. He was also the obvious intellectual leader of the economists from East Pakistan. In my mind, the policy debate in Pakistan was between Mahbub and Nurul, the former unapologetically advocating greater inequality and the latter carefully advocating a development strategy that paid more attention to raising the incomes of the poorest people in the country – those who lived in East Pakistan.

Although I was a harsh critic of Mahbub-ul Haq in the 1960s and 1970s, in fairness to him I must say that in later years he repudiated his early views and became a strong supporter and leader of the so-called human development approach. I once believed that a leopard cannot change his spots, but Mahbub proved I was wrong: it is difficult but not impossible. In the late 1980s and early 1990s we worked together on several projects for the U.N. Committee on Development Planning and UNDP and became good friends.

I finished my paper on "Financing Development Plans in Pakistan" in late summer 1965, just before I left the institute to return to Oxford. I argued that the empirical evidence did not support the proposition that greater inequality would

result in a higher rate of savings, investment and growth. The fundamental assumption on which the five-year plan was based was false. Moreover, the international trade regime – which in effect taxed agricultural exports (mostly jute exports from East Pakistan) to finance import substituting industrialisation (mostly in West Pakistan) – resulted in a massive transfer of income from poor rural areas to richer urban areas. The transfer was so large that the incomes of peasant farmers were reduced absolutely, not just relative to urban incomes. The development strategy actually impoverished a majority of the country's population! Finally, a very high proportion of the income transferred to urban areas was used to increase urban consumption, not industrial investment.

The paper was circulated in mimeographed form before publication. It caused a bit of a stir and in fact pressure was brought to bear to stop publication. Nurul could have responded to the pressure by withdrawing it and suppressing its appearance in print. Alternatively, he could have refused to publish it in the *Pakistan Development Review* but allowed me to try to have it published abroad. He did neither of these things but instead allowed the paper to be published in the PDR in the usual way.³ This was a courageous decision and it was only years later with the unfolding of history that I realised just how courageous it was.

After the uproar over my paper, one would have thought that Nurul would have been glad to see the back of me. Instead, he invited me to visit PIDE again in the summer of 1970. The institute had published a number of high-quality, policy-oriented papers in the preceding years, some of them inspired in part by my 1965 paper. There were excellent papers on agricultural development, industrialisation, international trade policy, the distribution of income, and trends in real incomes in rural and urban areas. I suggested to Nurul Islam that the two of us edit a volume that would include the best of the previously published papers in the PDR plus original commentaries and new material prepared by ourselves so that we could present to interested readers a comprehensive story of growth and inequality in Pakistan.

Nurul agreed to my proposal but his collaboration was overtaken by events and I asked Aziz Khan, who was then a Research Fellow at Nuffield College, Oxford, to join with me in editing the book. Thus the book was written partly in Karachi and partly in Oxford. This was the beginning of a very close friendship

³Keith Griffin, "Financing Development Plans in Pakistan," *Pakistan Development Review*, Vol 5, No. 4, winter 1965.

and long-term collaboration between Aziz and myself. *Growth and Inequality in Pakistan*, if I may say so, is a rather good book, but hardly anyone outside Pakistan has read it.⁴ The preface is dated June 1971, three months after the breakdown of constitutional negotiations in Pakistan after the 1970 elections and at the start of the uprising in East Pakistan, which soon became a war for independence, which in turn led to intervention by India at the end of 1971.

The book is dedicated to four of our friends and colleagues: Nurul Islam, Anisur Rahman, Rehman Sobhan and Swadesh Bose. At the time of the dedication we did not know where they were or even if they were alive. Fortunately, all four survived the war and, happily, two are with us today: Nurul Islam of course and Rehman Sobhan. The book, alas, was a casualty of the war. By the time it was published in 1972, the subject of the book no longer existed: Pakistan had divided in two and Bangladesh had become an independent country.

Nurul's contribution to the book was a chapter on "Comparative Costs, Factor Proportions and Industrial Efficiency in Pakistan."⁵ It is a good example of the research he did while Director of PIDE. He chose an important subject; he gathered a large amount of empirical evidence relevant to the subject; he analysed the data carefully and from several points of view; he mentioned possible weaknesses in the data and his analysis; and he presented nuanced conclusions from his analysis. His paper could and would be read and understood only by professional economists.

Yet his conclusions were striking. The set of policies used to promote industry in Pakistan – high but random rates of tariff protection, direct controls on imports and an overvalued exchange rate – resulted in an inefficient industrial structure, lack of competitiveness, and an arbitrary set of incentives that varied markedly from one industry to another. Pakistan produced the wrong industrial

⁴Keith Griffin and Azizur Rahman Khan, eds., *Growth and Inequality in Pakistan*, London: Macmillan, 1972. Aziz Khan, commenting on a draft of this paper, writes that "during all my visits to Pakistan after the independence of Bangladesh, I would be introduced to people as the co-author of the book. I was invited to attend the PIDE conference to celebrate the 50th anniversary of the birth of Pakistan in December 1997. There too several speakers kept referring to the "Griffin-Khan" book....It may not have been read widely elsewhere, but it had considerable influence in the country in which we expected it to be banned."

⁵Nurul Islam, "Comparative Costs, Factor Proportions and Industrial Efficiency in Pakistan," in Griffin and Khan, eds., *ibid.*, Ch. 5.

products in the wrong way. The products did not reflect the country's potential comparative advantage and the techniques of production used too much capital and employed too little labour. Moreover, there was no evidence of any tendency for Pakistan's "infant industries" to grow up. Nurul's paper contained a strong criticism of the import substituting industrialisation strategy pursued in Pakistan, yet he never mentioned that that was the purpose of the paper! His readers were left to conclude that for themselves.

After independence Nurul Islam was appointed Deputy Chairman of the Planning Commission in Bangladesh, under the Prime Minister Sheikh Mujibur Rahman. Nurul persuaded the International Economic Association (IEA) to organise a large international conference, to be held in Dhaka, on the economic development of Bangladesh. This was the first time that the IEA had organised a conference devoted to the problems of a single country. The fact that the IEA was willing to do this tells us something about Nurul's powers of persuasion as well as the respect in which he was held throughout the world. E.A.G. Robinson organised the conference on behalf of the IEA and I was invited to be the rapporteur. My appointment, I suspect, was intended to keep me busy taking notes so as to reduce the likelihood that I would make unwelcome comments during the discussions. The proceedings of the conference were published in 1974.⁶

The context of the conference was three-fold: recovery from the devastation that occurred during the war for independence, the urgency of formulating a strategy for rapid, long-term economic growth, and the need to build institutions and adopt policies consistent with the new government's decision to pursue development within a socialist framework. Nurul set the stage with a paper on "The State and Prospects of the Bangladesh Economy."⁷ The paper is short and to the point; it is also wide-ranging. In just a few pages he discusses the initial conditions, the impact of the war, problems of food supply and the agricultural sector, the need to revive foreign trade, the savings and foreign exchange constraints, and so on.

