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RURAL PUBLIC WORKS
AND
EAST PAKISTAN'S DEVELOPMENT
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Rural Public Works and East Pakistan's Development¹

Even the tourist, unconcerned with the problems of economic development, quickly becomes aware that human labor has always been a plentiful resource on the Indian subcontinent. The ubiquitous guides who point out the splendors of the Taj Mahal, who follow the visitor through the Forts and tombs of Lahore and Delhi, or who direct one along the Grand Trunk Road from the Khyber Pass to Calcutta, never fail to recite the fact that it took millions of men, without the benefit of modern technology, to build these monuments and public facilities. One soon learns that the princes and potentates of the subcontinent, whether building for public good or private glory, employed their most abundant resource, human labor.

After British rule replaced the Hindu, Sikh and Moghul dynasties of the area, the practice of intensive utilization of human labor declined. In the early days of independence, which was achieved in August, 1947, both India and Pakistan tended to eschew labor-intensive forms of development in favor of more capital-intensive programs. In the first decade of independence, however, the strategy of industrialization failed to bring the anticipated rate of growth. Both nations were forced to seek new ways to accelerate their development efforts.

In East Pakistan, particularly, the need for more rapid development was acute. The success of East Pakistan's development program since 1960 tends to ease memories of the painful poverty existing at that time. There were few poorer areas of the world. In 1960, if East Pakistan had

¹I must acknowledge an important intellectual debt to Richard V. Gilbert, whose ideas have been central in shaping the Works Program and this analysis of it. The only publicly available statement of his views is contained in Richard V. Gilbert, "The Works Program in East Pakistan," International Labor Review, Vol. LXXXIX, No. 3, March, 1964, pp. 213-220. I am grateful also for the comments and assistance of Hans Adler, Walter P. Falcon, Richard M. Hook, Gustav F. Papanek, and Richard Patten.

been considered separately on the basis of gross national product per capita, it would have ranked 93rd among the world's 96 independent nations. Income was estimated at \$55 per capita.¹ Wastage of manpower resources was high; voluntary and involuntary unemployment was estimated at 22% of total available labor man days.²

The poorest 1/3 of the population existed on an average daily caloric intake of 1600 calories, which consisted almost exclusively of starch. It was calculated that the average diet in East Pakistan contained "less than half the protein content of the rations given to inmates of German concentration camps during the period of April, 1944 to February, 1945, when food was the most scarce."³ Agricultural production, particularly in food grains, had remained almost constant since independence. In 1959, production of rice, the principal food crop of East Pakistan, was lower than in any of the three years immediately after independence.⁴

As part of a new strategy of economic development, the Government of Pakistan, in October, 1961, negotiated and signed an agreement with the Government of the United States for the supply, over a four year period, of \$600 million of agricultural surplus commodities under United States

¹Newton Ginsburg, Atlas of Economic Development (Chicago: University of Chicago Press, 1964), p. 18. and Taufiq Khan and Asbjorn Bergan, "Measurement of Structural Change in the Pakistan Economy: A Review of the National Income Estimates," Pakistan Development Review #2, 1966, pp. 199-200.

²These figures are derived from the Long Term Perspectives for the Pakistan Economy, Harvard Advisory Group (Karachi, April, 1964) Appendix 4, p. 3, Table 1, and also from Wouter Tims, Employment by Regions and Sectors, 1950-1985, (Karachi: mimeograph), June 11, 1965, p. 2.

³Karl Von Vorvys, Political Development in Pakistan (Princeton, New Jersey: Princeton University Press, 1965), p. 12.

⁴Government of Pakistan, Ministry of Food and Agriculture, Report of the Food and Agriculture Commission (Karachi, November, 1960), p. 21.

Public Law 480 authorization. This program was designed, in part, to finance a Rural Public Works Program intended to convert idle labor into capital, to raise the level of nutrition of the landless and unemployed, to provide basic rural facilities which would promote growth of agricultural production, and to stimulate the economy by providing new demand for domestically produced goods. It was somewhat later that the political potential of this Program to improve the well being of the rural populace of East Pakistan became fully recognized.

Since 1961, when the Rural Public Works Program was initiated on a pilot basis, it has grown until it is now a provincewide program in which the Government of East Pakistan has invested \$149 million; since 1963 expenditures on the Program have averaged about 8% of the annual development program. It has been carried out under a decentralized system in which annual allotments of funds are made to the local councils of the Province under the Basic Democracies system. The councils bear responsibility for planning and implementing projects in their areas. This highly decentralized system of administration, utilizing local administrative capabilities, avoids the use of scarce administrative resources and represents an innovation in the conduct of development programs. Because of the extensive involvement in the program of village leadership and the large-scale participation of the rural population, the program has important political, as well as economic, implications.

The Rural Public Works Program is widely judged to be a success. Edward S. Mason speaks of it as "probably the most successful attempt to use effectively the services of underemployed agricultural workers that has been undertaken in any less developed country."¹ The United Nations

¹Edward S. Mason, Economic Development in India and Pakistan, Occasional Paper #13, (Cambridge: Center for International Affairs, Harvard University, September, 1966), p. 56.

Economic Survey of Asia and the Far East for 1965 states that the program "has given new confidence to the rural masses, provided a powerful stimulus to the growth of rural leadership and strengthened the institutions of local government."¹ This view of the political impact of the Program has gained wide credence. After the Pakistan presidential election of 1965, the New York Times reported, "The failure of any real anti-Ayub vote to emerge in East Pakistan is viewed as a triumph for the three-year-old Rural Works Program, which has pumped much needed funds into farm communities and brought many improvements in rural life."²

The intention of this paper is to analyze and evaluate the Rural Public Works Program, better known as the Works Program, and to specify the degree and nature of its contribution to East Pakistan's development.

¹United Nations, Economic Survey of Asia and the Far East for 1965 (Bangkok: United Nations, 1966), p. 126.

²The New York Times, January 3, 1965.

The Rural Economy of East Pakistan

To understand and evaluate the changes that have occurred in rural East Pakistan in recent years, it is necessary to have some knowledge of the area as it was in 1960. Most of East Pakistan's 55,000 square miles comprise the deltic plain of the Ganges and Brahmaputra Rivers. Rivers constitute 3,200 square miles or approximately 5½% of this area. In 1960, the population of the province was 53.9 million. At that time it averaged 1037 persons per square mile and was one of the most densely populated areas of the world. 94.6% of these people lived in the rural areas. East Pakistan's population density was more than double the densities of the Netherlands, Japan and Taiwan, the most densely populated nations of the world, and, likewise, twice as much as that of Kerala, the most populous state of India.¹

In spite of East Pakistan's rich agricultural potential, this vast rural populace was, in 1960, living in wretched circumstances devoid of hope and resigned to a world in which change came only with frequent natural disaster and usually made life more difficult. One can readily document the conditions which created this pervasive sense of hopelessness. As recently as the 1920's the area had produced a large rice surplus but in less than two generations, from 1930 to 1960, the population had jumped

¹These population and land area statistics are derived from: 1) The Statistical Bulletin of the Central Statistical Office, Government of Pakistan, quoted in The Statistical Fact Book, USAID Mission to Pakistan, Lahore, 1968, Table i-1; 2) The Government of Pakistan, 1961 Population Census of Pakistan, (Karachi, November 1961); 3) United Nations, Demographic Yearbook, 1964, Special Topic Population Census Statistics III, 16th edition, New York, 1965; 4) Government of India, The Statistical Abstract of the Indian Union, 1961, Delhi, 1966.

from 35 to 54 million¹ and the rice surplus had been replaced by a deficit that required the import of 580,000 tons of food grains in 1960. Even this was far too little to provide adequate levels of nutrition.² The nutritional problem was compounded by accelerating deterioration in the standard of living. While rice production remained constant in the decade of the 1950's³, the population grew by 23.2%⁴ and per capita income declined from 293 to 263 rupees.⁵

Any development that had taken place since the formation of Pakistan had been in the industrial sector, most notably in jute processing and the benefits of this had been concentrated in urban areas. With priority on industrial development, less than 20% of the Province's development expenditures were going directly into agricultural development programs.

Water has long been the critical factor in the agriculture of East Pakistan. The annual monsoon brings an average of 80 inches of rainfall, concentrated in the months of June and July. In conjunction with the melting snows in the Himalayas, it also produces an annual flood that normally covers one-third of the land area of the Province and brings water to the very threshold of the farmer's raised huts. On the positive side, it replenishes the fertility of the soil. Yet, ironically, from December to June, there is almost no rainfall, and agriculture is possible only if water for irrigation can be obtained from the rivers that traverse

¹Government of Pakistan, Office of the Census Commissioner, Ministry of Home Affairs, Population Census of Pakistan, 1961, Census Bulletin, No. 2 (Karachi, November, 1961).

²Government of East Pakistan, East Pakistan Bureau of Statistics, Statistical Digest of East Pakistan, No. 3 (Dacca, 1965), p. 243.

³Walter P. Falcon and Carl H. Gotsch, Agricultural Development in Pakistan: Lessons from the Second Plan Period, Economic Development Series, Report No. 6, (Center for International Affairs, Harvard University, June, 1960), p. 39.

⁴Government of Pakistan, Office of the Census Commissioner, op. cit., p. 7.

⁵Khan and Bergan, op. cit., pp. 199-200.

the area. Water management facilities are essential for successful agriculture in East Pakistan.

In pre-Pakistan days, facilities for water control, as well as more standard aspects of physical infrastructure, such as farm to market roads or market facilities, were developed and maintained by the landholders, wealthy Hindu zamindars, of the area or sometimes by Union and District Boards. Partition and independence, which had brought a great surge of hope for rapid progress in all of Pakistan, engendered a social revolution in East Pakistan. The Hindu zamindars, for whom Muslim peasants had worked for many years, fled their lands, which then became available to the peasants who had actually been farming them. Thus, land tenancy and social stratification, as major obstacles to development, were eliminated. As of 1960, only 18% of East Pakistan's total cultivated land area was worked by anyone other than the owner, and only 2% of the agricultural land was cultivated by farmers who owned no land of their own.¹

The exodus of the zamindars, however, deprived the rural areas of their source of capital. Traditionally, the zamindar had conscripted peasants to maintain the rural facilities, drainage and irrigation channels, flood protection embankments, and feeder roads linking farms to markets. The zamindars had provided the planning, organization, and capital that was needed for this work while the peasants provided the labor which represented the largest portion of the cost. With the departure of the zamindars

¹Government of Pakistan, Agricultural Census Organization, Ministry of Food and Agriculture, Pakistan Census of Agriculture, a Summary of East Pakistan Data (Lahore, 1960), p. 11.

went the source of both leadership and funds for maintaining these facilities.¹

From 1947 to 1960, East Pakistan's development ceased. Her farmers, undernourished, with gradually declining incomes, with little local leadership and no funds, struggled simply to maintain themselves and their families. As population grew, land was divided and subdivided until the cultivated area per farm dwindled to an average of 3.1 acres²; 80% of the 6.5 million farm holdings were less than three acres and 1.5 million rural inhabitants were classified as landless laborers without even the opportunity to be tenant farmers.³ Ninety percent of the farms, comprising 96% of the total farm area were divided into two or more parts while 29% of the farms were divided into 10 or more fragments.⁴ Moreover, 24% of the farms were of one acre or less.⁵

During the same years, the rural facilities, which had been developed in pre-partition years, deteriorated. Means of controlling water, so necessary for deltaic, monsoon agriculture, declined, leaving the rural inhabitants prey to drought and flood. The adverse effects of natural calamities became so widespread that 70.7% of the East Pakistani villagers responding

¹ Although there is no way to document adequately the magnitude of the flow of capital out of East Pakistan after independence, some indication of it may be obtained from A. Sadeque's estimate that in the five years following partition, the net outflow of Hindu evacuee capital from East to West Bengal amounted to Rs 285.9 crores (\$599.4 million). This movement occurred when there was almost total prohibition on the flow of capital out of Pakistan, and when the most mobile capital had already been transferred. A. Sadeque, The Economic Emergence of Pakistan (Dacca: Government of East Bengal Press, 1954), p. 25.

² Government of Pakistan, Agricultural Census Organization, op. cit., p. 4.

³ Government of Pakistan, Ministry of Food and Agriculture, op. cit., p. 37.

⁴ Government of Pakistan, Agricultural Census Organization, op. cit., p. 17.

⁵ Ibid., p. 52.

to the Government's Sample Survey of 1961 reported that they had sustained loss due to natural disaster during the preceding year.¹

Such a situation naturally created a descending spiral. Each year the Government spent increasing amounts on relief, including work relief, which maintained life but contributed nothing to the development of rural facilities. Union and District Boards which had been effective instruments of local government were permitted to decay. The limited power of taxation given them in the 1920's was not sufficient to provide resources necessary to their work in the rural areas in the absence of the zamindars. As a result, their ability to contribute to the rural economy diminished and they became relatively useless. The traditional cooperative movement fell into decay because, with the decline in the rural economy, farmers could not repay their debts and cooperative shares and deposits dwindled.

From the national perspective, the rural areas, rather than contributing to development, became an increasing drain. As agricultural production stagnated and its production was divided among ever greater numbers, agricultural revenues declined. Relief costs rose and, most critical, the cost of importing food for the growing rural population increased at an alarming rate. Because most rural people lived on marginal subsistence agriculture, the rural economy provided no effective market to encourage the development of industry. The greater the drain on the economy, the less the government was inclined to invest in rural areas. The 95% of the population living in rural East Pakistan appeared to have become an economic liability for Pakistan.

Politically, there had long been a strong tradition of local democratic government. In 1919 the Bengal Self Government Act had established a system of Union Boards and assigned them some responsibility for local affairs. As

¹Government of Pakistan, Central Statistical Office, National Sample Survey (Third Round), 1961, (Karachi, 1963), p. 27.

Tinker points out, "Rural public opinion was most articulate in Bengal; the rural bhadralok [middle class] and the great zamindars were alike much more interested in political questions than the vast majority of rural India."¹ What was lacking after partition, however, was any linkage to national political institutions. The rural people were alienated and felt little personal identification with the political institutions of Pakistan. As a result, they were a major source of instability. The Government did little for them and they felt no loyalty to it.

Democratic, representative government as it was practiced in Pakistan in the 1950's was meaningless. Representatives of the rural areas lived in the cities in comparative wealth. They knew little of the life of the people they were supposed to represent and did little to remedy existing conditions. The state of anomic in rural areas made democratic government or even political stability impossible. As one student of Pakistan's politics of the period noted:

Their [the politicians] lack of roots in their constituencies inspired suspicions. Their inability to satisfy popular aspirations which they themselves helped to kindle spurred resentment and set them up as scapegoats. Evidently the politicians had no illusions about these developments. They promptly proceeded to insulate themselves against the vicissitudes of popular favor ... When the vast majority of the population have no faith in Government and no confidence and little interest in their representatives since they know neither the Government or the representatives have any concern for their welfare, a government cannot be based on the consent of the governed and alternative sources of power must be found.²

Thus, in the period before 1960 a sense of hopelessness pervaded rural East Pakistan. Frustration, bitterness, suspicion and a creeping ennui were symptomatic. The instrumentalities of Government were mistrusted. The Government talked of development but the villager knew only the tax collector. He might hear of development elsewhere, but he did not see it in his village. All he saw was his family and himself, malnourished, with no way to change the situation, and little prospect that the lot of his children would be any better than his own.

¹ Hugh Tinker, The Foundations of Local Self Government in India, Pakistan and Burma, (Longon, The Athlone Press, 1954), p. 78.

² Von Vorys, op. cit., pp. 122-123.

The Policies of the Ayub Government and the Formulation of
the Works Program

General Mohammad Ayub Khan, who assumed the leadership of the Government of Pakistan in October, 1958, was motivated to establish his martial law regime by the increasing instability and unrepresentative nature of preceding governments and by their inability to stimulate economic growth. It was, therefore, incumbent upon the reform martial law regime to move expeditiously to correct this unsatisfactory state of national affairs. The credibility of the new government depended upon its ability to deal effectively with these priority problems of the nation.

