

## Yet Another Bureaucracy ?

**A**N *Economic and Social Service*\* is the title of a well-reasoned, though somewhat evangelical, essay from the versatile and learned pen of Professor D. P. Mukerji of the Department of Economics and Sociology of the Lucknow University. Though fully alive to the evils and defects of bureaucracies, he believes that when a State becomes "genuinely positive" bureaucracy becomes truly creative, and that in the present context of Indian history the institution of an Economic and Social Service, in the place of "the dozen economists and the hundred statisticians at the Centre", is calculated to help Government out of the morass of inefficiency and wasteful and outworn methods of administration (and even corruption) that is plainly visible to all, by providing much-needed informed advice and co-operation in the different fields of its administration. According to the author the functions of the Service advocated by him would be

- (a) to collect useful information and statistics,
- (b) to advise Government and its offices from time to time in their policies and undertakings and
- (c) in certain cases (as in carrying out plans for settlement of refugees) to discharge executive functions.

He has envisaged a Staff College for recruits to the Service, refresher courses as in the Medical Services and at the top an Economic General Staff, with its own Secretariat, at the service of the Ministries. He has referred to recent instances of economic advising in other countries, the Economic Planning Commit-

tee set up in Great Britain and the arrangement that obtains in India, more or less on the British model ("but without a Cripps"), viz., an economic committee of the Cabinet, with a separate statistical unit, and an economic co-ordination committee.

This is no doubt a very natural reaction of the professor's orderly mind and intellectual outlook to the prevailing defects and incompetencies of the administration, which according to him are largely attributable to ignorance, lack of training and lack of proper advice based on the use and practice of the economic and sociological precision tools of analysis and research. But the proposals made in his thesis inevitably raise large questions. The common man may be excused for not sharing with the author his faith in the efficiency of a Service such as he envisages for curing the ills that the body politic is suffering from and for ensuring its future health. He has himself confessed, "The truth of the matter is that the modern tendency of all Governments is to treat all types of information, including the economic, as a political instrument."

It is notorious that as a rule an economist is wise after the event; at any rate, hardly any Government would pay much attention to the inferences and prognostications of an economist, as to trends and tendencies, if they reflect adversely upon the prevailing policy, until it is too late.

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Secondly, it is really not the business of an economist to stray into the realm of ends, which, with a State, are generally political and ideological ends. But there can be no question that it is always better to work in light than in the dark; knowledge and information are always better than ignorance. The present policy of Government is to appoint *ad hoc* Committees, e.g., the Fiscal Commission and the Commission for National Income, or to refer specific questions to a more permanent body like the Tariff Board. In the present context (and also in others) that may be a more advantageous procedure than the one the author has proposed. But Prof. Mukerji is, no doubt, pleading for a long view.

In England the organisation set up for economic planning has been largely modelled on the Defence organisation in the last war, the idea of an Economic General Staff, i.e. a body of experts who were not responsible for the implementation of their advice, being definitely rejected. It has been found from experience (also confirmed by the failure of the German military system *Oberkommando der Wehrmacht*) that if the men who would be responsible for carrying out an approved policy are not brought together in the Centre to formulate the plans, they are likely to be unworkable and unrealistic. This is further illustrated by the failure of the now defunct Planning Department of the Government of India; and this is a lesson which should be borne prominently in mind in devising schemes of the nature proposed by the author.

The problems, how Economic Planning is to make use of the best economic talent available in the country, what should be the

exact relationship between such talent and the working of the different departments of the administration and how such talent is to be fostered in the interests of the administration, are difficult and beset with pitfalls, theoretical as well as governmental. They are not likely to be solved by the creation *en bloc* of a full-fledged Service overnight. Thinking out of the details, not only by exploratory investigations in the

provinces but also by continuous consultations with industry, labour and other interests, would be essential, and it seems to us inevitable that the growth of economic planning must be cautious and largely experimental, start-*ijtg* at the top and gradually and naturally extending its affiliations and approaches, in the light of existing needs, trends and experiences, towards the bottom of the administrative set-up.

Prof. Mukerji is to be congratulated on having dealt, and ably

dealt, in this slight essay with a subject that can be truly designated thought-provoking. We sincerely trust that it will stimulate much thought and discussion, and we, therefore, heartily recommend this little brochure to all who take an interest in the current problems of our government

K.C.S.

## Weekly

### Pakistan Textile Policy

THE abolition of import duty on yarn, the reduction of customs duty on imported cloth and excise duty on indigenous hand-made cloth, and the control of cloth at home—this is the four-point policy with which Pakistan hopes to stimulate the development of her textile industry. Unlike textile circles in India who, our cotton correspondent reports, construe the duties imposed by Pakistan as an unfriendly act of discrimination against India, violating the spirit if not the letter of the Trade Agreement, Pakistan thinks that she has "afforded a concession to Indian textile producers" while allowing the favoured position to Britain to remain unaltered." The duty on cloth imported from India, which had hitherto been supplying 80 per cent of her textile needs, is between 15 to 18 per cent compared to the duty of 15 to 21 per cent on imports from the United Kingdom.

It appears that importers in Pakistan had a case against Indian textiles which, being duty-free were bringing down cloth prices in Karachi. According to *The Pakistan Times*, "the wholesale market was being dumped with a large quantity of cloth from Bri-

tain, U.S.A. and India. Cotton cloth had also arrived from the Soviet Union under barter exchange. Hitherto Indian cloth which has been free both from the export duty on the Indian side (that country being most anxious to raise the total volume of her dwindling exports) and import duty from Pakistan side. On the other hand, while Britain paid 15 per cent import duty, the Russian, American and Japanese cloth paid 60 per cent. Thus Indian textiles dragged the prices of other cotton textiles downward and threatened to bring a loss to cloth importers."

Cloth imports from Britain continue to enjoy the same privilege of paying only 15 per cent duty as against the modified 36 and 30 per cent duties on other foreign cloths, besides those imported from India. And yet British cloth sells at a higher price than any foreign cloth. There seems to be some resentment in Pakistan against the entry of costly British cloth and other goods which in the last two years have depleted Pakistan's resources. But the critics feel, nevertheless, that while Pakistan remains a member of the sterling area and of the Commonwealth, this cannot be helped. While sober opinion is not convinced

that de-control will satisfy consumers as much as it will the cloth trade, criticism is tempered by the realisation that very few benefited from cloth control because of its discrepancies and mismanagement.

### Measures of Productivity

THERE is no doubt that we will soon be hearing a lot more about the declining productivity in our industries. Since the measurement of industrial productivity and hence of industrial efficiency and progress is likely to be exploited, for their own purposes both by labour and capital, a contributor to the last issue of this journal has rendered a timely service by raising a note of warning. In his article "Measurement of Productivity", Mr. H. Banerji lucidly and cogently argues that whether we take the measurement in value terms or in terms of physical units, the index can have little validity unless various qualifying factors are borne in mind. If we take the measure in value terms, we have also to take into account the degrees of monopoly that prevail both in the purchase of materials by the different firms within the same industry as also in the markets for their respective products.