⁶ E.A.G. Robinson and Keith Griffin, eds., *The Economic Development of Bangladesh*, London: Macmillan, 1974.

⁷ Nurul Islam, "The State and Prospects of the Bangladesh Economy," in Robinson and Griffin, eds., *ibid.*, pp. 1-15.

It is noteworthy that issues of development within a “socialist framework” are not touched upon until the final section of his paper and even there the discussion is rather cursory. The paper reads, at least in retrospect, as if it were written by someone who does not really believe in socialism but who is willing to do what he can to promote the new government’s political agenda while expressing thinly disguised skepticism that a socialist framework is feasible. Be that as it may, the new government did not last long. In 1975, a year after the conference proceedings were published, Sheikh Mujib was assassinated and after much political turbulence the military took over.

Thereafter, economic policies in Bangladesh became increasingly orthodox. The state-owned industries were privatised; growth was led by the private sector and the public sector remained small and weak; institutional change in the agricultural sector was largely abandoned and emphasis was placed on technological change, notably the introduction of high yielding varieties of wheat and rice; and finally, trade controls were gradually reduced and the country moved in the direction of an open economy.⁸

In Nurul’s paper presented at the IEA conference he suggested that Bangladesh should aim at a five per cent annual rate of growth or perhaps a little higher. Some thought that this target was a bit too high and was unlikely to be achieved. It is interesting, with the advantage of hindsight, to see what actually happened. Aziz Khan has estimated that in the pre-independence period, 1949-1970, growth of gross national product in the then East Pakistan was 3.21 per cent a year, whereas in the post-independence period, 1972-1987, the growth of gross national product (GNP) was 4.34 per cent a year. That is, there was a sharp acceleration of the rate of growth in Bangladesh after independence.⁹ In per capita terms, average income increased from a rate of growth of 0.66 per cent a year in the pre-independence period to 1.93 per cent a year in the post-independence period. In other words, incomes rose nearly three times more rapidly after Bangladesh achieved its independence than it did before. This is a dramatic improvement and it vindicates Nurul’s judgement of what was possible to achieve once the repressive policies imposed on East Pakistan were removed.

⁸See Azizur Rahman Khan and Mahabub Hossain, *The Strategy of Development in Bangladesh*, London: Macmillan, 1989.

⁹ Ibid., Table 2.4, p.22.

After three years of enervating work Nurul left Bangladesh and, after a break in Oxford, he took up an appointment of Assistant Director-General of the United Nations Food and Agriculture Organization (FAO). He held the post for ten years, from 1977 to 1987. His tenure of office coincided with the 1979 World Conference on Agrarian Reform and Rural Development organised by FAO. Nurul was responsible for the economic analysis presented to the conference and the “programme of action” that was expected to be agreed upon during the conference. As part of the background preparations for the World Conference, Nurul invited me to visit him for a few days in Rome at FAO headquarters. At his request, I wrote a short paper containing suggestions for post-conference economic activities that FAO might undertake. Two suggestions in particular stood out in my own mind. The first, building on experience in Maharashtra, India and in China, was that FAO should take the lead in promoting guaranteed employment schemes in the rural areas of developing countries. If desired, this could be done jointly with the International Labour Organization (ILO), which already had a small programme in this area.

The second suggestion was that FAO should institutionalise a commitment to agrarian reform by creating a permanent Centre for the Study of Agrarian Reform. Again, if desired, this could be done jointly with the International Fund for Agricultural Development (IFAD), which also had its headquarters in Rome. The emphasis within FAO historically had always been on crops and livestock. The purpose of the proposed Centre for Agrarian Reform was to shift the emphasis a bit in favour of issues surrounding land reform and the problems faced by poor peasant farmers and landless agricultural labourers.

Nurul’s response to my suggestions was to quietly ignore them. I suspect he thought they were too radical. And indeed he may have been right given the international political climate of the time. The suggestions were made, after all, before the agrarian reforms introduced by Deng Xiaoping in China and the collapse of communism in the Soviet Union. Nurul’s personal experience, political instincts and his natural caution probably served him well, but I have always thought that FAO missed an opportunity to increase its reputation as a development agency.

My last encounter with Nurul Islam was in Washington, D.C. in the late 1980s. By then Nurul had recently become a Senior Advisor at the International Food Policy Research Institute (IFPRI). I was in Washington on other business

and took the opportunity to call on him at the institute. We had a pleasant meeting, exchanged a bit of gossip and discussed IFPRI's research programme for about an hour. I left him not knowing that I would not see him again until today. Looking back over the last 50 years, it is clear that Nurul is a man of many parts. He is courageous but cautious; he keeps an open mind but knows when to keep his mouth closed; he encourages and protects the young; he is a teacher and guide, a builder of institutions and a compassionate nationalist. He is also a man of peace in a turbulent and dangerous world.

NURUL ISLAM:REMINISCENCES AND AN APPRECIATION

AZIZUR RAHMAN KHAN*

As one who, in collaboration with Rehman Sobhan, edited a Festschrift in honour of Professor Nurul Islam a quarter century ago, it gives me great pleasure to participate in this ceremony of the Bangladesh Development Initiative (BDI) honouring him for his life-time achievement.¹ Among the contributors to that Festschrift – to the best of my knowledge, the first major occasion to honour him at a significant milestone of his career - were Jan Tinbergen, one of the two recipients of economics Nobel Prize in its year of inception; Saburo Okita, a former Minister of Foreign Affairs of Japan; Sir Austin Robinson; Jagdish Bhagwati; Paul Streeten; and several leading Bangladeshi economists, representing the breadth across ideological orientation, professional diversity and generational dispersion of his admirers. Fortunately for us, he is not only the most eminent of the Bangladeshi economists but also the one with the longest professional career, by now spanning six decades.

The year he started teaching at the University of Dhaka upon his return from Harvard with a Ph.D. – 1955 – was also the year I enrolled as an undergraduate in the department. I and my fellow students in the same class knew that we would have to wait for two to three years to become seniors or what then went by the name of post-graduate (M.A.) students before being eligible to be directly taught by him. But we would keenly listen to the superlatives that the senior students applied when describing the quality of his teaching. For the next nine years, interrupted by brief breaks as visiting scholar at Cambridge University, London

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¹Azizur Rahman Khan and Rehman Sobhan (editors), *Trade, Planning and Rural Development*, Essays in Honour of Nurul Islam, Macmillan, London, 1990.