Consequently, the new Government was committed to a program of political reform and rapid economic development. Its success in these endeavors would provide the justification for its actions in 1958 and would determine the longevity and ultimate assessment of the Ayub Government. In moving toward these goals one critical issue influenced the Government's actions: the disparity between the two Provinces, East and West Pakistan. Despite the fact that more than half the nation's population lived in the Eastern Province and that the Province produced the jute which was the nation's principal source of foreign exchange, East Pakistan had lower per capita income and lower rates of investment and growth (insofar as there was any growth before 1960). Furthermore, the East Pakistanis considered themselves under-represented in the centers of governmental power. Progress toward the solution of this issue of political and economic disparity was a prerequisite for a stable political system. It required that the highest priority be placed on programs that might improve East Pakistan's economic performance and participation in the national political system.

a) Establishment of the Basic Democracies System

The first major innovation of the martial law regime was the order issued by President Ayub Khan on October 26, 1959, establishing the Basic Democracies system. It was Ayub's first step in his program to build a new political system and toward fulfilling the promise made in his first address to the nation, as head of state, when he declared, "Let me announce in unequivocal terms that our ultimate aim is to restore democracy, but of the type the people can work and understand."¹

The Basic Democracies system had two central purposes. First, it was to provide effective local government that would enable the villagers to participate in the solution of their own problems, preferably through new political leaders well known to their constituents. Second, it was to permit the selection of the President and the members of the National and Provincial Assemblies by these local governmental bodies whose members would serve as electors. Through this electoral system, limited representative government could be restored, and the Ayub Government could be legitimized by the electoral process.

The structure of Basic Democracies was designed to decentralize governmental responsibilities and at the same time to integrate planning, policy-making and implementation at the various levels. At the base of East Pakistan's five-tiered structure were 4,053 Union Councils, each representing between 12 and 13 thousand people living in 13 or 14 wards or villages with one Union Council member representing each ward. Above the Union Councils, 413 Thana Councils were established, each representing

¹ Mohammad Ayub Khan, Within Quotes, Extracts from the Speeches of Mohammad Ayub Khan, (Karachi: Government of Pakistan, June, 1964), p. xii

an area averaging 100 to 125 square miles with a population between 125 and 150 thousand. At the next level were 17 District Councils, followed by four Divisional Councils, and at the apex, a Provincial Development Advisory Council. Except for the Union Council, each Council was composed of elected members from lower level Councils and of ex-officio members, usually civil service officers or members of a technical cadre assigned to work in that particular area. With this form of integrated membership on the Councils, it was hoped that the needs and problems of the village would be brought to the highest levels of the governing structure. Moreover, it was intended that the villager would have representation at the level of government closest to him and that this body, the Union Council, would know his problems and respond to his needs. Thus, the Union Council was given broad taxing powers and development responsibility, whereas the coordinating and supporting activities were directed to the Thana and Divisional levels. By intermingling trained civil servants, officers of the Provincial departments and elected representatives of the people, the Government hoped to blend their viewpoints and experience and to reorient them, as a functioning unit, toward development.

Much was expected of the Basic Democracies, but, for several reasons, development efforts sponsored by Basic Democracies moved very slowly. While limited taxing powers were granted to the councils, the poverty of the rural community left little room for their exercise. In addition, the Government, while calling on the structure to foster economic development, provided only small grants, placing its resources at the disposal of the central ministries, Provincial departments and the semi-autonomous development bodies. In 1961-62, East Pakistan's total development budget was Rs 72 crores (\$151 million), and of that the resources commanded by

the Basic Democracies were only Rs 60 lakhs (\$360,000).¹ This was insufficient for any significant development work. It was clear that the Basic Democracies, with a budget of this level, would make no important impact on development.

Nevertheless, a structure of local government was established. In East Pakistan, with its tradition of local government and a relatively egalitarian society, albeit one characterized by a shared poverty, there was a new awareness of local problems and possibilities for their solution. The latent talent for leadership, organization and administration were there. What was needed were resources and authority to activate these assets.

b) The Second Plan and the Proposal for an Expanded P.L. 480 Program

The Second Five Year Plan, scheduled to begin in mid-1960, provided the Government of Ayub Khan with the opportunity to set forth its own strategy and goals of economic development. In 1959 and 1960 preliminary work for the Plan proceeded rapidly. Targets were set and priorities established. One major change in strategy between the First and Second Plans was the priority given to agricultural development in the Second Plan.

The framers of the Second Plan faced important constraints in their task. The shortage of available resources forced limitations on some targets and made others unrealistic. Despite substantial inflows of foreign aid and a projected increase in Government tax and other revenues during the Plan period, the available resources fell short of what was needed. The Government, however, was also committed to maintaining stable

1 Government of East Pakistan, Finance Department, Approved Development Programme of East Pakistan Government For the Year 1961-62, East Pakistan, Government Press Dacca, 1961, pp.28,29.

prices. The determination to prevent inflation was evident in the tight control over monetary policy exerted by the Government from 1958 on. This was manifested in an unwillingness to expand the money supply by deficit financing. It was also clear in the policy of maintaining an undervalued rate of exchange on Pakistan Rupees, which tended to keep the price of imported goods down, while attempting to maintain exports through a system of bonuses. Thus, in 1960, the Government faced the dilemma of placing high priority on development, while experiencing a shortage of resources and an unwillingness to allow inflation with all its unpredictable consequences as a means of generating new resources. In formulating the Second Five Year Plan, planners endeavored to allocate available resources as efficiently as possible, yet even this effort did not begin to close the gap between existing and required resources for meeting the Government's growth objectives.

An important new strategy to close the resource gap was suggested by Dr. Richard V. Gilbert, Project Director of the Harvard University economic advisory group working with the Pakistan Planning Commission. Dr. Gilbert's ideas were developed within the Planning Commission, approved by the President and the Cabinet, and resulted in three memoranda stating Pakistan's case for an expanded program of P.L. 480 assistance. The Planning Commission's proposed program contained the following elements:

1. external resources The central idea of the program was that the best way for Pakistan to finance a development program of the size it

L. a) Government of Pakistan, Planning Commission, Memorandum on the United States Surplus Agricultural Commodities Aid to Pakistan, (Karachi, January, 1961),...b) Government of Pakistan, Planning Commission, Use of Resources Provided by Expanded P.L. 480 Aid(Karachi, April, 1961), for East Pakistan and pp. 7-14 for West Pakistan. c) Government of Pakistan, Planning Commission, Price, Income, Fiscal and Foreign Exchange Aspects of Expanded P.L. 480 Programme (Karachi, April, 1961).

desired was to increase external resources. To obtain the needed resources, Pakistan requested that the United States substantially increase the flow of foreign aid to finance a specific group of programs through authorizations under United States Public Law 480. Although the program was aimed at increasing Rupee resources, the foreign exchange costs of these programs was also calculated, and a small increase in hard currency aid to cover these costs was requested. The request was aimed at the source of aid with the lowest cost to the United States.

2. a works program A works program in East Pakistan, financed from rupees generated by the sale of P.L. 480 commodities in Pakistan, was to receive high priority. It was envisioned that a works program would develop rural facilities that were a necessary prerequisite for increased agricultural production. In addition it would provide employment for a large number of rural unemployed and thereby raise rural incomes and would provide East Pakistan with an important new development program to accelerate its development efforts. A works program was also viewed as fundamental to the effective operation of the P.L. 480 program and as a major new development effort with important political and economic dimensions. Although these additional P.L. 480 resources offered the opportunity to expand development efforts, Pakistan was faced with the necessity of creating an internal market for these new commodities or else foregoing some of the available aid. In a nation where a majority of the people live in a rural subsistence economy, it was clear that specific action must be taken to ensure the demand requisite to the absorption of the level of surplus commodity aid agreed upon. Thus, a works program was conceived as a double-edged instrument for development: as a program to build the rural facilities so desperately needed for the development of rural East Pakistan, to create employment in the agricultural slack season,

and to raise rural incomes and as a technique for creating the purchasing power in the rural economy that would ensure adequate demand for the aid commodities.

3. price stabilization The expanded P.L. 480 program was intended to have a stabilizing effect on the economy. Inflation before 1958 had resulted from the fact that production of basic crops had increased very little since 1947 while development expenditures, most of which go directly or indirectly into wages, had increased demand for food and clothing. Food and fibre available under the expanded P.L. 480 program would meet some of this demand directly, and would stimulate Pakistan's agricultural production to further increase the supply of basic commodities.

To support this contention, it was estimated that P.L. 480 commodities would directly or indirectly increase this supply of items constituting 60% of the average consumer expenditure. Of the remaining 40%, 14% was estimated to be for domestic services, 22% other domestic commodities and 4% imported commodities. Given the levels of unemployment and under utilization of industrial capacity only the import demand was viewed as¹ potentially inflationary.

To further ensure that the expanded P.L. 480 program would have a stabilizing effect on the economy it was recommended that in East Pakistan where rice was the principal food grain, the release price of wheat be subsidized, thus providing a substantial incentive for the consumption of wheat.

The Second Plan called for an increase in development expenditure 70% above the level of the First Plan. Outside the Plan there were also commitments for the Rupee costs of the Indus Basin Replacement Works and

1 Ibid (c) p.6

the waterlogging and salinity control program in West Pakistan. To meet these commitments without external assistance would have meant extensive deficit financing and serious inflation or the failure to meet both domestic and international commitments. The expanded P.L. 480 program provided a way to meet these commitments without inflation.

4. support of existing commitments As just indicated, the commodity aid request was also designed to support already-existing commitments, such as the increased expenditures of the Second Plan and the Indus Basin Works. The main focus of the document, however, was on strengthening the agricultural development program, an outcome of the growing awareness in Pakistan that food and agriculture were at the heart of the development problem. The Planning Commission felt that food aid would eliminate the necessity for crash programs in agriculture, which are usually wasteful and unsuccessful. It could also obviate the necessity for gaining food self-sufficiency before the tools for so doing were available. In short, food aid could buy time in which to put together a soundly conceived and carefully implemented agricultural development program. The time might be used for the improvement of agricultural technology and the development of agricultural supply systems, such as improved seed varieties, irrigation systems, a fertilizer distribution system, pest control programs and farmer education. It was also suggested that if basic food grain prices were stabilized, Pakistan's farmers could vary their production mix to obtain a higher value output, thus raising the value of total agricultural production.

c) Reactions to the Proposed Program.

The proposal to close Pakistan's resource gap by obtaining external resources in the form of P.L. 480 surplus commodity aid ran counter to

much of the thinking of development planners at that time. An economist who had worked in Pakistan provided one of the more colorful statements of opposition to P.L. 480 aid:

The delivery of P.L. 480 wheat... has very often resembled a forced feeding operation of a singularly unnegotiated character.. The central point is that this spuriously 'easy' form of aid insidiously handicaps the nation's own efforts to feed itself... it has placed in mortal jeopardy the very national pride that has sustained Pakistan.¹

When articulated more specifically, the most commonly voiced reservations were that P.L. 480 aid was inflationary and that it served as a disincentive to local agriculture. It was considered inflationary because the sale of P.L. 480 commodities generated local currency which was then spent on development programs. This additional expenditure, it was contended, was not fully offset by the availability of P.L. 480 commodities, particularly since the mix of aid commodities was not entirely consistent with Pakistani consumption patterns, not including rice or sugar for example, thus creating inflationary pressures. The agriculture of the recipient nation, it was felt, would also suffer because P.L. 480 aid would lower farm prices and remove the pressures on the recipient government to place top priority on increasing agricultural production. The Planning Commission had anticipated these general reactions and the counter arguments had been carefully laid out in the initial proposal and the supporting memoranda published in April, 1961. Eventually, the arguments of the Planning Commission on the efficacy of P.L. 480 aid were widely accepted.

Initial responses to the idea of a Works Program were quite favorable at the high levels of the Pakistan Government, but reactions were not

1 Joe R. Motheral, The Effect of Government Policy and Programs on Agricultural Production in Pakistan, unpublished mimeographed paper presented to a seminar at the Center for International Affairs, Harvard University, Cambridge, December, 1960, pp. 7-8

universally positive. Four principal questions concerning the feasibility of a works program were raised: 1) that the program would be unproductive and make-work in nature, as was the case with work relief programs in the sub-continent during periods of famine or other calamities or with some of the WPA programs in the United States during the depression of the 1930's; 2) that there would be insufficient administrative talent to manage the program or that it would divert scarce administrative, management and technical capacity of the already over-committed civil service from the development program in which Pakistan was engaged, and, therefore, sacrifice growth for employment; 3) that a decentralized program would lead to waste, corruption and misuse of funds, that works program funds would be used for political handouts, and that facilities constructed in this manner would not be maintained; and 4) that East Pakistanis, who are traditionally rice eaters, could not be induced to eat P.L. 480 wheat, and more generally, because of the differences in the composition of the aid commodity package and domestic consumption preferences, the P.L. 480 commodities would not meet the demand created by increased incomes thereby causing inflation.

Although there were concerns as to the details of the works program, the validity of pursuing both the expanded P.L. 480 aid and the works program became accepted. For as Richard Gilbert vigorously stated,

Failure to develop such a works program is the principal irrationality of the Plan...A works program, in the context of the labor surplus which, in the East wing, as in India, is probably of the order of 25%, is so obvious a necessity that I find myself getting furious at the array of argument, pseudoanalytical or practical, that is thrown up.¹

As a result, in the spring of 1961, a negotiating team from Pakistan

1 Richard V. Gilbert, Letters to David E. Bell, December 4, 1960, p.4 and Gustav F. Papanek, December 29, 1960, p.4

went to Washington, and in October, 1961, the agreement between the two countries was signed, under which the United States was to supply, over a four-year period, \$621 million of agricultural surplus commodities.

d) The Pilot Works Program at Comilla, 1961-62

The second stage in the evolution of the Works Program began in May, 1961, when Akhtar Hameed Khan, Director of the East Pakistan Academy for Rural Development, agreed to undertake a pilot works program. The Academy was established in 1959 at Comilla, a small town near the eastern border of the Province. It is responsible for the training of Government officers concerned with rural development. The Director of the Academy is a former member of the elite Indian Civil Service who resigned to devote his life to the education of the rural people and to promoting rural development. An outstanding teacher and organizer, who combines illuminating intelligence with tough pragmatic idealism, Akhtar Hameed Khan perceived the Academy's role not merely as a training institution, but as the source of new and effective ideas to promote rural development. At that time all aspects of development in Kotwali Thana, Comilla District, where the Academy is located, had been made the responsibility of the Academy. These included agricultural extension, cooperatives, farmer education, local works and rural administration. In essence, the Academy, besides being an educational institution, was a rural experiment station with the Thana as its laboratory.

The Academy's agreement to participate was a critical step in the design of the Works Program. It assured adequate testing of the program before its province-wide application. It also assured that a program based on the Academy's experience would be strongly village-oriented, placing maximum responsibility for its conduct on the rural people.

In organizing the pilot project, Akhtar Hameed Khan turned first to the Kotwali Thana Council with a request that Union Council chairmen, who were members of the Thana Council, present the plan to the Union Councils. Through these Councils, the proposal would reach the villages. If reaction at these levels was favorable (as it was), the project could proceed.

The Union Councils of Kotwali then began to prepare plans for the projects they wished to see carried out in their areas. The list included flood control embankments, the opening of silted irrigation canals, and road building. These plans were presented to the Thana Council for approval and such revision, in the light of the consulting engineer's advice, as would make them practicable. When all Union plans were complete, they were coordinated into a Thana plan, in harmony with the Academy's concept of rural development focused at the Thana level.

The next step was local implementation of the program. The Union Councils appointed project committees composed of rural citizens of the areas involved and chaired by members of the Union Councils. Each project committee was responsible, not only for seeing that the project was carried out, but for assuring that the facility was properly maintained after its completion. The details of organizing a project were many. Labor groups had to be organized and rates of pay established; measurements of work to be done had to be taken and the costs estimated. Then schedules for the performance of work had to be set, a system for checking work before payment had to be established, and a system of records and accounts devised.

By December, 1961, the pilot project, directed by the Academy, supervised and inspected by a Thana official (the Thana Circle Officer,

aided by one supervisor and twelve assistants) but with responsibility firmly in the hands of the local Project Committees, was off to a good start. Four months later the pilot project could boast an impressive list of accomplishments: It had achieved its objectives in terms of flood control embankments constructed, canals cleared, and roads built. It had employed an appreciable segment of the idle labor force in the Thana, and increased the purchasing power of these employees. It had increased the rice crop by limiting flood damage. It had enabled farmers to get their crops to market on the newly built roads and had decreased the cost of transportation. It had increased the confidence of the residents of the Thana in their own capacity to function effectively for improvement of their own area.

The pilot project prepared the way for the Government's subsequent adoption and implementation of a Province-wide Works Program. The Academy had successfully designed and tested an administrative system which took maximum advantage of the capacity of local bodies to plan and execute local development projects, and had shown the willingness of villagers to participate in such a program. After completion of the pilot project, the Academy published A Manual for Rural Public Works¹ which delineated the guidelines for the subsequent Province-wide Works Program.

The critical nature of the testing process can be seen in two important examples. First, in designing the pilot project, it had been anticipated that the local councils would contribute part of the cost of each project. A fixed percentage of the cost of each project was, therefore, established as the public contribution. This system was found to be counter-productive

1 East Pakistan Academy for Rural Development, A Manual for Rural Public Works (Comilla, August, 1963).

because it led to substantial corruption and to a diminution of the benefit to those the program was designed to assist. Cost estimates were inflated; laborers were underpaid or forced to contribute part of their time without pay; measurements of earth moved were inflated; and many little devices were found to falsify the public contribution. In fact, it was discovered that except for the donation of land (an important contribution in an area where land is at such a high premium), there was almost no public contribution, and those who lost the most because of the so-called public contribution were the laborers, whose need was greatest and whose income the program was designed to increase. As a result of this experience, a local, public contribution, has never been part of the Works Program.

Second, in order to encourage wheat consumption, it was decided to pay laborers a portion of their wages in wheat. When laborers were paid with wheat, valued on a par with rice at Rs 20 per maund (one maund equals 82.2 pounds), they found it unacceptable. When, however, the ratio of the price of wheat to the price of rice was altered and wheat was valued at Rs 12 per maund, it was acceptable payment. Eventually, because difficulties arose in transporting, handling, and storing wheat, wages in the subsequent Works Program were paid in cash.

Moreover, the Government learned from this experience that to ensure wheat consumption, which was central to the operation of the P.L. 480 program, wheat sales would have to be subsidized with a favorable wheat/rice price ratio. By so doing, the Government ensured the adequate consumption of wheat by the rice-eating East Pakistanis. This has never been a problem.

Through the pilot project, the feasibility of a works program was indicated and the basic administrative system designed. In this testing process, a number of problems were solved, and plans for the Province-wide program were altered

appropriately.

d) The Province-wide Works Program, 1962

The East Pakistan Secretary of Basic Democracies and Local Government, A. M. S. Ahmed, a distinguished officer of dedication, courage and administrative skill, was interested in finding a way to give the Basic Democracies a larger role in local development. As he observed the pilot works program at Comilla, he recognized the potential for implementing such a program on a Province-wide basis through the Basic Democracies and Local Government Department. In fundamental agreement with the Comilla approach to a works program, Ahmed, sought in 1962, with the support of Akhtar Hameed Khan, to obtain Government authorization to establish the program throughout all of East Pakistan.

In September, 1962, President Ayub, after surveying flood damage in East Pakistan, announced in an address to the nation, that he would provide Rs 10 crores for flood relief to be administered through Basic Democracies. Aware that the floods had affected almost every district in the Province, Ahmed determined to use the flood relief funds at his disposal to begin the Province-wide Works Program with the intention that the Program would not only alleviate the distress of the current flood but help, by the construction of water control systems, to prevent future disasters. Consequently, in early September, 1962, instructions were issued to District, Thana and Union Councils setting forth the procedures under which the Works Program would operate.

Since 1962 the Works Program, administered through the Basic Democracies and Local Government Department, has been the central part of East Pakistan's rural development program. Between 1962 and 1967, the local councils of East Pakistan have spent Rs 710 million (\$149 million) for local development projects. To justify expenditures of this magnitude, a Program must have important consequences for the nation's political and economic development efforts.

The Accomplishments, Organization and
Political Contribution of the Works Program

The accomplishments form of organization and the political contribution of the Works Program have continued to be topics of controversy even though the Works Program has been in operation for some time. As a result it is important to scrutinize each of these topics carefully, both to determine what has taken place under the Works Program and to provide a basis for understanding why controversy remains.

a) Accomplishments of the Works Program

From 1962-63 to 1966-67, an average of Rs 142 million (\$30 million) has been spent annually through the Works Program. With this sum of money notable physical progress has been possible.

Table I indicates the physical achievements of East Pakistan's Works Program between 1962 and 1968. The table is based on figures from documents of the Government of East Pakistan. The eight-Thana study¹ confirmed that the facilities reported to the Government have in fact been constructed, and that there is no evidence to support charges occasionally heard that the Works Program is by nature make-work and that its accomplishments have been overstated. In this study the exact sizes and lengths of roads, embankments and drainage or irrigation canals were recorded. These have been averaged and a projection, based on these figures, for the 413 Thanas has been made. The resulting figures

¹Available data on the Works Program and the consequent changes in the rural economy offers little basis for evaluating the contribution of the Works Program. Not only are data limited to agricultural production statistics, occasional sample surveys, and figures on total physical accomplishments, but it also contains many inaccuracies and frequently bears little relevance to analysis of the benefits of the Works Program. Therefore, this evaluation of the Works Program is based on an entirely new set of data and information developed for the purpose. It was obtained through a detailed study of eight of East Pakistan's 413 Thanas conducted during 1967. The eight

substantiate those reported by the Government of East Pakistan as listed in columns 1 - 8 of Table 1. In column 9 are the Government's reports of the acres benefitted by flood embankments and drainage canals. Data gathered in the eight Thanas did not confirm these figures but indicated an area substantially smaller. The disparity probably is caused by the government's use of figures for maximum possible acreage benefitted whereas in the eight Thana study the figures for the usual or normal acreage benefitted from a given project was used. Since the eight Thanas are assumed to be roughly representative of the Province, the average area benefitted in these was projected for all Thanas and suggests that the total area benefitted was approximately 3 million acres.

In the case of community buildings, the Government estimates (listed in column 10) that 6389 buildings have been constructed. This would indicate that one building has been constructed in each of the 4053 Unions and 413 Thanas and that a substantial number have been built by municipal and town committees. The eight-Thana survey did not provide evidence to support this claim, nor did it provide a good basis for an alternative estimate. It has been assumed that the Works Program reports include any building that is under construction. Since the average building construction time is two years, it has been decided, arbitrarily, to cut the figure for the number of buildings in half, and to suggest that 3195 buildings have been constructed.

Thanas were selected in part for geographical distribution throughout East Pakistan with two Thanas in each of the Province's four Divisions. They were also selected to include samples of the varying physical conditions of the Province, while yet attempting to be representative of East Pakistan as a whole.

The figures for man-days employment on Works Program projects, as provided by the Department of Basic Democracies and Local Government (Table 1, column 11), proved to be inaccurate.¹ These figures provide both the official report and revised estimates suggested by the eight-Thana study. These estimates were achieved by calculating the labor component of the total Works Program expenditures which could be derived from official reports for a two-year period. These ranged from 60% to 70% of expenditures. Then the actual amount paid in wages was divided between skilled (5% of the total employed) and unskilled laborers at the average wage rates for each group as ascertained by the eight-Thana survey. These have remained relatively constant during the course of the Works Program. Calculations were then made of the numbers of man-days employment created by the Works Program. According to this estimate, the Works Program has provided 208.5 million man-days employment for skilled and unskilled workers.

On the basis of the statistics of the Government of Pakistan and the modifications suggested by the eight-Thana study in the course of extensive investigation (Table 1), there is conclusive evidence that the Works Program is in fact succeeding in developing a rural infrastructure. After five

1

Discussions in the eight Thanas with clerks who actually report the employment figures showed that at least three standards were being used. Some clerks were reporting man days; others were reporting the number of men actually employed regardless of the amount of time they worked; and still others were reporting the number of men paid at each pay period. Therefore, it was concluded that the official figures were unreliable.

years of endeavor, its accomplishments are of notable magnitude.

Observation from the eight-Thana study would suggest that the local councils, in making decisions concerning the location of projects, have generally adhered to economic priorities. Because roads can be built in almost any location and for almost any purpose, the possibility that a council's decision concerning a road's location may deviate from critical economic considerations seems high. Examination of the road patterns in the eight Thanas suggests, however, that roads follow an optimal pattern. In each Union there is an area, where the principal bazaar of the Union is located, which is considered its headquarters. The first priority for the Union is to link the villages within the Union with the Union headquarters by means of small roads. For the Thana the first priority must be to link the headquarters of the constituent Unions of the Thana with Thana headquarters, which is also the location of the principal market of the Thana, by roads capable of accommodating carriers of substantial quantities of produce, such as bullock carts. This is precisely the pattern of road building that has been established.

For drainage, the question of location is readily determined. Drainage projects have been effected on all the waterlogged land which has agricultural potential and which can be drained by gravity flow through earthwork channels. Almost all land in this category has been drained. Embankments have been built where flood waters can be controlled by works of a size which the Works Program can construct.

On the basis of this investigation, it would appear, therefore, that the Works Program projects have been planned with due consideration of the economic needs of the area and that their location has usually coincided with the economic priorities for development. Consequently, the initial concern that major misallocation of funds might occur because of **political and personal** influence determining the location of projects has proved **groundless**.

The eight-Thana study also confirmed that the Works Program has developed a system for maintaining the projects constructed under its aegis. According to the rules for the Works Program, as established by the Basic Democracies and Local Government Department, each Council must prove that adequate arrangements for maintenance of existing projects have been made before new allocations are released. Since 1966, adequate maintenance has been defined as the expenditure of 25% of each Union Council's total revenues on the maintenance of Works Program projects. The eight-Thana survey encountered only two of 67 Unions that had not received an allocation for 1967 because of failure to comply fully with this requirement.

In the eight-Thana study, few cases of serious deterioration of roads or drainage facilities were found. In most instances where a road was allowed to deteriorate, it was because its location had proved uneconomic and a specific decision had been made by the council that the marginal value of the land's use for agriculture was higher than for a road. No cases of non-maintenance of drainage canals were found, presumably because of the

high return resulting from improved drainage. Insufficient maintenance of Works Program projects occurred most frequently with flood control embankments. In the wedge-shaped flood plain extending from northern to south central East Pakistan, the flooding is so great that small piecemeal embankments are inadequate to divert major flood waters. Embankments in this area have prevented damage from high water, but when overflowed and partially destroyed by major floods, they have frequently not been repaired.

The evidence in the eight Thanas suggests that all drainage canals have been maintained and that over 95% of the road mileage has been maintained. Roughly 25% of the embankments have deteriorated so that they have less than their initial water resistance capacity. It should also be noted that approximately 10% of the bridges have been inadequate for the carrying capacity for which they were designed. Observation in the eight Thanas investigated would suggest that the maintenance of Works Program roads and embankments has been markedly better than that of similar facilities built on a small scale in the rural areas by Provincial agencies. In sum, the Works Program has developed an efficient system for effective maintenance of its projects.

b) Control of Works Program Funds

At the inception of the Works Program there was considerable concern about the potential for misuse of funds in a decentralized program of this type. It has already been indicated that project-location decisions have generally been consistent with economic priorities. There was, however, potential for misuse in the allocation of funds to local councils and for diversion of funds at the local level.

The determination of the criteria for allocation of available Works Program funds to local councils is highly susceptible to political pressures which are not consonant with developmental considerations. Therefore, at the inception of the Program in 1962, the Secretary of Basic Democracies and Local Government decided that the most equitable and defensible method for allocation would be allotment of funds to local councils on the basis of population. That standard, set in 1962, has remained unaltered.

Evidence showing adherence to this means of allocation can be found in Table II which ranks the 17 Districts on the basis of population and on Works Program allocation. The close correlation between the two rankings supports the contention that the population criterion has been used.¹ The few deviations of allocation from population can generally be explained in terms of small additional allocations to particular councils or areas for experimental or special projects such as coastal embankments or cyclone shelters.

The other type of potential misuse is the diversion of funds from public projects to private citizens. It is difficult to get relevant facts that allow considered judgment on this question and much available information is unreliable. Rumors of misuse are common, but confirmation is difficult and, clearly, many allegations are no more than rumor. Some misuse exists; however, requirements that Works Program financial transactions be public knowledge are a severe constraint. It is required that projects be discussed

¹The deviations from the population standard for Chittagong in 1963-64 and Barisal in 1965-66 are explained by special cyclone shelter programs included in those Districts in those years.

TABLE II

**RANKING OF DISTRICTS ON BASIS OF
WORKS PROGRAM ALLOCATIONS AND POPULATION**

Ranking of Districts in order of Total Population * ¹ (Largest First)	Ranking on Basis of Total Allocations * ²			
	1962-63	1963-64	1964-65	1965-66
1. Mymensingh	1	1	1	1
2. Dacca	2	2	2	4
3. Comilla	3	3	3	3
4. Barisal	5	5	4	2
5. Rangpur	4	6	6	5
6. Sylhet	7	7	5	6
7. Faridpur	6	9	7	7
8. Chittagong	8	4	9	8
9. Rajshahi	9	8	8	9
10. Khulna	10	11	10	11
11. Noakhali	12	10	13	10
12. Jessore	13	12	11	12
13. Pabna	11	13	12	13
14. Dinajpur	15	14	15	14
15. Bogra	14	15	14	15
16. Kushtia	16	16	16	16
17. Chittagong Hill Tracts	17	17	17	17

*¹ On basis of 1961 census

*² As reported in the Performance Reports on the Rural Works Programme, 1963-64, 1964-65, 1965-66, Basic Democracies and Local Government Department, Dacca.

in public meeting before project decisions are made, that the allocations to Councils be made public knowledge, that public signboards be put up on the site of every project identifying the scope of the work, the amount to be spent and the project committee chairman. These rules are usually followed, with the exception of the signboard requirement which was met in approximately 50% of the projects only. More important, in the eight-Thana survey, it was found that the citizens were almost universally aware of what projects had been carried out under the Works Program and of 112 persons asked, 98 or 87.5% could identify four or more projects in their area; all 112 could identify at least one project. Usually these persons had some knowledge of the costs and quality of the work. Finally, it was found that the quality of work was an issue that stirred lively discussion in the community. Tea stall owners and barbers in the Thanas studied reported that the Works Program was frequently discussed. The survey revealed several instances where the charge of misuse of funds was a lively local political issue. In most of these cases the suspicion was that in construction of bridges, buildings or other permanent structures the proportions of cement to sand had been too low, or an insufficient number of reinforcing bars had been used. Usually the magnitude of alleged misuse was small. Costs for such work were always considerably less than the cost of building similar facilities by the Communications and Building Department, and, most important, all those interviewed agreed that the charge of misuse had been detrimental to the project committee chairman and the Union Council chairman, if it was thought they had been involved. Such a charge would substantially reduce their chance for re-election.

Generally, the record of the Works Program on misuse of funds is good. Project decisions have usually been sound; funds have not been allocated on the basis of political considerations; and misuse of funds at the local

level has been limited. If the program has produced nearly the anticipated benefits, the misuses have been a cost of little significance.

c) The Works Program and Organization for Rural Development

One of the most significant dimensions of the Works Program is the form of organization for economic action which has evolved during the five years of its operation. Many of the Works Program projects could not have been carried out without a decentralized form of organization which used local knowledge to identify the areas that could be drained with simple gravity flow canals, the most economic location of farm-to-market roads or the places where rivers most regularly overflowed their banks. Nor would it have been feasible for a centralized organization to implement the many small projects in remote locations. Thus, the form of organization used by the Works Program has been effective in accomplishing the tasks undertaken.

Because of the experimental approach of those responsible for the program both within and outside of government, the organization of the Works Program has been refined and improved for usefulness in a variety of rural development activities. This organization has become centered in the Thana which has proved an appropriate focus for development activities. The reasons for the effectiveness of the Thana-level organization are threefold. One, size - the Thana is sufficiently large to make planning and implementing the projects within its boundaries technically efficient. Two, cost - it is large enough that the government agencies can afford to assign to it an officer from the technical departments concerned with development, such as Agriculture, Education, or Family Planning. Three, communication - it is sufficiently small that any Thana citizen can easily travel to Thana headquarters and return home in a day, and small enough that a broad spectrum of the people of the area can participate in Thana activities and identify with its work.

Initially, the Thana Councils played only a minor role in the Works Program, receiving 7% of the total allocation. (The change in importance of various councils is shown in Table III.) By 1967, they were receiving about 60% of the Works Program funds. The Thana, formerly the lowest unit of police administration, has acquired a symbolic importance: its new role represents to the rural people the change in the government's priorities from law enforcement to national development. At the Thana, the Thana Council, comprised of elected members from the area and the representatives of the Government assigned to the Thana, is the chief policy-making body. The Government officers are coordinated by a Circle Officer (Development), a member of the civil service who is responsible for coordinating the work of Government officers in the Thana and for overseeing the planning and implementation of the development program in that Thana. Within the Thana are various Unions, each of which has an elected Union Council, which is responsible for aspects of the development work in its area. Both Thana and Union Councils receive allocations under the Works Program.