School of Economics and the Netherlands Economics Institute (NEI), he was the central figure in the department of economics at Dhaka University. I was a student for the first four of those years and a junior colleague of his for six months thereafter until the summer of 1960. For about a half of those nine years, he was the chairman of the department. His contribution to the strengthening of teaching of economics and research in economics during this period was enormous. Characteristically, much of it was brought about by personal example rather than the institution of changes in curricula or new institutions. He modernized the teaching of economic theory and the theory of trade and encouraged the weeding out of archaic subjects.

At the time the tradition of research was virtually unknown among the members of faculty. He revitalised the Dhaka University Bureau of Economic Research (BER) by himself engaging in large-scale empirical research of which the two volumes of *Studies in Consumer Demand* were pioneering contributions. It is a little difficult to gauge the magnitude of the contribution today when funds for research are so abundant that private consultancy has come to destroy teaching and institutional research in Bangladesh, phenomena that were completely unknown when Nurul Islam was improving research capability, albeit on a small scale, at the department of economics. It is also worth noting that his own research at the Bureau, including the one on *A Short-Term Model for Pakistan's Economy: An Econometric Analysis* that immediately preceded it, were first serious effort at the application of modern quantitative methods of research in the country at the time.

It was during his tenure at the University of Dhaka that Nurul Islam's political awakening began. His is a case of such awakening caused by careful scientific evidence, in this case one relating to the discrimination and exploitation suffered by East Pakistan due to economic policies pursued by the rulers of Pakistan. He became an exponent of the doctrine that East and West Pakistan were "two economies" rather than a homogeneous one, a phenomenon that needed to be recognised in economic policymaking. Together with a group of other economists, of whom Rehman Sobhan, present at this meeting, was a leading member, he consistently exposed the injustice against East Pakistan in forums like the panels of economists set up at the launching of the second and the third five-year plans of Pakistan and in professional meetings.

In 1964, the Pakistan Institute of Development Economics (PIDE) – until then professionally led by foreign advisors supplied by the Ford Foundation – appointed him its first native director. This was a crucially important appointment since the PIDE was the only institution of applied economic research in the country. I had joined the Institute in 1960 and was at the time at Cambridge engaged in graduate studies on leave from the Institute. I returned to the Institute after completing my studies at the end of 1966 and started working with him. In retrospect one can only view the next few years as a period of momentous importance. For a time Nurul Islam was on leave at the World Bank Economic Development Institute and the Yale Growth Center. Apart from research and professional activities, he used this opportunity to build links with Indian and other sub-continental economists. With the help of Sir Austin Robinson, the President of the International Economic Association (IEA), this enabled him, and the noted Indian economist K. N. Raj, to organise the Conference on the Development of South Asian Countries in Kandy, Sri Lanka in the summer of 1969. This was essentially a forum for discussion between the Indian and Pakistani economists, a dialogue between them that had been impossible in the preceding decades, even though a few economists from other South Asian countries also participated. It is noteworthy that the Pakistani delegation was numerically dominated by East Pakistani economists. Contacts made during this conference proved invaluable during the war of independence for Bangladesh that started less than two years after the event.

Under Nurul Islam's leadership the PIDE achieved a height that, in my opinion, had not been reached by any centre of research in applied development economics in the entire Indian subcontinent. He attracted a group of highly reputed economists from abroad as resident research advisors serving usually for two years; and some truly outstanding ones as short-term research advisors serving for a few months. The latter category included Keith Griffin, Hyman Minsky and James Mirrlees (later Sir James Mirrlees and a recipient of economics Nobel Prize). It was during his tenure that the Institute for the first time came to gather a critical minimum number of internationally-trained senior staff of its own. The Journal of the Institute – The Pakistan Development Review – came to attain high enough a professional standard to be counted among the leading journals of development economics, attracting contributions from all over the world. While leading the Institute in so many different ways, his own research, focusing mainly on the trade regime, continued to constitute a significant part of the organisation's path-breaking intellectual output.

By 1969, after Ayub Khan's downfall and the march of East Pakistan towards full autonomy under Sheikh Mujibur Rahman's Six Points programme, Nurul Islam became the leader of the group of economists which provided advice and guidance on economic matters to the leadership of the Awami League, still avoiding an overt public role which would be against prevailing rules as he headed a semi-government organisation. However, during 1970 his personal relationship with Sheikh Mujib became close. One of his final acts as the director of the Institute was to take advantage of the prevailing mood on the part of the military rulers to place East Pakistan by getting them to approve the shift of the PIDE to Dhaka. Towards the end of 1970, the PIDE was relocated to Dhaka.

As the negotiations between Sheikh Mujib and the military rulers broke down in March 1971, Nurul Islam got involved de facto in running much of day-to-day economic policy in East Pakistan under the direction of Sheikh Mujib. After the military crackdown on March 25, he became a fugitive from the occupied Bangladesh. During much of the year he was based at the Yale Economic Growth Center, keeping contact with the Independent Bangladesh Government functioning from Calcutta.

I had left the Institute in September 1970 on leave of absence to take up an appointment at Nuffield College, Oxford. After May 1971 Rehman Sobhan moved to Oxford and began his lobbying activities for the Bangladesh Government. Hasan Imam, another Bangladeshi staff member of the PIDE, also obtained placement at Nuffield College. Nurul Islam and Anisur Rahman, both exiles based in the USA, came to Oxford for brainstorming meetings. With many British supporters of the cause of Bangladesh among Oxford faculty, the place occasionally became a kind of temporary center of Bangladeshi economists in exile.

As uncertainty continued about the time horizon of the resolution of the war of independence, Nurul Islam seriously considered accepting the offer of the position of the Director of Development Research Department of the World Bank. But the dramatic quickening of events in December 1971, culminating in the independence of Bangladesh, came just in time to prevent this step. In the early new year of 1972, he was appointed to the ministerial position of the Deputy Chairman of the newly set up Planning Commission of which the Prime Minister, Sheikh Mujibur Rahman, was the ex-officio Chairman.

As is well known, vast systemic changes, including large-scale nationalisation and strictly limited private economic activity in industry and

trade, were brought about in the early months of 1972. The story of this period is not entirely clear to me as I did not have first-hand knowledge of the events: it was not before late April that I was able to wind up my affairs at Oxford and return to Bangladesh. For the next 18 months, I worked closely with him until the draft of the First Five-Year Plan was completed. At that point I severed my official link with both the Planning Commission and the Bangladesh Institute of Development Economics – BIDE (former PIDE, later renamed Bangladesh Institute of Development Studies – BIDS) and returned to teaching in the United Kingdom.