The Works Program's highly decentralized form of organization with its elevation of the Thana, the Thana Council and Thana officials to new importance in planning and administration, and its emphasis on local participation and local talents, has effectively executed rural development schemes. In fact, it has succeeded where other attempts to organize the rural areas for development have failed. Moreover, the organization of the Works Program, as it has evolved, appears promising for future use in East Pakistan. Under the expanded Works Program in 1967-68, a Thana irrigation program is being introduced. It has been tested in 10 Thanas, and the benefits of increased production in these Thanas have been more than twice the cost of the program to the Government and to the participating farmers. The Works Program has been able to organize the farmers into cooperative pump groups, has been able to establish local pump maintenance facilities, and has introduced a system of annually declining subsidies that will enable the Government to

TABLE III

ALLOCATION OF RWP FUNDS

(in thousands of Rupees)

	1962-63* ¹		1963-64* ²		1964-65* ³		1965-66* ¹		1966-67* ⁴		Average for Five-Year Period
	actual	%	actual	%	actual	%	actual	%	actual	%	
Union Councils	20,317	20.3	43,773	21.9	40,257	28.3	25,339	21.1	20,027	13.5	21.0
Thana Councils	6,467	6.5	72,331	36.2	53,418	37.6	60,266	50.2	87,167	58.1	37.7
District Councils	50,290	50.3	60,250	30.1	28,958	20.4	19,713	16.4	22,353	15.0	26.4
Municipal and Town Committees Administration	19,272	19.3	20,100	10.0	11,644	8.2	8,359	7.0	8,971	6.0	10.1
Special Experimental Projects	381	.3	379	.2	6,895	4.8	4,226	3.5	6,403	4.3	2.6
	<u>3,275</u>	<u>3.3</u>	<u>3,266</u>	<u>1.6</u>	<u>1,000</u>	<u>.7</u>	<u>2,183</u>	<u>1.8</u>	<u>4,697</u>	<u>3.1</u>	<u>2.1</u>
Total Expenditure	99,999	100.0%	200,099	100.0%	142,172	100.0%	120,086	100.0%	149,681	100.0%	99.9%

*¹ Figures compiled from Performance Report on the Rural Works Programme, 1965-66, Basic Democracies and Local Government Department, Dacca, 1967, pp. 246-47, Table A-1.

*² Figures compiled from East Pakistan Rural Works Programme Report, 1963-64, Basic Democracies and Local Government Department, Dacca, undated, p. 17.

*³ Figures compiled from Performance Report on the Rural Works Programme, 1964-65, Basic Democracies and Local Government Department, Dacca, 1966, p. 11, Table 2; p. 13; and pp. 250-51.

*⁴ Figures compiled from Summary of Physical Achievement on Works Programme, 1966-67, Basic Democracies and Local Government Department, Dacca, 1968, p. 6.

eventually recover the costs of pumps, fuel and maintenance as the farmers capacity to pay increases. If the Thana Irrigation Program is successful it will make possible a third crop in the dry season, December to May, adding another 2 million acres to available crop land and providing substantial new employment in the slack season. There have also been successful pilot projects for a rural school building program, and plans have been discussed for an agricultural credit program at the Thana level, grain storage facilities in the Thana, and a rural electrification program. The latter is important for the development of small industries in the rural areas which will be essential for creating new employment and increasing incomes.

Before the Works Program and the evolution of the Thana organization, most projects of the Works Program type or a small pump irrigation program would not have been possible. The Thana level organization that has evolved through the Works Program has provided East Pakistan with a means of influencing and involving its rural inhabitants. This important innovation in the administration of development, if understood and used, holds high potential for the future of East Pakistan.

d) The Political Contribution of the Works Program

In establishing the Basic Democracies as the foundation of a new political system for Pakistan, the Ayub Government was giving priority in its theory of political development to the concept of political socialization or competence. It took the view that through the exercise of the functions of government in the Union and the Thana, a new group of political

leaders for Pakistan could be trained and nurtured, and, that, slowly, this group might climb the political ladder, assuming ever-increasing responsibility, until an entire group of new political leadership had evolved. Local government of this type would provide a means of legitimizing the government, promoting economic development through the mobilization of the rural people and insuring political stability, and it would emphasize the development of capacity for governing. While this does not represent a comprehensive definition of political development, it does have the great utility of being a concept which can be implemented in a specific program, while many other definitions of political development, involving changes in the political culture, attitudes or personality characteristics, are hardly amenable to action in programmatic terms.

This specific commitment to a concept and program of political development is as important as it is unique. Few countries have been able to come to grips with the problem. If Pakistan can define and successfully implement such a program, it will have taken a step with profound implications for other developing nations.

Another concept of political development has been implicit in the approach of those who designed the Works Program. This is a concept of social mobilization and participation. The designers of the Works Program saw the nature of the association between the Government and its constituents as the critical factor in political development. Their

efforts were focused, therefore, on gaining the participation of the people in the achievement of the goals of the state and in creating the institutional framework to guide and structure this participation. To a remarkable degree the Works Program has served as a vehicle to promote and combine these two overlapping approaches to the politics of a developing nation; it has helped to create a new, modernizing leadership for the rural areas, and it has provided the framework for participation in the governmental process.

As has been pointed out, the Works Program gave the local councils a mandate and the resources for positive governing in the local areas. Possessing both the authority and resources for the planning and conduct of development works, the Basic Democrats now had both the means and the responsibility for governing. How the exercise of these responsibilities has affected the Basic Democrats and the rural citizens is the measure of the political impact of the Works Program on East Pakistan and an index of the success of Pakistan's program of political development in that Province.

It has already been seen that the Basic Democrats were able to administer the Works Program projects far more competently than most observers had expected; that the planning and conduct of the Works Program became the most critical function of the local councils; that the projects carried out affected the economic well-being of the area; and that the uses made of Works Program funds became a matter of widespread local concern.

This concern was of political significance because it provided the community with a specific, rational, non-ascriptive criterion on which to judge the performance of local elected officials. While this might not have taken place in a society without some tradition of local self government and some degree of politicization, the fact is that the rural people began at this point to consider local office-holding important and to apply specific criteria to judging incumbents and candidates for local office.

There are two measures of this change: first, the responses of a random selection of 227 villagers who were asked to indicate what they considered the most important prerequisite for election to local office. As Table IV shows, they indicated that demonstrated ability to serve the community was considered the most important qualification, more important than the alternative ascriptive qualifications. In addition to the alternatives offered by the query, the following were volunteered by respondents: honesty, ability, education, energy, and youth.

Table IV

Prerequisites for Election to Local Councils

<u>Criterion</u>	<u>Number of answers</u>	<u>Percent</u>
1. Demonstrated ability to serve the community	102	45.1%
2. Age	10	4.4%
3. Money	75	32.9%
4. Important family connections	40	17.6%

Second, examination of the changing characteristics of Union Council members gives evidence of new criteria for judging a man's qualifications for local office. Table V indicates that there have been some changes in the educational level, age and occupation of Union Council members. In interpreting this table, however, several factors must be kept in mind. The

Table IV

Changes in Characteristics of Union Council Chairmen
in East Pakistan, 1959 - 1967

	<u>Chairmen elected 1959*</u>	<u>Chairmen elected 1964*</u>	<u>Thomas study of 8 Thanas, 1967</u>
<u>Education</u>			
Illiterate	2.2%	1.08%	2.9%
Primary - Class II	87.24%	82.33%	59.1%
Matriculation and above	10.74%	16.59%	38.0%
<u>Age</u>			
Below 30	7.3%	7.79%	2.0%
30 - 40	42.4%	45.79%	58.0%
45 - 55	41.5%	33.25%	27.3%
60 and above	9.7%	9.16%	10.9%
<u>Income</u>			
Below 1,000	76.0%	10.19%	No meaningful figures
1000 - 2000	12.2%	21.24%	
2000 - 3000	7.3%	21.35%	
3000 - 4000	1.8%	16.78%	
4000 and above	2.1%	30.44%	
Mean income	-	Rs 5,550	Rs 7,264
<u>Occupation</u>			
Farmers	92.46%	77.78%	70.7%
Business	25.60%	16.96%	21.3%
Profession	0.65% (lawyers only)	2.78%	4.0%
Other	1.27%	2.48%	4.0%

* Government of East Pakistan, Basic Democracies and Local Government Department, "Report on the Members Elected to the Basic Democracies During 1964", undated.

Union Council members included in the Basic Democracies Department study were elected in 1959, after the Basic Democracies system had been established but before the Works Program was functioning. They were elected to office for five years and had responsibility for establishing the Works Program in their areas. In 1964, when the second election took place, the Works Program had been in operation long enough to permit people to understand it and to judge candidates on their ability to operate it. Considerations of competence, however, may have been obscured by the role of the Union Council members as presidential electors. A candidate's stand on national politics may well have influenced the outcome. Nevertheless, the trend toward younger, better educated members with the time and vigor to implement the Works Program is clear. Akhtar Hameed Khan, commenting on the Union Council elections in Kotwali Thana from this standpoint, stated that in 1964, all but one of the 12 Union Council Chairmen in that Thana who had done a less-than-satisfactory job with the Works Program were defeated.¹ It seems safe to conclude that the Works Program has provided a new set of criteria for judging the performance of Union Council members. While these are not the only criteria, a man's actual or potential performance in implementing the Works Program strongly influences his success at the polls.

These changing standards have brought an almost completely new set of rural leaders into office since 1960. This trend was greatly accelerated in 1964, the first election after the advent of the Works Program. In the eight Thanas studied, it was found that 60.2% of the Union Council Chairmen had been elected to the Council for the first time in 1964.

¹Ironically, the one who was not defeated had done the worst job in the entire Thana.

The characteristic attitudes of these new rural leaders and the role they play in fostering development in their local areas can make a great difference both to the political future and to the development of the area. Clearly, they are a new rural elite. As such, it is important to know more about them. Most of this group are farmers, although the eight-Thana survey suggests that the more well-to-do are moving rapidly into business enterprises where risks are lower and returns higher than in farming. The median income of the Union Council members interviewed in the eight-Thana survey was Rs 7,264, higher than the Rs 5,550 median reported in 1964,¹ suggesting that this group has a high stake in development and has obviously profited from it. Their educational achievements are substantially higher than average. Their average age is 43 years. Responses to the qualifications for election questionnaire suggest, however, that these are not leaders who have inherited the traditional mantle of village leadership or who are from dominant families in the area.

If there is in fact a new leadership emerging in the rural areas, it is important to know their attitudes toward change and development. A look at Family Planning in East Pakistan gives some idea of the thinking of this new political elite. After several years of preparation the Government of Pakistan launched a major family planning program in 1966. It had taken some time to get attitudes to the point where people would accept such a program. Many national leaders had opposed it, and only the President's strong endorsement made it possible. Despite this, resistance continued, primarily on the grounds that contraception is anti-Islamic. In

¹Government of Pakistan, Ministry of Information and Broadcasting, Democracy at the Doorstep (Rawalpindi: Government of Pakistan) undated, p. 17. See also Government of East Pakistan, Basic Democracies and Local Government Department, "Report on the Members Elected to the Basic Democracies During 1964," undated.

part, religious leaders provided opposition to the program; and in rural areas the influence of the Moulvis and Mulanas (Muslim religious officials) is particularly strong. Since many schools are run by the Moulvis under the auspices of the Mosque, these men play a prominent role in rural life.

In organizing the Family Planning Program in each Thana, the local Family Planning Officer has attempted to gain the cooperation of the members of the Union Council. Each member represents a Ward, a constituency usually consisting of one village or a group of contiguous settlements. The Ward member of the council is, of course, very influential in his Ward and might be able to generate acceptance of the program. As part of the eight-Thanas survey, an attempt was made to discover the attitudes of Union Council members toward this controversial innovation. This was assumed to be a good test of whether the Union Council members resisted or promoted change. Table VI shows the results, as reported by the Thana Family Planning Officers.

Table VI

Participation of Union Council Members in Family Planning Program

Thana*	No. of Members	Accepted active role first appeal	Persuaded to take active role	Unwilling to Participate	Actively Opposed
Babuganj	74	55%	45%	0	0
Baidyer Bazar	94	35%	40%	15%	10%
Godagari	70	30%	55%	10%	5%
Muktagachha	117	25%	25%	40%	10%
Palasbari	82	25%	60%	10%	5%
Satkania	191	25%	65%	6%	4%

*Baniyachang and Kaliganj are not included since the Family Planning Program has not yet started in Sylhet and Jessore Districts.

The degree of support given to this controversial program is surprising and suggests that many of the Basic Democrats are prepared to support change. Clearly, a new elite, selected to a significant degree on the basis of its competence in conducting local government and willing to promote development in the rural areas has emerged in East Pakistan.

A question remains, however, as to the participation of the general public in local government and development. Aside from the laborers on the Works Program, who are almost entirely landless laborers and small farmers comprising 20% to 25% of the rural population, does the bulk of the adult population feel any involvement in the Works Program and in the process of local government? The Works Program project decisions are supposed to be made in open meetings to which the public may come and voice its opinions. Such meetings offer the possibility of general, widespread participation in local government. They also provide an opportunity for people to evaluate the efficacy of local government. In the eight-Thana survey, of 109 respondents selected at random, 79 or 71% knew of such meetings and 72 or 66% felt they could attend and participate if they had a desire or reason to do so. Most of these felt that there was a 50-50 chance of their views affecting the outcome of the discussion. These findings suggest a widespread involvement in local government and substantial political influence vested in the people.

Furthermore, the Works Program specifically benefits the poorest classes of people, the landless laborers and farmers with marginal land holdings. As will be discussed in more detail later, the Works Program has paid, over a five-year period, Rs 452 million (\$94.5 million) in wages to this group. This increase in income has given this group an

increased stake in national development and improved its relative position in society. This group is, therefore, affected in an important way by the decisions connected with the Works Program and is asserting a voice in local decision-making.

The preceding discussion suggests both how the system of Basic Democracies, with responsibility for a Works Program, has evolved in East Pakistan and the extent of popular involvement in local governmental affairs. What remains to be seen is how this affects the nature of the relationships among the populace, the local councils and the national government.

It is legitimate to ask if the local councils are only client bodies of the national government and of the political system, which must respond to the demands and directions of the Government. The answer appears to be negative, and there is increasing evidence to justify this answer. Union Council members make it clear that they are not dependent on the national government and need not follow its instructions if they do not care to do so. The view repeatedly expressed by these local officials is that they will support the government as long as that government is concerned with and acts to remedy local problems. Most of them believe that the present government is doing more for the rural areas than previous governments but are quick to point out that more could be done.

This independence and authority at the local level suggests that there exists a basically democratic system of government, and a quite sophisticated one, in which local councils with broad-based popular support and participation have authority to bargain with the national government. As Gabriel Almond points out, American political scientists have recently come to accept the view that the essence of democratic politics is bargaining.⁷ Just such a system of bargaining is developing between

⁷Gabriel Almond, Introduction to Hyman Weiner's Politics of Scarcity, (Chicago: University of Chicago, 1962).

local councils and the national government in Pakistan. The basic issue over which they now bargain is the local development effort or the Works Program.

The Development Benefits from the Works Program

A program which spends \$149 million in a period of five years to develop rural facilities, and in the process creates substantial new employment, will inevitably have an important impact on the area in which it is undertaken. Some of these development benefits will take the form of direct and easily defined effects; others will be less direct and visible but equally important in the development process.

a) The Contribution of Works Program Roads

In six of the eight Thanas studied, roads constitute the most important part of the Works Program effort. Of the other two, one is a coastal Thana where myriads of small waterways make possible year-round boat connections among all parts of the Thana; the second is a Thana located in a haor area which is under water for six to seven months of the year. In neither of these Thanas would road building have been practical.

Approximately 75% of Works Program funds have been used for the construction of roads. The miles of roads built and repaired under the Works Program are listed in Table I, and the existence of these has been confirmed. In 1963 there was reportedly a total of 3,411 miles of good quality road, both dirt and paved, in East Pakistan, excluding roads unusable because of disrepair.¹ The 101,000 miles of roads built and repaired² in rural East Pakistan from

¹Government of East Pakistan, Bureau of Statistics, Statistical Digest of East Pakistan No. 3, Dacca, 1965, p. 322.

²There is some double counting in the figure for total miles repaired, since some repair work was on roads previously built or repaired by the Works Program.

1963 on represent a quantum jump in the number of miles of usable roads, although only the Thana Council roads (35,000 miles) are comparable to the pre-Works Program mileage reported for 1963. By 1967, East Pakistan had approximately 2.5 miles of road for every square mile of land under cultivation. While this is less than that of the western nations which have from 3.5 to 4 miles of road per square mile of cultivated land¹, and while the quality of many of these roads needs to be improved to increase their carrying capacity, it would appear that in the 1960's East Pakistan laid the basis for development of an adequate network of rural roads. The roads built by the Thana Councils are usually dirt-surfaced roads that can accommodate most conveyances except heavy trucks; the remainder, built by Union Councils, are smaller and are frequently limited in capacity to foot, bicycle-rickshaw, and light animal-cart traffic.

The impact of this rapid development of roads can best be understood in terms of the change in a typical Thana. In 1963 there was an average of 8.2 miles of usable road per Thana; by 1967 it had jumped to an average of 253 miles per Thana. Of these 253 miles, approximately 84 road-miles were built by the Thana Council. Figures 1 and 2 are maps of Kaliganj Thana in 1962 and 1967 showing the Thana Council roads and a few of the largest Union Council roads developed during the period. The maps indicate how the roads link the markets in the Thana. The dramatic changes shown in these figures are typical of most Thanas throughout East Pakistan.

¹Government of the United States, President's Science Advisory Committee, The World Food Problem, Report of the Panel on World Food Supply, The White House, May, 1967, Vol. I and II, p. 582.

● KALIGANJ THANA, JESSORE 1962.

1" = 2 MILES (APPROX)

- ▣ BAZAR
- ▶ THANA HEADQUARTERS
- PROVINCIAL ROAD
- ≈ RIVER

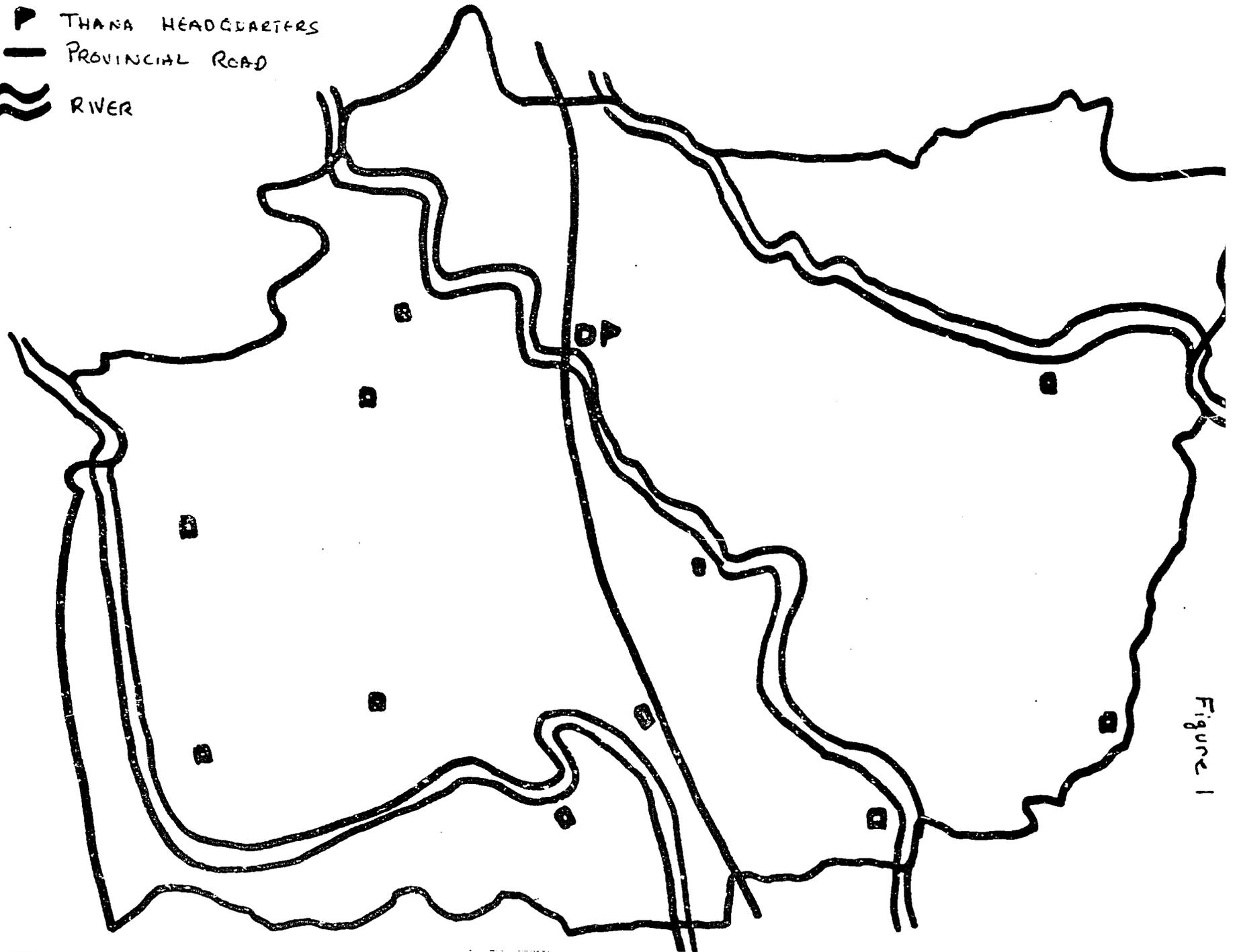


Figure 1

INDIGENOUS THANA, JESSORE, 1967

1" = 2 MILES (APPROX)

- BAZAR
- ▲ THANA HEADQUARTERS
- PROVINCIAL ROAD
- ≈ RIVER
- THANA COUNCIL ROAD
- - - UNION COUNCIL ROAD
- ◉ AREA DRAINED

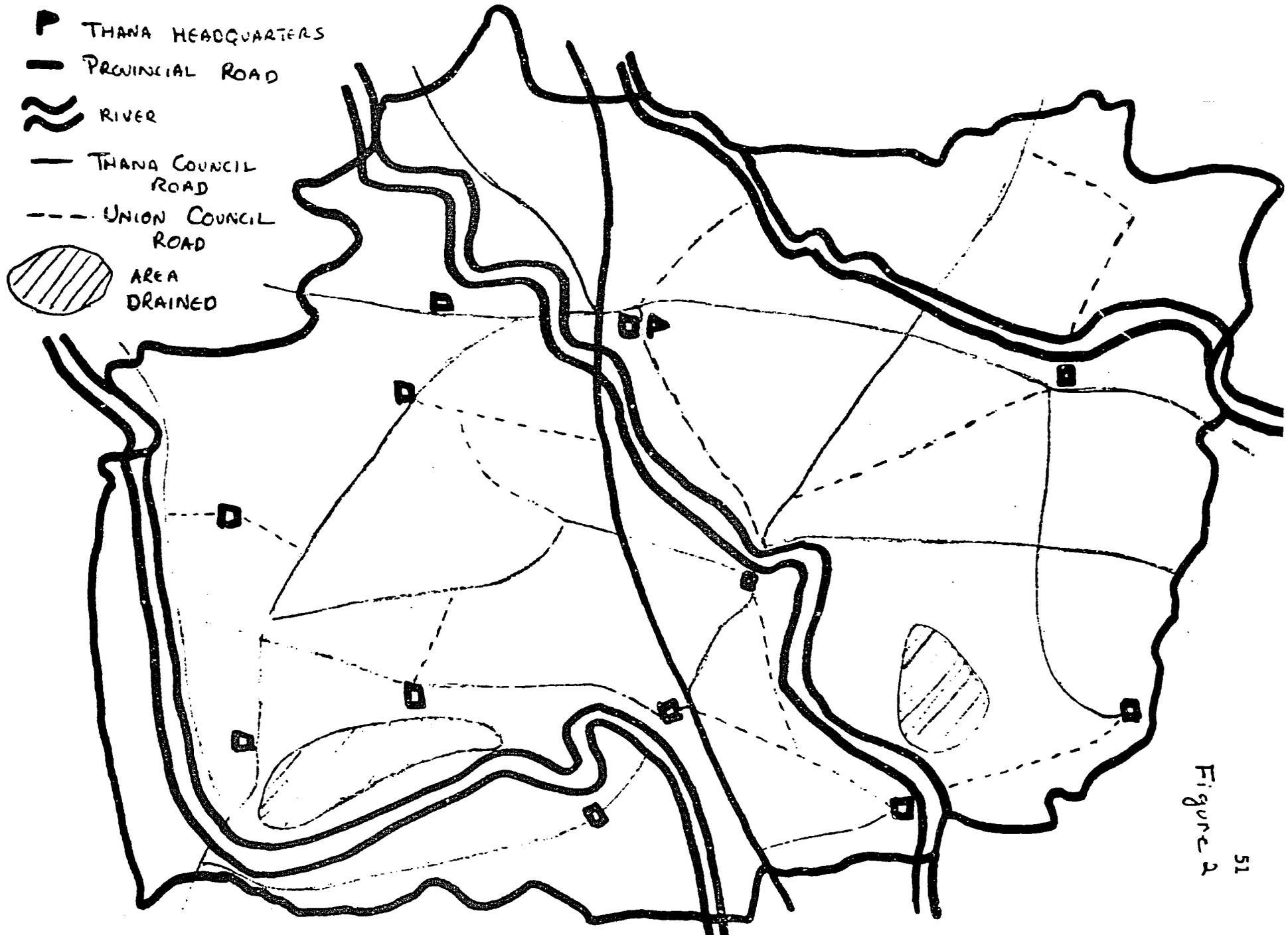


Figure 2
51

Because of the importance of stimulating agricultural production in East Pakistan, it is useful to analyze the effect of roads upon the economics of agriculture. One major consequence of the construction of roads has been an increase in the facilities for carrying agricultural produce. Table VII shows the increase in numbers of vehicles in the eight Thanas. This increase has been exceedingly important, for before the construction of the roads, there were few commercial facilities to enable the farmer to carry produce to market, to obtain the higher prices there.

Table VII

Change in Number of Commercial Vehicles in Eight Thanas of East Pakistan

1962 - 1967

	<u>Rickshaws*</u>	<u>Animal Carts*</u>	<u>Trucks</u>	<u>Scooter Taxis</u>	<u>Bicycles*</u>	<u>Buses**</u>
1962	110	3159	10	0	1200	15
1967	491	4607	65	40	2250	90

* Figures obtained from Union Council registrations.

** Including mini-buses.

These figures include only commercial vehicles and not animal carts or rickshaws operated by the owners for their own use, although the evidence indicates that there has been a substantial increase in these also. The rickshaw, it should be noted, is not solely for carrying passengers; it also serves as a conveyance for small quantities of produce. If a farmer wishes to take a maund (82-pound bag) of rice to market, he will often hire a rickshaw and ride with his produce, returning later in the same manner. Rickshaws are reported to be capable of carrying up to 5 maunds (410 pounds) and one

passenger. Trucks and buses do not usually operate on Works Program roads. They customarily load at the Thana headquarters and travel over a Provincial highway to areas outside the Thana. The increase in total number of vehicles in use suggests that the flow of goods and people through the Thana headquarters has greatly increased. Interestingly, the percentage increase in passenger-carrying vehicles has exceeded that of produce-carrying vehicles, suggesting the extent to which the Works Program roads have stimulated the movement of people.

With the increase in roads and in commercial vehicles in the Thanas, transportation costs have diminished. The eight-Thanas study provides evidence that rural transportation costs declined by roughly 35% between 1962 and 1967, even though prices generally, and urban transportation costs specifically, rose during that period. An evaluation of construction costs during the 1960's indicates that the cost of transporting construction materials to four urban locations rose an average of 9% between 1960 and 1963.¹

Analysis of the changes in rural transportation costs is complicated because the means of transportation vary widely. Farmers may send rice to market by commercial headload or bullock cart; they may have a salaried farm laborer carry their produce to market; because of newly available roads, they may purchase carts, and using their own farm animals, haul their produce to market. Carriage is often by headload to a road and then by bullock cart. Roads, moreover, have encouraged farmers to sell some produce in the primary, Union market, while taking some to the secondary, Thana

¹Government of East Pakistan, Report on the Survey of Prices of Building Materials, Transport Costs and Wage Rates of Construction Labor at Dacca, Chittagong, Khulna and Rajshahi: Second Round, December 1961 to March 1963, Dacca, 1965.

market. The figures given in Table VIII are a composite summary of transportation costs derived from detailed reports of individual farmer experience.

Table VIII

Changes in the Cost of Commercial Transportation of Paddy
(in Rupees)

	Average Cost Per maund/ mile	Average Cost to primary market per maund	Average Cost to secondary market per maund	Transportation Cost as % of market value of paddy in pri- mary market	Transportation Cost as % of market value of paddy in secondary market
1962	.38	.84	2.01	4.0%	8.6%
1967	.24	.53	1.27	2.5%	5.1%
Saving	.14 (37%)	.31	.74	1.5%	3.1%

Averaging the changes reported by farmers gives a 37% decrease in transportation costs resulting from the roads. If, however, one calculates the reduction of costs as a consequence of the change from headload to bullock cart, made possible by the existence of roads, the decrease in costs is more impressive. The cost by headload¹ in 1963 averaged Rs .40; the cost by bullock cart in 1967 was Rs .19, a reduction of 52%. Although 37% and 52% are substantial reductions, their importance is reduced by the relatively short farm-to-market distances.² On the other hand, these figures are in current prices. Allowance must be made for the price increase during this period, which has brought further savings to the farmer.

¹Despite the abundance of rivers and minor waterways, water-bourne conveyance has not provided a major means of transporting goods from farm to market in an area of numerous small land holdings. The economically feasible minimum load on boats and the location of waterways have made river transport much more important for inter-Thana and -District hauling.

²Although only a few Works Program roads are solid enough to accommodate trucks, in the few areas where trucks are in use the cost of hauling rice to market has been cut by about 65%.

For East Pakistan's farmers, the existence of roads, increased transportation facilities, and reduced transportation costs have provided the opportunity for new profits on agricultural produce. These facilities have made it possible for farmers to derive substantial benefits by selling in primary (Union) or secondary (Thana) markets, instead of selling to traders who come to the farm. These benefits are indicated in Table IX, although the cost of transportation and any loss in transit must be deducted from the higher prices available in the primary and secondary markets in calculating the farmers' increased profits.

Table IX
Percentage Increase in Sale Value for Produce Sold in the Market
Over its Sale Value at the Farm

<u>Commodity</u>	<u>At Primary Market</u>	<u>At Secondary Market</u>
Paddy	13%	14%
Jute	13%	17%
Sugarcane	26%	65%
Vegetables	34%	40%
Oilseeds	14%	16%
Spices	15%	13%
Tobacco	8%	20%

Source: Government of East Pakistan, Bureau of Statistics, Master Survey of Agriculture in East Pakistan (Sixth Round), Dacca, 1966.

The percentages given, which vary from an 8% increase in sale value of tobacco sold in a primary market to a 65% increase for sugarcane hauled to a

secondary market, clearly indicate the advantages to the farmers of selling produce directly in the market rather than to a middleman. These figures also suggest the profitability of growing such crops as vegetables and sugarcane.

If roads have made it easier for farmers to travel to market, it may also be assumed that they have made it easier for "outsiders" to reach the farmer. This assumption, tested in the eight Thanas, was found to be correct. The frequency of visits to farmers by local agricultural officers was studied, and Table X shows the changes in frequency from the early 1960's to 1967, as indicated in the responses of 95 farmers. In the early 1960's the majority of farmers interviewed were visited between one and three times a year by agricultural officers, but by 1967 the majority were visited ten or more times per year. Some of this can be explained by the increased number of agricultural officers assigned to the rural areas and by the farmers' better memory of recent visits, but increased ease in traveling by vehicle over roads rather than by boat or on foot has also been a factor. Similar visit patterns

Table X

<u>Visits Per Year</u>	<u>Number of Annual Visits by Local Agricultural Officers Before and</u>				
	<u>After the Building of Rural Roads</u>				
	0	1-3	4-6	7-9	10 or More
Early 1960's	24	55	5	0	11
1967	9	14	17	3	52

hold for others: cooperative organizers, health inspectors or other government officials (Presumably including tax collectors!). It was found, also, that doctors are now willing to visit outlying villages, whereas they rarely did

so before. Thus, the construction of roads has helped increase the contact of rural inhabitants with officials whose technical knowledge can benefit them.

One way of appraising the general benefits of the roads is to examine changes in the value of land contiguous to new Works Program roads. This was done in the six Thanas where there were major road building projects. During the period of road construction (1963-1967), land not located close to Works Program projects increased in value by 44%, whereas the average value of an acre of land adjacent to a Works Program road rose by 154%. Whether adjacent to a repaired road or a new one, land values increased by approximately the same amount. Since there is as yet little demand for commercial sites along these Works Program roads, the increase in land value suggests that the roads offer substantial benefits to the farmers located near them. This fact is confirmed by farmers who have given up land for the building of roads. Since farmers have received no compensation for this land, the donations represent a real sacrifice, particularly to the small farmer. In each Thana, two farmers, each owning two acres or less along a Works Program road, both of whom had given up part of their land for the road, were asked if they would prefer to have the road removed and the land returned to them. There were no affirmative replies.