While Nurul Islam was the official face of the Planning Commission and toiled very hard to put the new institutions into work, the critically important decisions about economic policy were made by the political leadership, in the final analysis by Sheikh Mujibur Rahman. To this day I remain convinced that Nurul Islam reluctantly went along with some of the radical changes – notably the near monopoly of the state in large-scale industry and trade and the system of extensive public control over distribution of goods and services - that were instituted in the early days of Bangladesh under the slogan of socialism. Even though that was a time long before the unworkability of actually existing socialism became demonstrably clear, the Awami League itself had never been committed to orthodox socialism and was completely unprepared to implement the kind of socialism that came to dominate the rhetoric of the freedom fighters at the time. I like to think that at independence Nurul Islam’s views on the subject were not much different from those of Sheikh Mujibur Rahman himself prior to independence. They both were “converts” to the rhetorical radicalisation of the freedom movement. Nurul Islam, in my view, was at best a skeptical convert. I mean no disrespect, but I doubt if he had at all been familiar with Marxian economics and the working of actually existing socialism.²

Nurul Islam was on leave of absence from his position as the director of the BIDE, the name that the PIDE headquarters in Dhaka had assumed at independence. While continuing to lead the Planning Commission, he

²The politics of socialism that Bangladesh experimented with immediately after independence is too complex a process to be dealt with in this short paper intended to pay tribute to Nurul Islam. It is noteworthy that the vast agricultural sector and the rural economy, which then comprised of more than four-fifths of population, were kept out of it, without even a land reform. The hoax of socialism proved to be the ploy used by powerful bureaucrats, in league with the powerful politicians, to skim off resources from the nationalised industry and trade.

restructured the constitution of the BIDE for which the position of an executive chairman was created. He was appointed to that position in absentia. I believe he saw the BIDE – which was later renamed the BIDS – as his permanent home after amicably exiting the Planning Commission at a suitable time. As we know, this was never to be as these hopes were overtaken by events. By January 1975, Sheikh Mujib ditched the democratic parliamentary constitution adopted only 26 months before and established a presidential system. This was followed a month later by the imposition of one-party rule. This was the period when a number of Mujib's original associates sought at least a temporary exit from the government. Nurul Islam, characteristically, went on sabbatical leave at Oxford pleading extreme fatigue from uninterrupted work during the preceding three years. Sheikh Mujib's assassination in August of that year made that into permanent exile.

His work as the head of planning in Bangladesh has been described in several of his books published later: *Development Planning in Bangladesh: A Study in Political Economy* (1977); *Development Strategy of Bangladesh* (1978); *Aid and Influence: The Case of Bangladesh* (Jointly with Faaland and Parkinson, 1981); and *Making of a Nation Bangladesh: An Economist's Tale* (2003). These writings bring out much valuable experience strongly emphasizing the political economic aspects of both domestic and international policymaking. I nevertheless believe that he has allowed much to remain unsaid, much that would have enriched the understanding of that period.

In the four decades since the beginning of what I have called his "exile," his principal subject of work changed almost beyond recognition. After a period of writing at Oxford, he accepted the position of Assistant Director-General of the UN Food and Agriculture Organization in Rome in charge of Economic and Social Policy in 1977 and remained in that position for a decade. From this point the principal focus of his work shifted to agriculture, food security, agrarian reform, and related issues. The geographical area of focus of his work came to encompass the entire developing world. At the FAO, his tenure began with the organization of the World Conference on Agrarian Reform and Rural Development (WCARRD) in 1979. He led a good many important FAO studies and policy documents: *Agriculture Towards 2000* (1978); *Africa Food Plan* (1978); *The Declaration of Principles and Plan of Action of WCARRD* (1979); *Agricultural Prices Policies* (1985); and *Fifth World Food Survey: A Survey of the State of Undernutrition* (1985).

In 1987, he took retirement from the FAO and relocated to Washington, DC as the Senior Policy Advisor at International Food Policy Research Institute (IFPRI). In 1994, he became Research Fellow Emeritus at IFPRI, a position that he holds today. At IFPRI, he continued research on agricultural development, food security, diversification of agricultural production and exports and a host of broader development issues. What I described earlier as his exile, also came to an end. At a purely practical level, he was not an exile from Bangladesh for long in the physical sense. He started visiting Bangladesh after the unsettled time following Sheikh Mujib's assassination ended. For more than a decade now, he has increasingly become involved in the analysis of Bangladesh's development problems through his participation in conferences and such research contributions as: *A Ship Adrift: Governance and Development in Bangladesh* (jointly edited with Asaduzzaman in 2008); and *Corruption: Its Control and Drivers of Change: The Case of Bangladesh* (2014).

I have tried to give a brief account of the six decades of his professional career, the first two of which were centered around Bangladesh: first as a teacher at the University of Dhaka; next as the director of the PIDE; and finally as the head of the Planning Commission of independent Bangladesh. Each of these roles was unique, none a mere continuation in an established position. In each he distinguished himself in ways that his successors found impossible to live up to. The third decade of his professional career was spent as an international civil servant at the FAO, Rome, where too he ventured off the beaten track. The most recent three decades of his career have been centered around IFPRI – rather loosely so over the last two decades in a state of semi-retirement – when he has found plenty of opportunity to disseminate the wisdom that he has accumulated in so many different roles over such a long period.

I should emphasize that the above is only a partial account of what he has been engaged in during his professional career. He has served on many committees, national and international; on editorial boards of journals; in governing bodies of organisations; on visiting assignments at universities and research institutions; and as official of professional bodies. His distinguished service as the Chairman of the UN Committee of Development Policy (1996-99) is just one of many such examples.

I have not tried to engage in any research of his career in order to write the above account. It is entirely based on personal recollections as his student, colleague and friend. I am sure I have missed out much of his activities and

achievement.³ It is also likely that I have lapsed into many inaccuracies. Be that as it may, it needs to be said that his contribution has enriched the lives of his students, colleagues and friends in many ways not captured by the description above. In a profession marked by intense competition and a society in which hierarchy stifles thought and expression, his relationship with his professional colleagues has been marked by great generosity and, while perhaps enjoying some material perks of hierarchy, he has never wielded hierarchical authority in arguments and debates with even the most junior of his colleagues.

Nurul Islam received the Bangladesh Bank Economics Award for 2009. He, however, remains absurdly under-recognised in his home country where the highest civilian awards, routinely given to people with much less achievement than his, have eluded him. This is particularly sad when it is recollected that in the period since the country's emergence from military rule a quarter century before, the only political party that he has ever served, has been in power longer than any other party. It could be said that in comparison with the average recipients of the country's highest civilian awards he looks so distinctly over-qualified that he should wear this omission as a badge of honour. I hope he does, although at times I have my doubts.

³I have not tried to cite his research publications on the presumption that any interested person can easily gain access to them.

NURUL ISLAM: THE ECONOMIST AS A FREEDOM FIGHTER

*REHMAN SOBHAN**

The Economist

In recognising Nurul Islam, we should keep in mind that whilst he is an economist of global standing, what sets him apart from most of his peers is his involvement in a political struggle which culminated in the emergence of the independent nation state of Bangladesh. Significantly, it was Nurul's work as an economist, which drew him into a freedom struggle along with a number of other economists of his generation.

It has been my privilege to have known Nurul Islam over a lifespan of 58 years, as a friend, colleague and comrade in the struggle for building an independent Bangladesh. Whilst such a long and intimate association has provided me with some unique insights into the man and his works, such intimacy obviously does not lend itself to any objectivity in preparing such an appreciation. I will, therefore, as far as possible, let the facts tell the story.

I met Nurul Islam for the first time in October 1957 at the Economics Department of Dhaka University. I had just joined the department as a Senior Lecturer, in the company of Anisur Rahman, Muzaffer Ahmad, Maqsood Ali and Mahfuzul Haq. I had heard from the grapevine that Nurul was the bright star of the department who had been appointed a Reader at a relatively young age on his return from Harvard, with a Ph.D. in 1955. I had no idea in those early days that he would ever engage himself in the political process since he was known exclusively for his academic achievements as an economist. At our first encounter, I discovered that Nurul not only had a deep understanding of the discipline but an incisive mind projected through a rather sardonic world view.

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Nurul was elevated to a Professorship in 1960 and eventually took over as chair of the Economics department in 1963 when Prof. Huda departed for Karachi to serve as a Member of the Pakistan Planning Commission. During this politically fraught period, Nurul's interest in the political aspects of economics became more explicit. We were, from the beginning of the 1960s, both involved in the debates highlighting the disparities between East and West Pakistan and the identification of policies and institutions needed to address this divide. The ideas generated from our works contributed to the preparation of the 6 Point programme presented to the people by Bangabandhu Sheikh Mujibur Rahman, which became the *magna carta* for self-rule for the Bangalis.

Nurul, in his tenure as chair, sought to raise the academic standards of the Economics department where he could draw upon the support of Anisur Rahman and Abu Mahmood who had just returned from Harvard with Ph.Ds. During this period, Nurul wrote a number of valuable papers including a book on an econometric model for Pakistan, where he could demonstrate his considerable skills as a technical economist.

Nurul's most significant contribution to the economics profession in the then Pakistan came from his tenure as the first Pakistani Director of the Pakistan Institute of Development Economics (PIDE), set up in Karachi in 1957 with substantial Ford Foundation financing. From 1957 to 1964, PIDE had been led by a succession of distinguished economists brought in from leading institutions in the United States such as Yale, Harvard and Williams college, supported by a further alumni of mid-level development economists from abroad. The earlier Directors had already laid the foundations for building up PIDE as one of the leading institutions of development studies in the world. Nurul maintained and added value to PIDE's growth as an institution of excellence. He not only provided leadership to the group of expatriate economists who continued to provide the professional support base for PIDE's research agenda but also inspired a further generation of young Pakistani economists. He was particularly effective in bringing over to PIDE a younger generation of the more talented Bangali economists from Dhaka University who joined an earlier batch of Nurul's and my students, such as A.R. Khan and Swadesh Bose. Under Nurul's leadership this group of Bangalis at PIDE constituted a veritable think tank of policy ideas which fed the agendas for self-rule for East Pakistan and incubated further policy options for the prospective state of Bangladesh.

Nurul's unique quality as a professional economist was influenced by the commonsense and pragmatism which influenced his great faith in empirical work. Unlike some of us who tend to be influenced by our own particular ideological baggage when we advocate policy, Nurul put greater faith in letting the evidence influence the ideology and even shape theory. This did not detract from his theoretical skills which were also formidable, or his recognition of the political dimension in economics. He did, however, contest theory which was not sustained by evidence and challenged policies founded on insufficient empirical work. Such an approach made him an outstanding commentator on received academic wisdom and a critic of half-baked policies.

The Freedom Fighter

Nurul's own professional work as also his seminal role in sustaining the emergence of PIDE as an institute of global excellence is discussed elsewhere by A.R. Khan and Keith Griffin as also in Nurul's own memoir, *An Economist's Tale*. I will, consequently, focus the remainder of this presentation on exploring Nurul's role as an economist in exercising policy influence which drew him into the struggle for an independent Bangladesh and culminated in his pioneering role in constructing the infrastructure for economic policymaking in the new born state.

The one area where Nurul tended to subordinate his belief in the primacy of empiricism was in his commitment to the idea of Bangali nationalism, driven by his visceral hostility to the hegemony of our Pakistani rulers. His antipathies influenced his research priorities which focused on aspects of national policy that widened and perpetuated disparities between East and West Pakistan. Such a politically oriented research perspective encouraged Nurul to guide both younger Bangali researchers and some of the expatriate economists at PIDE to channel at least some of their research towards diagnosing the dynamics of the East-West divide.

Nurul's own academically oriented personality discouraged him from flaunting his antagonisms towards the Pakistan's policymakers in public but did not inhibit him from sharply articulating his views in more academic fora. Nor did his strong views diminish the quality of his academic research which remained committed to drawing on credible empirical work.

During his tenure at Dhaka University, Nurul had played a leading role amongst the Bangali economists who drafted the critique of Pakistan's

discriminatory economic policies towards East Pakistan at the conference of the Pakistan Economic Association on the First Five Year Plan, convened in Chittagong at the end of 1956. Nurul and I had also been invited to participate in an extended discussion in Rawalpindi in 1961 on the Second Five Year Plan where we had crossed swords with the top economic policymakers of Pakistan in critiquing their neglect of East Pakistan in the Plan.

Nurul had also drafted a note on the deprivation of East Pakistan, prepared for President Ayub Khan, following his meeting with a selection of senior Bangali economists in Dhaka in October 1961. Nurul's writings and views were always presented in professional rather than polemical language. The Ayub regime, thus, had no problem in inviting him to serve as a Member of the first Finance Commission, where he played a prominent role in preparing the dissenting report presented by the Bangali members of the Commission. It was this recognition of Nurul as the premier academic economist of the country that eventually made him acceptable to Pakistan's top policymakers to head the PIDE in 1965, when the deprivation of the Bangalis was the central political debate in the country.

Engagement with the Nationalist Struggle

The popular upsurge against the Ayub regime from November 1968, first in West and then in East Pakistan, directly impacted on Nurul Islam's level of engagement with Bangladesh's liberation movement, which eventually had a transformative impact on his career trajectory. Upto this period Nurul's engagement with the political process was largely tangential and in no way effected his commitment to a life of research and scholarship. During the early years of the Ayub regime some Bangali ministers, such as Justice Ibrahim, consulted him on the disparity issue when they were preparing their briefs for raising the concerns of East Pakistan with the President. In later years, other political figures may have consulted him but this was done on a confidential basis.