There are a number of isolated instances of benefit from roads resulting from particular conditions. Several farmers reported that the embankments for roads provided a partial source of irrigation by helping to retain water on their land at the end of the monsoon. One farmer found himself

suddenly affluent when a part of his land which had produced almost nothing was found to be sand of a good quality for making cement. He subsequently sold large quantities of sand to contractors and to the government. This sand was transported seven miles over Works Program roads to the Provincial highway.

In another case, the Works Program constructed a road that provided a connection between two Provincial highways, saving about 11 miles for traffic moving between two district towns. The traffic on this became so heavy that the Provincial Government acquired the site and is paving the road as a Provincial highway. In this way, Works Program roads can perform the function of determining the most important routes for the Government to develop. One farmer who owns five acres along this particular route claims that his land has increased in value from Rs 700 to Rs 6,000 per acre.

b) Changes in the Rural Economy

The study of the eight Thanas in East Pakistan was designed not only to assess the direct benefits of the Works Program, but also to identify changes in economic organization and patterns of economic activity in the rural areas which relate to the Works Program. With the low level of per capita income, the fragmentation of land holdings, and the high population density in rural areas, East Pakistan's agriculture is primarily subsistence farming. Most of the rural population lives outside the market economy.

For decades the East Pakistan farmer has grown rice for his own consumption. To meet the need for household items which he cannot produce, he

has traditionally planted a small field of jute, which yields a few pounds of fiber. This he had bartered to the itinerant trader (faria) who offers basic household necessities in exchange for it. The traders usually agree to work in certain areas and do not operate within one another's jurisdiction. As monopsonistic buyers, they offer farmers the lowest possible prices. With no means of traveling to local markets, farmers with only small quantities for sale have been virtually helpless. This situation has perpetuated a system in which prices provide the smaller farmers little incentive to produce more. With price incentives only partially operative, the Government's instruments for encouraging growth in the agricultural sector have been limited.

There is substantial evidence that this system is slowly being replaced by a rural market economy in which farmers produce a larger percentage of their total crop for sale in the market. Any economy in a state of transition offers a confusing picture, and there is indication of both the old and the new system. Nevertheless, in spite of the confusion, there is impressive evidence that rural East Pakistan has been moving rapidly toward a market economy in the 1960's.

The eight-Thana study sought to find out from farmers whether they were then producing or selling crops which they had not produced or sold in

the early 1960's. It also asked if they had changed the manner in which they sold goods. A total of 123 farmers in the eight Thanas were asked these questions, and the responses, summarized in Table XI, show an increase in sales of rice, a major increase in the number of farmers selling in the markets rather than to traders, and a shift in cropping patterns to more cash crops.

Table XI, Column A, indicates that there has been little change in the number of farmers growing the two traditional crops, rice and jute. Unfortunately, the study did not provide figures for the total number growing vegetables, sugarcane and minor crops in 1962 and 1967, but the substantial change in the numbers growing these crops for sale, as shown in Column B, suggests that there has probably been a sizeable increase in the total number growing these crops.

Column B shows the number of farmers growing each crop for sale and the percentage of the total which these represent. The increase from 36% to 57% in the number of farmers selling some portion of their rice crop is indicative of a trend, but does not constitute a significant change in rice-selling patterns. Important, however, is the shift from the use of itinerant traders toward direct sale in the markets, as shown in Column C. That 82% of the farmers who sell rice sell it directly in the market, in contrast with 36% in 1962, provides strong evidence that sales to traders outside the market are decreasing rapidly. One may conclude that the hold of the itinerant traders over the rice market is disintegrating.

Jute has traditionally been the cash crop of rural East Pakistan. As there is very little home use for it, nearly all jute raised is sold. Here

TABLE XI

Change in Production and Marketing Patterns of Selected Crops
in East Pakistan, 1962 - 1967

	A Number growing commodity	B Number growing for sale		C Number of those selling who sell primarily in the market	
			A/B		B/C
Total sample: 123					
<u>Rice</u>					
1962	123	45	(36%)	16	(36%)
1967	123	70	(57%)	57	(82%)
<u>Jute</u>					
1962	81	81		27	(33%)
1967	81	81		56	(69%)
<u>Vegetables*</u>					
1962	n.a.	13		5	(38%)
1967	n.a.	50		48	(96%)
<u>Sugarcane*</u>					
1962	n.a.	8		5	(62%)
1967	n.a.	21		16	(76%)
<u>Minor crops*</u>					
1962	n.a.	15		4	(26%)
1967	n.a.	36		30	(83%)

* Figures for the total number growing Vegetables, Sugarcane, and Minor Crops are not available.

the shift in the pattern of sales from predominant use of traders to predominant use of markets is notable. Whereas in 1962 approximately 2/3 of the farmers used traders, in 1967 approximately 2/3 used markets. Nevertheless, a smaller percentage of farmers sell jute in the market than any other crop. This is probably a consequence of the traders' traditional domination of the jute market. A farmer just beginning to market jute would find it easy to take his crop directly to the marketplace, whereas a farmer who had an established relationship with an itinerant trader might find this hard to break.

The increase in the number of farmers selling vegetables, sugarcane and minor crops indicates the growing importance of cash crops. As with rice, these crops are sold primarily in the market. Because of the role of the Government in developing the demand for sugarcane, itinerant traders have never had as large a part of that market as of the others.

The trends away from subsistence farming and from marketing through itinerant traders, indicated in the eight-Thana study and summarized in Table XI, are corroborated by data on the growth of primary and secondary markets. Traditionally, the farias exchanged household necessities for agricultural produce at the farm, and farmers had little need to go to market. The farias then sold to the beparis, traders who were usually available in the primary markets on market days. The beparis in turn took the produce collected from a number of farias to the secondary markets where it was sold to the aratdars who transported it to processing centers or to urban markets. In this system there was limited use of the markets by farmers; markets were frequented mainly by farias, beparis and aratdars.

A breakdown in the system of itinerant traders and growth in the use of markets by farmers normally brings a substantial increase in the size of the local markets as the farmers themselves begin to use them. The evidence indicates that such growth has occurred. In Pakistan, the Government has legal control over all market sites, and as a means of raising revenues, it auctions each site annually to a leaseholder who operates the market. Records of the annual rent received by the Government for each rural market site are kept by the revenue officer in each Thana. These records indicate changes in the use of each market site over an extended period. Although there is occasional collaboration between government officials and bidders for market sites, bidding is usually competitive. In cases where the rent of one or two of the markets in a Thana (the average number of markets per Thana is 24) appeared questionable, the figures were not included in the calculations. In addition, many of the entrepreneurs who have leased these market sites maintain records for each market day of the number of commercial traders who have paid the daily rental fee. While these entrepreneurs were reluctant to divulge their income from the markets, they were willing to reveal their records of the number of traders who used markets.

Table XII shows the average increase in annual rent paid to the Government for market sites in each Thana and the average increase in the use of the markets by traders. The figures are based on information from 158 markets. The rate of increase in the number of traders corresponds roughly to the rate of increase in rent, an average of 96.6% for the former and 90.1% for the latter, which would appear to confirm the validity of both sets of figures. In assessing the figures, however, it must be borne in mind that annual rents are given in current prices and that there has been some inflation

TABLE XII

Increases in Size of Bazars in Six* Thanas in East Pakistan1962-1967

Thana	Rate increase of rent	Rate increase of traders	Change in rent per trader
Baniyachang Sylhet	46.1%	23.5%	+ 15.4%
Godagari Rajshahi	98.9%	103.0%	- 34.3%
Kaliganj Jessore	85.4%	125.4%	- 37.7%
Muktagacha Mymensingh	215.9%	60.7%	+ 47.0%
Palasbari Rangpur	82.3%	140.9%	- 33.1%
Satkania Chittagong	52.5%	89.1%	- 28.7%

* Data was not available for two of the Thanas studied. In Baidyer Bazar Thana, Dacca, the Circle Officer (Revenue) had gone on sick leave and was absent from the Thana from the time of the first visit to the Thana in July through completion of work at the end of October, 1967. The records of market rentals were locked in his office and no key was available locally. In Babuganj Thana, Barisal, serious communal conflict had arisen in 1963. Until that time Hindu traders had controlled the marketing in the Thana. As a result of the conflict, many Hindus left the area and the trading system was disrupted. Records of market revenues were reported lost at that time and records for the subsequent period reflect only the rebuilding of the market structure.

over this period, as well as a population growth of approximately 2.4% per year.

There are two noteworthy observations on this question of market size. First, in one Thana, Baniyachang, growth in market size has not been commensurate with that of the other Thanas. Baniyachang is the Thana located in a haor or low-lying area. In monsoon season about 60 to 75% of the total land area of the Thana is submerged under several feet of water, and remains so for over six months. Settlements are all located on elevated areas to which people retire in the wet season. All traveling is done by boat. In this area there has been little road building under the Works Program. Much of the marketing is carried on through traders who travel about in boats. Here the market has experienced only limited expansion, though a few more farmers than before are taking their produce to markets, usually in one or two trips a year after the harvest season. Purchases of regularly required household items are still most frequently made from itinerant traders. This situation in Baniyachang would seem to provide further evidence that in the other Thanas roads have been the major factor in the increase in market size.

Second, a comparison of the rent for use of the market paid by each trader in 1962 with that paid in 1967 reveals, in four of the six Thanas, an annual 32% decrease per renter. This suggests that there is an increase in the number of small traders using the markets and a decrease in the number of large traders. With numerous small traders in the markets there is competition for the agricultural produce offered for sale by the farmers. Such competition represents a major departure from the monopsonist system

which has so long prevailed in the countryside. The two exceptions to this decrease in rent per trader are Baniyachang and Muktagacha, where rents have risen. In Baniyachang the variation can be attributed to the increase in large buyers of agricultural products. In Muktagacha, which is a center for the collection of jute for shipment to the mills, the increased rent in the markets for jute collection appears to have pushed up the average rent for all the markets in the Thana.

The data provided in Table XII, indicating that the rural markets have approximately doubled in size in the 1960's, substantiates the evidence contained in Table XI on the movement from a subsistence to a market economy and from itinerant trader and barter procedures to a monetized system. It seems clear that the rapid development of rural roads in the 1960's, providing access to local markets and ease in transporting goods in both directions, has enabled the farmer to discover the benefits of dealing directly in the market and has provided him with access to a knowledge of the world outside his immediate environment.

A strong trend toward a monetized rural economy has been initiated in the 1960's. New cropping patterns, direct use of markets, and access to new information and techniques can provide the farmer with the incentives and the means for increasing production. Such changes also strengthen the ability of the Government to promote agricultural growth. These trends and the consequent reorganization of the rural economy constitute an important step toward the modernization of agriculture in East Pakistan.

c) The Works Program's Drainage Program

Drainage projects have received only 5% of the total allocations of Works Program funds, yet the benefits have been particularly high, since

drainage projects are not difficult to implement and the Works Program form of organization is uniquely suited to this type of work. In a deltic plain like East Pakistan there are many depressions in the land where water collects and stands after rains or flooding. This can be corrected by simple gravity-flow drainage channels that carry the water into nearby waterways. Drainage canals can also serve as sources of irrigation or as minor waterways for transportation. Because these waterlogged areas are located at widely scattered points throughout East Pakistan, a decentralized effort, utilizing local knowledge, is necessary for identification of small projects. For a Government agency the identification would be difficult and the implementation of many small, widely scattered projects would be highly inefficient.

In the eight-Thana study it was ascertained that on the average a mile of drainage canal would drain 48 acres, an area 1 square acre in depth on each side of the canal. If the 11,123 miles of drainage canal built by the Works Program are multiplied by the 48 acres each mile of canal will drain, an estimated 533,904 acres have been drained by Works Program drainage projects. This constitutes 2.8% of the total 18.9 million acres of land under cultivation.¹ Farmers reported that waterlogged land usually produced about 1/3 of the normal per-acre yield, while after drainage, it produces as much or more than other land in the same area. If drained land produces the normal two crops at the Provincial average (1055 lbs. per acre for autumn rice--aman--and 990 lbs. per acre for summer rice--aus), the

1 Haroun ur Rashid, East Pakistan: A Systematic Regional Geography and its Development Planning Aspects (Lahore: Sh. Ghulam Ali and Sons, 1965), p. 113.

increase in output would amount to 1,364 lbs. per acre and 364,123 tons per year provincewide. This, in 1967-68, would represent 3.5% of total production.

This claim by the farmers that drainage increases production by 200% seems to be substantiated by the fact that drained land increased in value per acre by 326% while land values generally increased by 44%. Furthermore, drained land was usually valued at a price as high or higher than that of surrounding crop land without water problems.

The payoff on drainage programs in relation to the amount invested has clearly been high. Unfortunately, the opportunity for this type of work is limited by the number of areas where waterlogging conditions can be remedied by gravity-flow drainage canals.

d) The Works Program Flood Control Embankment Program

Five percent of the total Works Program funds have been spent on flood embankment projects. Table I (p. 26) provides an estimate of 3 million acres benefitted by the Works Program drainage and flood control projects. If the total number of acres drained, 800 thousand, is deducted from this figure, the remaining 2.2 million acres would constitute the number protected by flood control embankments. The benefits from embankments must be stated in terms of agricultural production saved and other losses prevented. Natural disasters, particularly floods, are an accepted part of life in East Pakistan. In 1961, 70.7% of the East Pakistani villagers responding to the Government's Sample Survey reported that they had sustained loss from natural disaster in the preceding year.¹ Although evidence from the eight-Thana study suggests that only 33% to 50%

¹ Government of Pakistan, Central Statistical Office, National Sample Survey (Third Round), 1961, Karachi, 1963, p. 27.

sustained such losses in 1966, floods and other natural disasters do cause widespread annual loss. This includes loss of homes, personal belongings, animals, farm supplies, and working time, as well as loss of crops.

In the deltaic plain of the Ganges and Brahmaputra Rivers, two of the world's largest, the problem of flood control is of major proportions. Satisfactory water control in East Pakistan will require massive works and billions of dollars. In such a situation, the Works Program can make only a limited contribution. Of the total land area of East Pakistan, 35.3 million acres, only 2.2 million acres or 6.2% have been benefitted by the flood control program of the Works Program. Yet the very immensity and seriousness of the annual flood loss makes the contribution of the Works Program embankments significant. It is estimated that the annual saving, as a result of their existence, amounts to Rs 100.4 million. (More detail on this calculation is provided in the cost-benefit analysis.)

In the earlier discussion of maintenance, it was indicated that the eight-Thana study found maintenance effected on only 75% of the embankments. Maintenance was poorest in the funnel-shaped delta area beginning at the northern and northwestern borders and coming down to that point in the southern border where the rivers empty into the Bay of Bengal. In this area the Works Program flood embankments have been sufficient to withstand minor floods, though when major floods have covered much of the area, the smaller earthen banks built by the Works Program have been partially or totally washed away. Some of these have been repaired and reconstructed and some have not, usually depending on how much protection they provided before they were damaged. Inconsistencies exist, however, and the eight-Thana study revealed that in some cases embankments which had provided important

protection, but which had subsequently been washed away, had not been replaced.

During the study the value of the embankments to one Thana was emphatically demonstrated. Satkania Thana in Chittagong District lies in the coastal belt between the Chittagong Hill Tracts and the Bay of Bengal. Through Satkania flows one major river, the Dalu, and several minor ones. These can build up to flood stage in 24 hours if there are rains in the Hills. One hundred seventy miles of embankments have been constructed by the Works Program in Satkania. When the Thana Council was slow in repairing a section of a Works Program embankment along the Dalu River which had washed away, the inhabitants of the area repaired it themselves at their own expense. In August, 1967, 36 hours of heavy rain caused the Dalu River to rise 14 feet to a level only one foot below the top of the embankment. Without the embankment the entire Thana headquarters would have been under several feet of water and huge losses would have been sustained. The savings in this one situation alone undoubtedly more than offset the cost of the embankment.

The embankments make critical contributions in some areas, particularly those outside the main delta. In the delta area, embankments are of limited local value. Part of the Works Program investment cannot therefore be fully justified until it becomes coordinated with a larger flood control scheme. When such a scheme exists, the Works Program will be a highly efficient means of constructing small, local embankments which are an integral part of the over-all water control plan.

e) The Impact of Works Program Expenditures

The cash wages paid to laborers on Works Program projects have amounted to Rs 452 million (\$94.5 million) in the five years of the program.