Nurul's life qualitatively changed when, at the suggestion of Dr. Kamal Hossain, Bangabandhu Sheikh Mujibur Rahman invited him, along with Professors Anisur Rahman and Wahidul Haque who were then teaching economics at Islamabad University, to come over to Islamabad and advise him on the issues to be raised during his participation in the Round Table Conference (RTC) of political leaders convened by Ayub Khan during the twilight of his regime in February 1969. Nurul responded immediately even though he then

headed a public institution. The moment Nurul sat in on these consultations and participated in the preparation of Mujib's negotiating position he was transformed, in the eyes of our Pakistani rulers, from a possibly unfriendly professional economist into a positively hostile political player who had committed himself to the service of the principal enemy of the Pakistan state, Sheikh Mujibur Rahman.

At that stage, Nurul had not done much more than contribute his professional skills to define the constitutional position of Bangabandhu but he was now put under the political scrutiny of the rulers and particularly their intelligence agencies. Those of us lesser professionals who had enjoyed this distinction for many years were regarded as not just political economists but as politician economists. No one would, till then, dare to accuse Nurul of being anything but a dedicated professional economist with a global reputation. But once you cross the line, your status changes and so does your life.

Nurul provided much stronger reasons for arousing the concerns of Pakistan's ruling military regime when he engaged himself in the task of preparing the manifesto of the Awami League for the forthcoming election to the constituent assembly originally scheduled for October 1970. Along with Kamal Hossain I had, following my return from England in March 1969, though I was still a teacher at Dhaka University, quite openly identified myself as an advisor to Bangabandhu. While Kamal moved on to join the Awami League, I remained outside the party but was actively engaged in consultations with Bangabandhu and Tajuddin in preparing their agenda and responses to unfolding events.

When Kamal and I were invited by Bangabandhu and Tajuddin to prepare the election manifesto, we immediately decided to draw Nurul into this task. We travelled to Karachi around April/May 1970 to sit with Nurul and some of his senior colleagues at PIDE such as A.R. Khan and Swadesh Bose, at his offices in PIDE, to prepare the economic components of this historic document. The manifesto was not only intended to operationalise 6 points into the prospective constitution of Pakistan but also to spell out a categorical agenda for what the Awami League would set out to do to transform Pakistan and particularly East Pakistan. We were joined in Karachi by Anisur Rahman, who flew in from Islamabad. Over the course of 2/3 days, working round the clock, we produced not just a highly progressive but a professional document which Badruddin Umer later described in his volume on the *Emergence of Bangladesh* as a "democratic document which reflected the significant changes which had taken place in the attitude of the people and the political situation in East Pakistan."

Nurul's naturally agnostic and empiricist world view made him skeptical as to the implementation of the more progressive features of the AL's manifesto but did not dilute his commitment to its shared authorship. In the final analysis, the manifesto had to be exposed to the political judgement and felt needs of Banganabdhhu, so that the final document may have been prepared by some of us but it was the leader's political position which was being presented to the world.

Nurul's involvement in the political task of writing the manifesto was given further visibility when he agreed to join me at the historic meeting of the Awami League Council in Dhaka on 7th June 1970 when the manifesto was presented to the party by Bangabandhu and instantly adopted by acclamation. Our public participation in a manifestly political gathering did not escape the notice of the intelligence agencies any more than our activities in Karachi, on the premises of a public institution, in preparing the manifesto of a political party. At the Council meeting, I remember Nurul registering some concern as to the adoption of the manifesto, without debate, by the AL Council in spite of its radical and controversial features.

Nurul and I engaged in our farewell encounter with our Pakistan counterparts at the meetings of the Panel of Economists on the Fourth Five Year Plan of Pakistan during 1970. Nurul has written about this historic encounter in his memoir, *An Economist's Tale*, where he reports that even during the last days of Pakistan, its economists could not accept a shared vision for correcting the injustices inflicted on the Bangali people. The report of the Bangali economists serves as a final epitaph on two decades of disputation over the political economy of Pakistan.

Nurul's final contribution to changing the institutional architecture of Pakistan was registered in his attempt, during 1970, to move PIDE from Karachi to Dhaka. This act appeared logical enough, given the high profile, within the institution, of its Bangali economists but the Pakistan state was rarely driven by the forces of reason. In the final analysis, it required some herculean lobbying, drawing on the support, through Kamal Hossain, of Admiral Ahsan, the then Governor of East Pakistan and some of the Bangali ministers in Yahya Khan's cabinet, to get the government's agreement to the move. Since one of the principal political demands at that stage of the political debate was to move some of the central institutions from West to East Pakistan, the agreement to PIDE's move eastward was seen as a low cost gesture by the military regime to appease the Bangalis. The transfer of PIDE's modest furniture and world class library of

development literature to a rented premises at Adamjee Court, Motijheel, Dhaka, were ultimately the only assets recovered by Bangladesh from the Pakistan state at the end of 24 years of shared nationhood.

An Enemy of the State

Nurul's move to Dhaka coincided with the elections of December 1970 which, through the overwhelming victory of the Awami League in East Pakistan, definitively transformed Pakistan's political landscape. Within days of his arrival in Dhaka, Nurul, Kamal Hossain, Anisur Rahman, Professor Muzaffer Ahmed Chowdhury, Professor Sarwar Murshed and myself were called in by Bangabandhu to give shape to the operationalisation of 6 points within the AL's constitutional draft and its incorporation into their final negotiating position at the forthcoming meeting of the newly elected constituent assembly.

We spent long days sequestered in a house on the banks of the Buriganga, engaged in intensive discussions with Bangabandhu and Tajuddin on the constitution. By that time Nurul's fate, even if he may not have then been fully aware of it, had been inextricably linked to the fate of Bangabandhu and the future of the emergent state of Bangladesh.

During the birth of an independent Bangladesh in March 1971, when Bangalis attained self-rule under the leadership of Bangabandhu for the first time since the battle of Palassy in 1757, Nurul's home in Dhanmondi became a small outpost for the virtual government of an independent Bangladesh, with its headquarters located at Bangabandhu's residence at Road 32 in Dhanmondi and its branch office at the residence of Kamal Hossain on 3 Circuit House Row. Nurul Islam's residence became a meeting place of the economic team who met with officials and business groups to discuss and resolve emergency problems such as the emerging shortage of currency notes in the banks or problems of delivering fertiliser to farmers during a period of total governmental shutdown. We academic economists had our first exposure to addressing real life problems in real time rather than through writing papers. Our recommendations were passed upward for Bangabandhu's approval and then passed on by Kamal and Tajuddin to a liaison group of senior bureaucrats for implementation. Nurul Islam's residence also became a meeting place with the growing number of overseas journalists representing major newspapers such as the Times of London, New York Times, Washington Post, Guardian, Daily Telegraph and many others who sought us out for briefings on the fast evolving situation in Bangladesh.

This high profile involvement of Islam and his colleagues in the emergence of a new nation state had a more sinister aftermath. Nurul's brothers-in-law, Col. Yasin (father-in-law of BDI founder, Saad Andaleeb) who was officially involved in meeting the nutritional needs of the troops in the cantonment and Nurul Huda, who was a Director, in the Telephone and Telegraph Department, were later arrested by the army and charged with collaborating with Nurul Islam and myself in aiding and abetting the Awami League's move to break up Pakistan. Col. Yasin was taken to Lahore by the Pak army and interrogated under torture. Huda was falsely accused of working with Nurul and me to establish telecommunication links with India. These nonsensical charges were, indeed, incorporated in the charge sheet against Bangabandhu in his trial for treason during 1971, where Nurul and I were featured as co-conspirators.

In the last days, prior to the launch of the genocide on the Bangalis by the Pak army, Nurul, Anisur Rahman and myself were involved in backstopping the Awami League team of Tajuddin Ahmed, Syed Nazrul Islam and Kamal Hossain in their ongoing negotiations with a Pakistani team involving General Peerzada, M.M. Ahmed and ex-chief Justice Cornelius, to reach a settlement to avert the final crisis. We, economists, played our role in providing responses to M.M. Ahmed's interventions on such issues as the bifurcation of monetary policy, handling of separate foreign exchange accounts and external economic relations. The negotiations were, of course, a deliberately duplicitous exercise initiated by Yahya Khan while they prepared for a military crackdown. When *Operation Searchlight* was launched by the Pak army the economists were still at their respective homes. Fortunately, I had been persuaded by our mutual friend, Mueyedul Hasan, on the morning of 27 March, that I should leave my home as the army may be after me. This advise was providential since a posse from the Pakistan army did come to my home in Gulshan to arrest me on the afternoon of 27 March.

I had not, till then, appreciated that in the eyes of the Pakistan military I had been elevated from the ranks of a political economist to an active participant in a war of national liberation. Nurul Islam, fortunately for him, continued to be categorised as an economist and could still attend the PIDE office in Motijheel for a few days when curfew was lifted on 27 March. But once I had been targeted there was every likelihood that his role, in the critical months of March, would place him within the gun sights of the army. So our friend Mueyedul Hasan who had, along with Mukhlesur Rahman, another friend, organised the exit of myself and Anisur Rahman across the border into India at the end of March, arranged for

Nurul to cross the border a few weeks later. In Narsinghdi, en route to the border, Nurul may probably have established himself as the only Harvard PhD to have been exposed to strafing by US provided F-86 Sabre jets of the Pakistan air force. He eventually met up with Anisur Rahman and myself at the residence of Dr. Ashok Mitra, then Economic Advisor to Indira Gandhi, whose Delhi home in Lodhi gardens emerged as a sort of refugee camp for senior Bangali economists.

Nurul managed to get across to the US where he was provided with an academic billet at Yale University while Anis was similarly accommodated at Williams college. While I too had been offered an academic position at Queen Elizabeth House, Oxford, my more substantive role throughout 1971 was to travel across Europe and North America as the envoy of the Mujibnagar government with the task of stopping aid to Pakistan. In this campaign Nurul and Anis made their contributions through reaching out to the US academic community. At one stage Nurul joined me in Washington, DC, around the end of October 1971 during the annual meeting of the IMF and World Bank, where, along with A.M.A. Muhith, we met various delegates from donor countries to argue for stoppage of aid for Pakistan and for recognising the independence of Bangladesh.

Planning for a New Nation

As Bangladesh's liberation became imminent, Nurul faced a critical life choice. He had been offered a senior position as Director of Research at the World Bank which could put him back on his original career path of development research, from where he could have eventually been elevated to even more senior positions. But his competing tension of serving Bangladesh brought him back to a still unsettled Dhaka, after the liberation of Bangladesh on 16 December 1971, where I met up with him following my return home on 31 December 1971. Nurul and I met Bangabandhu, within a day of his return to Dhaka on 10 January 1971, where he had no hesitation in inviting Nurul to take on the challenging task of Deputy Chairman of the yet to be established Planning Commission. He also asked Anisur Rahman and myself to become Members and agreed to our request that Mosharaff Hossain, who had played the lead role in establishing the Planning Cell for the Mujibnagar government, should join us as a Member.

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. The real challenge for Nurul was to effect a transition from

what had, till then, been an exclusively academic life, to take on the far more challenging task of designing economic policies and making decisions which impacted on the lives of real people and had direct political consequences. In this process Nurul had to not only deal with an all powerful Prime Minister but with politically empowered elected ministers and sundry other political elements who had tasted power for the first time and felt that they deserved to be heard.

The Planning Commission, in its conception and design, was believed to be the fountainhead of economic decision making. But, as we discovered from experience, designing policy and having these approved by the cabinet was a complex political task. Even approved policies remained a long way removed from ensuring the outcomes which were supposed to flow from these policies. The implementation of policy depended largely on the ministries and their interface with the complex political economy which influenced their respective spheres of action.

The senior bureaucrats who were entrusted with operationalising policy at the ministerial level were far from cooperative with the professionals at the Planning Commission. Many of the Secretary level bureaucrats were senior to Nurul and his Members in years and experience, particularly in the practice of governance. They had come of age in the governance culture of the Ayub raj, where the CSP was king, the minister was his public relations officer and the technocrat was the workhorse of the department. In the new order, it was the ministers who were politically empowered, nor did they need to depend on political guidance from their Secretaries since they had access to alternative advice from technocrats in the Planning Commission who had acquired their own political credentials through engagement in the liberation struggle. The loss of exclusiveness over policy influence was a rather traumatic experience for senior bureaucrats. In this fraught environment Nurul not only had to establish an entire planning apparatus from ground zero but also had to navigate the process and operationalise the Commission through these treacherous shoals in the murky waters of a still evolving process of governance.

Since the Planning Commission had, *inter alia*, been entrusted with the responsibility of aid negotiations, Nurul had to also deal with aid donors who had once lorded it over an accommodating Pakistani state. It should be kept in mind that in the 24 years of Pakistani rule no Bangali, whether at the ministerial or official level, had any exposure to aid negotiations. Had the Commission simply taken its cue from M.M. Ahmed and the Pakistan Planning Commission, we

could have rolled over on our backs and re-established the hegemonic influence of the World Bank who would have happily intermediated our aid relations with the rest of the donor community. But all of us were, at that stage, young enough to be intoxicated with the notion that a nation which had emerged out of a protracted struggle, through blood and fire, should take charge of its own affairs. Tajuddin Ahmed, the first Planning Minister and Chairman of the Planning Commission, strongly believed in protecting our independence from external influences. However, our self belief would have amounted to little had Bangabandhu not invested his own authority behind us in setting up the Commission and establishing an independent position in our relations with the donor community.