The consumption preferences of 120 laborers in using these wages is indicated in Table XIII.

Table XIII

Use of Works Program Wages by Laborers on Projects

Food	74%	Transport	1%
Payment of debts	10%	Education	1%
Manufactured household items8.5%	Land0.5%
Agricultural supplies	5%		

What effect have these wages had upon the economy of East Pakistan? One of the goals of the program was to provide a new demand for food items, thereby creating the absorptive capacity for increased P.L. 480 imports while concurrently raising the level of nutrition among the poorest and most undernourished rural people and increasing their productive capacity as laborers. Table XIV shows the increase of wheat imports from 1958 to 1967. During the same period the import of other food grains remained approximately constant.

If 74% of the Works Program wages from 1962 to 1967 was spent on food commodities, it means that Rs 334.5 million was spent on food during the period. From 1962-63 to 1966-67, 3,173 million tons of wheat were imported. This was sold at Rs 16 per maund with total sales over the period of Rs 1,237.5 million. The total expenditure of Works Program wages on food, if spent on P.L. 480 wheat, would represent 27% of the total wheat sales. While it is obvious that not all the food expenditures from Works Program wages were for wheat, the great increase in wheat imports suggests that Works Program wage payments did help create a demand for the new wheat imports. However, the

Table XIVWheat Imports into East Pakistan under P.L. 480, 1958-1967*

<u>Date</u>	<u>(in 000 tons)</u>
1958-59	87
1959-60	148
1960-61	234
1961-62	202
1962-63	894
1963-64	656
1964-65	250
1965-66	543
1966-67	830

* Figures are from the Government of Pakistan, Ministry of Finance, Economic Survey of East Pakistan, 1966-67, Table 2, p. 46.

population grew by 9.5 million from 1960 to 1967. Considering this, the per capita food grain consumption did not rise rapidly during the period. Although the strategy of P.L. 480 commodities plus a Works Program may, therefore, not have contributed to a broad rise in nutrition standards, it did prevent a decline in a period of rapid population growth, and undoubtedly improved the nutritional position of the poorest class of people, the landless agricultural laborers.

In addition to food, there were also important expenditures from Works Program wages on manufactured goods. Using Table XIII, if 10% of wages are spent on payment of debts, it can be estimated that the creditors saved 10%, spent 50% on food or other non-manufactured goods and spent the balance, 40% of the debt payments or 4% of the total rupee wages, on manufactured goods. This is in addition to the 0.5% of wages spent directly

on manufactured goods. Approximately half or .05% of the transport expenditure may have been for bicycles, rickshaws or other manufactured vehicles. Of the 5% spent for agricultural supplies, approximately 3/5 may have been spent for fertilizer, equipment or other manufactured supplies. If these estimates of expenditure patterns are correct, a total of 15% of Works Program wage payments or Rs 67.8 million represented additional demand for manufactured goods over the five-year period. This is Rs 13.6 million annually, an appreciable but not important addition to total demand.

The effects of the direct, non-labor expenditures of the Program must also be calculated. These have amounted to Rs 258 million (\$54.5 million) or Rs 52 million annually. If the foreign exchange component of these costs, 7.5% of total expenditures or Rs 10.6 million annually¹, is deducted from expenditure on domestic manufactured goods, it can be assumed that the Works Program creates an average annual demand of Rs 41.4 million for domestic manufactured goods.

If the total demand for domestic manufactured goods is calculated by combining the demand from wages, Rs 13.6 million annually, and the direct net demand for materials of Rs 41.4 million, it can be stated that the Works Program creates an annual demand for Rs 60 million in domestic manufactured goods. In 1964-65, the manufacturing sector contributed Rs 1,504 million to the gross domestic product of East Pakistan. The annual demand for manufactured goods created by the Works Program would represent 4% of this amount, a small but significant stimulant to domestic manufacturing.

¹Richard V. Gilbert, The P.L. 480 Programme for the Third Plan (Karachi: mimeograph, March 9, 1964).

Finally, two minor points should be mentioned. First, the foreign exchange scarcity has represented a major constraint on the size of Pakistan's development program. One advantage of the Works Program is that it uses little foreign exchange. Very rarely does a nation have developed projects which have such a low foreign exchange component. Second, no mention has been made of the indirect stimulation of the economy resulting from the multiplier effect of Works Program expenditures. The multiplier is low in wage payments because of the large percentage of these wages spent on P.L. 480 commodities, but in all other uses it would be as high or higher than average since savings rates are apt to be low in the very poor rural areas. If first and second round multiplier effects were included, the addition to effective demand resulting from the Works Program would increase further.

f) Works Program Employment Effects

One of the principal purposes of the Works Program was that of creating employment. The agricultural labor force (77% of the total labor force) in 1961 was estimated at 14.9 million persons; and voluntary and involuntary unemployment was estimated at 33% of total available man days.¹ To alleviate unemployment of these proportions, government action was necessary. The quickest and cheapest means of creating new employment was through a Works Program.

Table I (p. 26) gives the figures for employment as modified by the eight-Thana study. If these estimates are converted into man years, on the basis of 240 working days per year, the Works Program has created 866,000 man years of employment in a five-year period. At the average level of expenditure for the Works Program, this represents 173,200 man years of employment annually. Although this seems an impressive figure, employment on this scale would mean a mere 3.4% decrease in annual agricultural unemployment, given the magnitude of the problem in East Pakistan.

¹ Wouter Tims, Employment by Regions and Sectors, 1950-1985 (Karachi: mimeograph) June 11, 1965, p. 2.

The employment figures for the Works Program are somewhat deceptive in that they understate the real impact of the Works Program on rural unemployment. In East Pakistan, unemployment is primarily a seasonal phenomenon. During the planting and harvesting seasons, which occur four times a year, it is rare to find anyone physically able and desiring work who is without employment. Between these seasons unemployment rises, particularly among the landless agricultural laborers who have no full-time employment. At these times unemployment probably rises to a figure between 30% and 40%. After the harvest of the fall crop comes the slack season, January to May. During this interval, when there is no rain and when the temperature reaches its annual peak, there is almost no agricultural activity, and unemployment probably reaches 60% to 70% of the agricultural labor force. Wages earned at other times of the year are insufficient to sustain workers through this period. If, however, they can find employment for part of this time, most can manage to get through to planting time in May. It is in this peak period of unemployment that the effort of the Works Program is concentrated. The Program does not provide year-round employment, but employment for the three or four months, January to May, when it is most needed. Because this employment is concentrated within this short period, many more workers are employed than the figure of 173,200 annual man years of employment would indicate. Calculations based on the eight-Thana study indicate that the Works Program employs from 600,000 to one million men annually for period varying from two weeks to four months. Thus, the Works Program employment, concentrated as it is in the slack season, does spread the benefits of the program more broadly than the figure for the total man years employment would suggest. If second round, or indirect employment benefits could also be calculated, the impact would be even greater.

The Works Program is, as claimed, an important measure in relieving unemployment. Although it is only a partial solution to the unemployment problem, it does provide a substantial increase in income for .6 million to one million laborers annually, and it has, therefore, relieved the most serious social inequities and political pressures resulting from the unemployment situation.

In addition to employment data, the study of the eight Thanas sought data on wages in the rural areas and their fluctuation over the period from 1960 to 1967. This data proved to be both interesting and suggestive.

In the late 1950's and early 1960's, the employers of unskilled labor in the slack season, primarily construction contractors and brick makers, employed only a small number of laborers and paid an average wage of Rs 0.75 (U.S. \$0.15) per day. This is a subsistence wage in East Pakistan, barely sufficient to cover the cost of the worker's food. At the inception of the Works Program in 1962-63, wages for unskilled labor on the Works Program were established throughout East Pakistan at Rs 1.50 to Rs 2.00 per day, which was higher than the going wage. There are two likely explanations for this. First, it may have been politically unacceptable to elected members of the local councils, who were administering the program, to set wage rates at the minimal level. Second, these rates may have been necessary to attract laborers in the numbers that were needed for the Works Program.

Evidence indicates that by 1967 wage rates in the slack season had increased in both Works Program and non-Works Program employment. In the Works Program the average daily wage for unskilled labor had increased to Rs 2.00 or Rs 2.50 with the latter figure being the most common. Outside the Works Program, wages ranged between Rs 1.75 and Rs 2.25. Non-Works Program employers indicated that the increase was necessary in order to compete in the labor market with the Works Program, though they now have no difficulty in obtaining labor at wage rates slightly below those of the Works Program.

Analysis of this overall increase in rural wages is revealing. It is clear that the Works Program has not absorbed most of the unemployed labor, thereby bidding the price of labor up, for despite the Works Program there is still considerable unemployment in the slack season. Furthermore, the

labor market in rural East Pakistan is far from perfect, and wages are influenced as much by institutional factors as by competition.

Another explanation might be a general rise in wages throughout the economy. It is difficult to get reliable data on wages. The most recent data is in a study of real wages in Pakistan from 1954 to 1964, which shows that between these dates real wages in industry in East Pakistan declined, while money wages remained nearly constant.¹ The only guidance available for the period after 1964 is the knowledge that the Government's policy was to hold industrial wages down as an encouragement to industrialization. It may, therefore, be assumed that industrial wages did not rise by much during the period. Therefore, the increase in rural wages was not part of a general upward trend in wages but a result of conditions in the rural areas.

The best explanation of the increases in rural wage rates, consistent with the available information, is that there are a limited number of laborers prepared to work at near subsistence wages and that the Works Program has engaged most of these. In the slack season there are varying degrees of need among the unemployed, who can be divided into three groups. First, there are unskilled laborers who own no land and have no regular occupation. Some in this group are sufficiently desperate to accept employment at subsistence wages. The remainder will work for very low but not subsistence wages. Second, among slack-season unemployed are those who have small plots of land, usually less than one acre, or who have some irregular employment such as pulling a bicycle rickshaw. This group will accept work if wages are reasonable but will not work at subsistence wages. The third group of slack-season unemployed are farmers with one or more acres of land, or those

¹Asizur Rahman Khan, "What Has Happened to Real Wages in Pakistan?" Pakistan Development Review, Vol. VII, No. 3 Autumn, 1967, pp. 317-347.

who have regular employment but have been temporarily laid off. This group, even though unemployed at the time, will not usually accept hard, unskilled labor unless wages are extraordinarily high.

The wage data suggests that most of those in the first group have obtained work in the Works Program. Many in the second group, which is larger, also work on the Works Program projects, but not all in this group who seek jobs are thus employed. As a result, the non-Works Program employers can no longer find laborers to work at subsistence wages, and have been forced to pay what are approximately "going" rates in order to attract a sufficient number of workers from the second group to meet their labor requirements.

Assuming the validity of this explanation of the changes in the rural wage rates, the Works Program has performed an important service in eliminating the use of subsistence wage rates and in providing regular work at reasonable rates during the three to four month slack season, for the lowest economic group, which previously worked, if at all, for a daily wage of Rs .75. If there are 70 working days in the slack season, and a laborer can now earn Rs 2.00 rather than Rs .75, his income for the period has increased by Rs 87.50, an important addition for members of a group in which per capita incomes are approximately Rs 200 per year.

g) Community Buildings

Approximately 15% of the Works Program funds have been used for the construction of community buildings. Possibly the most important contribution of these buildings is their physical representation of the whole new system of organizing rural development. At the Thana level, Thana Training and Development Centers have been constructed. These provide, for the first

time, centrally located offices for representatives of the Departments of Government concerned with rural problems. The Centers, in increasing numbers, are serving as storage depots for agricultural supplies and are providing accommodation for banks, credit unions and other sources of rural credit. Pump maintenance and repair facilities for the Thana Irrigation Program are being located there.

While the effectiveness of the community buildings in fulfilling the purposes for which they have been intended cannot yet be measured, it is possible to determine the comparative costs of building them under the Works Program or directly under the aegis of the Government. During the period of the Program, a total of Rs 96.7 million has been spent on community buildings. Of this 27% or Rs 26.1 million was used to purchase land on which the buildings are located, and Rs 70.6 million has been spent in actual construction costs. Assuming that 3,195 buildings have been constructed (see Table I and discussion on page 27), it is estimated that the average expenditure in construction of a building has been Rs 22,097.

The Performance Report of the Works Program for 1965-66 gives complete details concerning buildings, including the number of square feet per building. The average building constructed by the Works Program contains 1,596 square feet of floor space. This represents a cost of Rs 13.84 per square foot of floor space. The Works Program uses standard Government plans for the construction of Union and town community centers, which estimate building costs at Rs 21 per square foot. The saving in the Works Program costs is achieved by the absence of supervisory costs and contractor profits and, occasionally, by the donation of supplies. If one calculates from this the saving of Works Program construction over the standard construction, the sum saved is Rs 35.7 million.

Through the Works Program, a new and effective form of organization has evolved. Community buildings are an important part of this organization and are symbolic of the Government's new goals. The contribution of the buildings cannot be measured, but the importance and contribution of the community buildings can be understood in terms of the successful organization that East Pakistan has evolved for its rural development program.

A Benefit Cost Analysis of the Works Program

Many have considered the justification for the Government of East Pakistan's investment in the Works Program to be its general stimulus to the economy, the employment created, the demand for P.I. 480 commodities or the social and political benefits to be reaped from a program that touches a large percentage of the population. As a result, there have been continuing doubts as to whether the investment in the Works Program has been productive in economic terms. These doubts were given official expression by the Planning Commission when it became necessary to revise the Third Plan. In the process of cutting the Plan allocation for the Works Program from Rs 2,500 million to Rs 1,820 million, it was stated that "efforts will be made to devise a more directly productive programme ..."¹ As this analysis suggests, however, there are some directly productive returns from the Works Program. Before concluding, it would be useful to analyze the Works Program as an investment by comparing the benefits and the costs.

In the section on the development benefits of roads, the transportation savings for farmers carrying agricultural goods to market were calculated. From these figures it is possible to calculate the total annual savings in East Pakistan from Works Program constructed roads. Rice production in 1967-68 was 10.6 million tons, jute production was 1.2 million tons and sugarcane 7.6 million tons.² Approximately 80% of the rice is normally consumed at the farm end 20% is marketed. All of the jute and 90% of the sugarcane are marketed, since they have little value before they are processed. Therefore, roughly 2.1 million tons of rice, 1.2 million tons of jute and 6.8 million tons of cane are marketed annually,

¹ Government of Pakistan, Planning Commission, Revised Phasing, Sectoral Priorities and Allocations of the Third Five Year Plan, 1965-70. Rawalpindi, March, 1967.

² Central Statistical Office, C.S.O. Bulletin, Karachi, August 1968, Vol.16, No.8, p.1492.

a total of 10.1 million tons of produce. It is estimated that 75% of the rice marketed travels on Works Program roads. Because jute and cane are grown in drier areas, the percentage carried by road is higher for these products than for rice, approximately 90%.¹ Calculated on the basis of these percentages, 8.7 million tons of agricultural produce move over Works Program roads annually. Assuming that these crops must travel only to secondary markets, there to be transferred to non Works Program roads or to boats, Works Program roads have reduced transportation costs from farm to secondary market by Rs 18.11 per ton and the total annual saving on marketed produce would be Rs 157.5 million.

From these savings of Rs 157.5 million annually must be deducted the loss of production from the land taken from agriculture for roads. In East Pakistan all roads must be built on embankments. To build roads from 10 to 23 feet wide (Thana Council roads are usually 15 feet wide and District Council roads 23 feet) embankments must be from 14 to 27 feet wide at the base. The average road is 15 feet wide or 19 feet including the embankment, which means that every mile of road takes, on the average, 2 1/3 acres of productive farm land. On this basis it is calculated that 42,297 acres of farm land have been lost to roads since 1963. If two rice crops could be grown on this land annually, at the average yield for the province, and a third crop grown on 5% of it, the provincial average, the roads have resulted in the loss of production of 44,155 tons of rice annually. Calculated at the 1967-68 market price for cleaned rice in secondary markets, Rs 25 per maund (82 pounds), this would amount to Rs 26.8 million annually. If this is deducted from the road-user savings, the net benefit from the

¹ The percentages are based on statistics on cropped areas given by Haroun ur Rashid, op. cit. p. 179-192.

roads is Rs 129.5 million annually.

This calculation understates the benefits from roads, since it does not include the savings on goods moving from the market to the farm, which would also be substantial, although not so large as the figure for produce taken to market, since manufactured goods used in the rural areas are of smaller bulk and weight than unprocessed agricultural produce. In addition, no attempt has been made to quantify the development benefits resulting from the roads described in the previous section.