The costs and consequences of building an independent Planning Commission from the ground up and exercising policy influence have been discussed by Nurul Islam in his two volumes, *Development Policy in Bangladesh and Aid and Influence* (with Just Faaland) and by me in *Public Enterprise in an Intermediate Regime* (with Muzaffar Ahmad) as also in my later book, the *Crisis of Extenal Dependence*. Nurul's own narrative is highly informative but does not fully cover the small print of the experience with all its human and political dimensions. The full, uncensored, story of those days is yet to be told.

The positives of the challenge are part of the historic record. Nurul, ably backed by the Secretary of the Planning Commission and External Resources Division, Syeduzzaman, negotiated over a billion dollars of assistance which were allocated amongst politically powerful and resource hungry ministries, each with their retinue of political intermediaries. It is notable that during the three years of Nurul's tenure as Deputy Chairman not a single charge of corruption or malfeasant conduct could be attributed to the Planning Commission. Such a record would be hard to imagine today. The Commission itself was set up from scratch with a recruitment, exclusively made on merit, of over 300 of the best professionals in the country. Again, not a single appointment was made on political consideration or under political pressure even though such pressures from newly empowered political players were enormous. Here again the protection provided to the Commission by Bangabandhu was critical in the independent exercise of Nurul's responsibilities both in setting up the Commission and dealing with the external world.

Finally, within a period of 12 months, between August 1972 and September 1973, the Planning Commission took on the challenging task of preparing Bangladesh's First Five Year Plan. The Plan was prepared exclusively by the professional staff of the Commission, without resort to foreign consultants or genuflection to external donors. The document, itself, was overtaken by the fallout of the global economic crisis and the unfolding political events which culminated in the assassination of Bangabandhu with its consequential regime change. But, as a statement of a newly independent regime, committed to build a more equitable society, the First Plan deserves to be re-read as a testimony to a now bygone age, which, in my view, still stands the test of time. Mosharraf Hossain, ably supported by Syeduzzaman, played a seminal role in putting this document together. But Nurul as Deputy Chairman, with the massive professional effort of A.R. Khan and his colleagues in the General Economics Division, designed the macro-economic framework of the Plan and skillfully integrated this with the sectoral components of the Plan.

Once the First Plan was approved by the cabinet in November 1973, Mosharraf and Anis returned to academic life and I followed them in September 1974. Nurul arranged his own exit through a Fellowship at St. Anthony's College at Oxford but this was a more complex task since Bangabandhu was, amongst all of us, the most disinclined to let him depart. He had extraordinary faith in Nurul because of his integrity and loyalty. But the quality that he perhaps most appreciated was Nurul's pragmatic approach to policy advice and his willingness to speak truth to power. In a milieu where political passions, pre-set philosophical positions or personal interests tended to influence policy advice, Nurul Islam's objective unmotivated advice was particularly appreciated by Bangabandhu. After the departure of Tajuddin one of the few people who Bangabandhu implicitly trusted, Nurul was his first choice to take over as Finance Minister. But the unresolved tensions within himself had persuaded Nurul that he should, for the moment, return to academic life and St. Anthony's offered him his escape valve. Such was Bangabandhu's faith and generosity towards Nurul that he insisted that Nurul go to Oxford on a year's leave of absence and then return as his Finance Minister. The assassin's bullets eventually resolved this tension for Nurul and set the seal on his lifetime self-exile from Bangladesh.

A Summing Up

At the end of these years, the contradictions inherent in the world view and lifestyles of academics who had strayed into the real world of politics caught up

with all of us but particularly with Nurul, who was the most academically oriented amongst us. By training, inclination and temperament, Nurul was destined to be a Professor of Economics at Harvard University. But he had also aspired to shape policy and contribute to forging the destiny of Bangladesh, a largely political task for which we and Nurul, in particular, were ill-suited. We were not just content to be bureaucrats and technocrats serving political masters. We genuinely sought to change the world in which we grew up and to help in shaping a newer, better, world. But this was not a task which could be carried through by academics with a casual involvement in the political process. As at the climax of Bangladesh's liberation struggle in 1971, we would have had to fully commit ourselves to a political life with all the risks and inconveniences this involved. Amongst us, possibly only Mosharraf Hossain was suited to this task and missed his true vocation by returning to the academic world at the end of 1973.

Nurul Islam, the best of the economists among us, found himself caught between his two conflicting dreams. Nurul today is recognised, with respect, in the profession of economists. He did commendable work as the Assistant Director General of FAO and then at IFPRI. But these engagements were hardly the summation of his real worth as an economist. Nurul could have occupied chairs in any of the leading Economics faculties or he could have ended his career as the transformative economic czar of an economically vibrant Bangladesh. This tension could never be satisfactorily resolved through a conspiracy of circumstances as much as the contradictions within himself which committed him to two inherently unreconcilable dreams.

Professor Nurul Islam is a leading development economist who has successfully combined professional excellence with policy making at both national and international levels. Professor Islam graduated from the University of Dhaka with excellent academic performance and did his PhD in economics from Harvard University in 1955. As a Professor of Economics at Dhaka University, he groomed generations of students.



He joined as the Director of the Pakistan Institute of Development Economics (which became the Bangladesh Institute of Development Studies after independence) in 1964. He was the Deputy Chairman of the Planning Commission of Bangladesh after the country's independence.

From 1975 onwards, he was a Fellow at the St Anthony's College at Oxford University, and Assistant Director General of the Food and Agricultural Organization (FAO). Besides, he held visiting academic positions at Yale and Cambridge Universities and both the London and the Netherlands School of Economics. Currently, Professor Islam is an adviser and Emeritus Fellow of the International Food Policy Research Institute (IFPRI) at Washington D.C.

He has authored twenty five books, contributed hundreds of professional papers to journals and books and produced numerous other research and policy reports. His published books include, among others: Development Planning in Bangladesh: A Study in Political Economy (1979, reprinted in 1993), Foodgrain Price Stabilization in Developing Countries: Issues and Experiences in Asia (1996), Explorations in Development Issues: Selected Articles of Nurul Islam (2003), Making of a Nation Bangladesh: An Economist's Tale (2003), Looking Outward: Bangladesh in the World Economy (2005) and Reducing Rural Poverty in Asia (2006).