Increased production resulting from Work Program drainage projects was estimated at 364,123 tons annually. Figured at Rs 25 per maund, this amounts to Rs 221.2 million annually. Since the drainage is gravity flow and since the production increase is calculated without the inclusion of any new inputs, there are no additional costs to be deducted from these benefits.

The calculation of the annual benefits resulting from flood protection embankments constructed by the Works Program is more crude than the estimates for roads or drainage. First, it is not possible to determine how many of the acres benefitted are agricultural lands and how many are population centers. This distinction could be important because the potential loss in a human settlement is higher than that on agricultural land. Second, the only available estimates of annual flood losses in East Pakistan, or even of the losses in the areas subject to recurring floods, are probably based more on informed guess than on hard data. This calculation is based on information contained in a study by the Planning Department on flood damage in East Pakistan, the only data available.¹

1 Government of East Pakistan, Flood Damage and Damage Due to Other Causes, Planning Department, Agricultural Planning Group, undated mimeograph.

Serious flooding in East Pakistan occurs at approximately two-year intervals. Major floods occur less frequently. Calculating from the Planning Department report, the biennial floods damage 6 million acres of land that are not affected by normal monsoon-season high water. The losses due to the biennial floods amount to Rs 710.2 million, or Rs 355.1 annually.

The eight-Thana study provides the estimate that 2.2 million acres are benefitted by flood embankments but that only 75% of the embankments are maintained, which reduces the area benefitted to 1.7 million acres. This area is 28.3% of the land most susceptible to flood damage. Therefore, if 28.3% of the annual average loss from flooding (Rs 355.1 million) is calculated, the resulting figure, Rs 100.4 million, is a rough estimate of the annual savings from the Works Program flood embankments.

On the basis of these calculations of benefits, it is estimated that the annual benefits from Works Program projects -- roads, drainage, and embankments -- amount to Rs 464.1 million annually.

From the gross benefits must be deducted the annual maintenance costs of Works Program facilities. In the eight Thanas, Councils were asked their average road maintenance costs; the average of these for the eight Thanas was Rs 560 per mile per year. This amount was multiplied by the total number of miles of road built and repaired under the Works Program with a resulting figure of Rs 56.6 million in maintenance costs in 1966-67. Farmers also reported that drainage canals silted up in about five years. Therefore, the annual maintenance cost of these canals was calculated at 20% of the total cost of the canals, with a resulting figure of Rs 4.4 million. Since flood embankments are similar to roads and often are used as roads, it has

been assumed that the maintenance cost of embankments is the same as that for roads. Since only 75% of the embankments have been maintained, the cost of maintenance, Rs 560 per mile, was calculated on 3/4 of the total miles of embankments built or repaired under the Works Program. The resulting figure is Rs 3.8 million spent on annual repairs to embankments. These calculations produce a figure of Rs 64.8 million in total maintenance costs annually. Although maintenance costs are taken from both the Works Program allocations and from funds provided by local councils, it has been assumed for purposes of this analysis that the total maintenance costs are provided by the local councils. They are therefore deducted from the benefits, and the Government's annual investment in the Works Program is assumed to contain no maintenance component. On this basis the net annual benefits from Works Program roads, drainage and flood control embankments are estimated at Rs 399.3 million from 1966-67 on. The benefits and maintenance costs are summarized in Table XV.

Although 15% of Works Program funds have been spent for construction of community buildings, it is difficult to demonstrate any direct economic benefit from this construction. For this reason nothing has been included in the benefits calculations for the buildings. Nevertheless, the construction costs have been included in the cost figures, since community buildings, in various ways, e.g., by providing a meeting place for Councils planning the Works Program, may have helped make possible the other benefits.

Since this analysis is computed in 1967-68 constant prices, while the program began in 1962-63, it is important to ascertain whether inflation

TABLE XV

Calculation of Net Annual Benefits from Works Program Projects
(in million Rupees)

Benefits

1. Road user savings (for carrying agricultural produce only)	157.5	
Less production loss, land used for roads - 44,155 tons	- <u>26.8</u>	130.7
2. Increased production from land drained		221.2
3. Flood protection: 1.7 million acres		<u>100.4</u>
		452.3

Less Maintenance

Roads @ Rs 560 per mile		56.6
Drainage, re-excavation every 5 years		4.4
Embankments 7168 miles maintained @ Rs 560 per mile		<u>3.8</u>
		64.8

Net Annual Benefits from R.W.P. Projects

Rs 387.5

during this period may have distorted the results. This does not appear to be the case: the general price index for East Pakistan in January, 1963, was 106, while in January, 1967, it stood at 115. This is minor inflation and not sufficient to distort the results.¹

Although the marginal productivity of labor is very low in the rural areas during the December to May slack season, no attempt has been made to calculate the labor cost at less than the actual financial cost. An attempt to establish the opportunity cost of labor at a rate lower than the wage cost would considerably increase the ratio of benefits to costs. Since the establishment of a shadow wage rate would be arbitrary and since the benefit cost calculation would not then be fully representative of the financial cost of the program, shadow wage rates have not been introduced into the calculation.

The costs of the Works Program are taken as the Government's annual investment in the program. For purposes of the analysis, because the future Works Program allocations are not known, this benefit/cost ratio is calculated as if the Government investment in the Works Program had ended in 1966-67. The benefits from road, drainage and irrigation projects calculated for the year 1966-67, Rs 399.3 million, are taken as a starting point. It is assumed that these benefits have grown at 20% or Rs 79.9 per year at a constant rate, since the inception of the program, to reach their present level. From these benefits maintenance costs have been deducted on the same basis. From 1966-67 on, it is assumed that there will be only maintenance costs, and these are deducted from benefits. A constant rate of maintenance is assumed, but as a corollary to this, it is further assumed that despite the maintenance, the facilities constructed by the Works Program will have a productive life

¹Government of Pakistan, Central Statistical Office, Statistical Bulletin, January, 1967, Karachi, p. 112.

of only 10 to 15 years. That is, the facilities constructed in 1962-63 are assumed to have a 15-year life; those constructed in 1963-64, a 14-year life, and so on to 1966-67, the last year of investment in this analysis. The facilities constructed in that year are assumed to have only a 10-year life even with maintenance. For this reason, the calculation of benefits terminates in 1976-77, although the benefit stream theoretically continues somewhat longer.

Setting an appropriate discount rate for East Pakistan is somewhat arbitrary. There seems to be general agreement that it should be somewhere between 8% and 14%, as a reflection of the scarcity value of capital in that area. The Planning Commission suggests that 12% is appropriate in Pakistan, and this rate has been used for discounting both the benefits and the costs. Table XV shows the calculation of benefits, maintenance, and net benefits. Table XVI shows the calculation of the streams of discounted costs and benefits and the resulting benefit cost ratio of 4.0. To test the sensitivity of this analysis to the discount rate used, calculations were also made at discount rates of 8%, 10%, and 14%, which produced ratios of 4.70, 4.30 and 3.70 consecutively. These results indicate that regardless of the discount rate used, there has been a good return, in economic terms, on the Works Program investment.

Table XVII

Benefits and Costs of the East Pakistan Works Program
(Million Rupees -- 1967-68 Constant Prices)

Year		Gross Benefit	Maintenance Cost	Net Benefit	Benefit Discounted @ 12%	G. of E.P. Investment in W.P.	Cost Discounted @ 12%	
0	1962-63	90.4		90.4	90.4	100	100	
1	63-64	180.8	16.2	164.6	146.9	200	178.6	
2	64-65	271.2	32.4	238.8	190.3	140	111.6	
3	65-66	361.6	48.6	313.0	222.8	120	85.4	
4	66-67	452.3	64.8	387.5	246.4	150	95.4	
5	67-68	"	64.8	"	219.7			
6	68-69	"	64.8	"	196.4	Total Cost	571.0	
7	69-70	"	64.8	"	175.1			
8	1970-71	"	64.8	"	156.5			
9	71-72	"	64.8	"	139.8			
10	72-73	"	64.8	"	124.7			
11	73-74	"	64.8	"	111.2			
12	74-75	"	64.8	"	99.5			
13	75-76	"	64.8	"	88.7			
14	76-77	"	64.8	"	79.4			
		Total Benefits			Rs	2287.8		
		Benefit/Cost Ratio: 4.0						

The Works Program: The Contribution, Critics and Future Prospects

The evidence of the contribution of the Works Program to East Pakistan's development is overwhelming. It is possible to quarrel with specific numbers, details, or statements, yet the conclusion is inevitable: the Works Program has been a successful development program. It has strengthened the developing political fabric of Pakistan by providing local governing bodies with the resources and authority to govern in their own areas and by establishing a basis for participation of the populace in the activities of the nation. It has contributed to political stability by providing employment and a sense of progress in the rural areas. It has accelerated economic growth by directly and indirectly generating increased agricultural output, by providing a stimulus to the economy and by creating facilities that offer some protection against the natural disasters that are endemic to the area. In economic terms, it has given a very satisfactory return to the investment. It has provided a vehicle for the creation of a new administrative system that holds high promise for implementation of future rural development programs that will be essential to the further progress of East Pakistan.

Despite its clear success, the Works Program remains controversial. Opposition to the Program is usually articulated in some combination of three themes: first, that the Works Program is a technique for dispensing political patronage, thus assuring government control of the rural areas; second, that the Program's funds are misused and serve primarily to enrich local officials;

and, third, that investment in the rural areas, the backward sector of the economy, is unproductive and constitutes a social welfare program rather than a sound investment for development.¹

While this analysis of the Works Program provides ample evidence that these claims have little basis in fact, it is important to be aware of the sources of opposition to the program. One source of criticism is the political opposition to the present Government, which is strongest in East Pakistan. Naturally, any successful development program that induces widescale participation and provides a large majority of the populace with a sense that, after long neglect and stagnation, their area is receiving resources and progressing, generates support for the Government originating and sponsoring such a program.

Another source of derogation is the urban residents and elite (often synonymous with the Opposition in Pakistan today), a minority of less than 6% of the Province's population who have benefitted from the past priority in the nation's development program on the urban, industrial sector of the economy. This group sees the Works Program and the Basic Democracies system as an important shift of economic resources and political power to the rural areas, making Government less responsive to urban demands. Despite the fact that such a trend is entirely consonant with the democratic principles the urban elite espouses, the programs which implement such a shift inevitably provoke their criticism.

Finally, criticism of the Works Program results from the fact that it is an innovation, a break from the colonial tradition of administration inherited by Pakistan. Innovation may be expected to be controversial,

¹This opposition is well summarized in the report that "The bitterly disaffected and virtually disenfranchised clerks, students and professionals of East Pakistan's towns and cities tend to see it /the Works Program/ as one gigantic patronage system with the Basic Democrats ... as the main beneficiaries. See Joseph Lelyveld, "Pakistanis vexed by Rural Bosses," New York Times, August 4, 1968, p. 12.

particularly when it has important implications for the allocation of administrative authority, political power and national resources. The Works Program represents a shift away from centralized administration, a devolution of power designed for the purpose of implementing Pakistan's development goals. Such shifts inevitably arouse the antagonism of those who perceive a diminution of their own authority as a result. This group questions the growing role of the Thana Council and the Circle Officer (Development) in the planning and implementation of the nation's development program. The doubts most often expressed by this group concern the administrative competence of those without formal training. They fear also the intrusion of political considerations on technical and administrative decisions. Although the performance of the Works Program has removed the basis for these doubts, the concerns are still voiced.

Considerable attention has been devoted to a discussion of the potential of the Works Program for the future; the necessity remains, however, to define that future role. The Works Program must continue for the next few years if only for the creation of employment. It has been first and foremost a program for the landless and the very small farmer; the necessity to support this group in the short run remains.

The next immediate step in rural development for East Pakistan is the Expanded Works - Thana Irrigation Program, which is designed to help the small to middle-size farmers who farm 80% of the Province's agricultural land. It is being launched in 1968-69 after two years of pilot projects, first in Comilla District and subsequently throughout the Province. Thirty-five million rupees have been allocated for the Program in each of the next two years.

The pilot program was carried out in ten Thanas. In Baidyer Bazar, one of the Thanas, 24 irrigation schemes were undertaken, irrigating a total of 1,107 acres. Previously all this land had lain fallow during the winter season. With irrigation, 36,050 maunds of rice were produced on this land, which sold at an average price of Rs 20 per maund, producing a gross benefit of Rs 721,000. If the total cost to the farmers and the government in producing this crop, Rs 275,650 (of which Rs 25,000 is the total allocation from the Provincial Government), is deducted, a net increase in incomes of Rs 445,350 resulted from the irrigation project. The plans for 1968-69 include 80 irrigation schemes in Baidyer Bazar, and there are still areas suitable for irrigation which are not included in this plan. Thus, the potential for raising agricultural production through irrigation in Baidyer Bazar is high. The only Thana in which the pilot irrigation program was not successful was Jhikargacha Thana, Jessore District, where the rules for payment were not followed and differences of opinion on payments caused the system to break down.

Although the original concept of the Works Program included irrigation, that component of the Program was originally abandoned because of numerous problems: establishing small sub-Union pump groups; setting the order of priority for receipt of water; establishing a reasonable system of payment that would neither be onerous nor total subsidy; obtaining, operating and maintaining the pumping machines; and arranging for the drilling of tube wells where surface water is not available. Through the evolution of the system of administration for the Works Program and through experiments, solutions to these difficulties have been found.

The potential payoff from irrigation is high. Lowlift pumps can, by raising the water in East Pakistan's ubiquitous rivers or shallow tube-wells a few feet, make it available to much of the farm land of East Pakistan in the dry season, from November to May, and thus permit another rice crop per year. By so doing, the irrigation program can create new agricultural employment opportunities in the slack season of sufficient magnitude that within a few years the Works Program may no longer be as essential for the creation of employment. Irrigation facilities can also reduce losses from the vagaries of weather to the two crops already grown. Such facilities can permit an earlier planting of the aus (summer) crop and a later planting of the aman (fall) crop, thus avoiding much of the flood season. It is estimated that irrigation can produce an additional winter (boro) crop on more than 2.5 million acres. The boro crop would be the surest crop because the sunny, dry weather is constant. Boro also has the best yield of East Pakistan's three crops. Using agricultural technology now practiced in East Pakistan, it is estimated that the production of a third crop has the potential to boost East Pakistan's rice production by approximately two million tons or 20% when by 1975 it has expanded to all areas with irrigation potential.

After the Thana Irrigation Program is launched, what priorities should the Works Program receive? The answer is complex. East Pakistan now has the basis for an adequate rural road network. This should be completed, and the full network maintained. The Works Program provides a means for improving these roads by hard surfacing so that trucks can be used for farm to market hauling. This advance should wait until improvements in rural credit facilities and the marketing system make it economically attractive. With the Thana Irrigation Program, drainage will become even more important. The Works Program is ideally suited for this work and this activity should be

expanded. Flood control embankments, except as a part of a larger water control scheme do not appear to have a high priority.

Considerable thinking in East Pakistan has been devoted to determining other types of development activity the Works Program organization could be used to implement. The possibility of a School Works Program has been tested in Comilla and appears to have potential. It would permit the local Councils, on the basis of established criteria, to decide to build schools in their areas. A school could be built by a local council and operated jointly by the local council and by the Provincial Department of Education. Other programs have been analyzed and tested, in varying degrees, at Comilla: schemes for improved rural credit, for improved storage and marketing facilities, for rural electrification, and for rural mechanical facilities to grow out of the mechanical shop to be established at the Thana Training Development Centers. The development of storage and market facilities will be urgently needed if the Thana Irrigation Program increases agricultural production to anticipated levels.

In concluding, one must ask why the Works Program has been successful? Much of its success can be attributed to the fact that it was carefully designed and implemented to meet the development needs and specific requirements of the Second Plan. It was also focused on the necessity of promoting increased agricultural production through the creation of basic rural infrastructure and the priority need to create new employment in East Pakistan.

Moreover, the concept behind the Works Program is not static; it is a dynamic form of organization that can be used to promote rural development in many different forms. The administrators have eschewed the temptation to infuse the Program with any ideological content or to surround it with

a particular mystique and have, as a result, evolved a flexible and effective instrument of rural development.

East Pakistan's Works Program does not offer others a fully usable model for a rural development program. All countries seeking to increase agricultural production and to improve rural living standards and facilities are confronted with the necessity of organizing rural development programs. Yet an effective form of organization in the rural areas is frequently elusive. Attempts to find one have been legion; the failures almost as numerous. Schemes range from collectivization and forced labor to community development programs. The problem and the goal are always the same: to influence, mobilize and motivate millions of individuals whose decisions will determine the success or failure of the rural development enterprise. The organization of the Works Program, effective in East Pakistan, may be a useful guide to other nations.