

For Transition From Primary To Secondary Level

The preponderance of the farming sector is recognized in all quarters. Those, who are in charge of policy making often adopt measures for widening the growth potentials of the primary sector. They do so with the intent of encouraging the rural farmers to adopt modern methods of farming including the use of modern fertilizer and seeds. And the so-called extension work done by various official agencies, including public sector agricultural development corporation, is undertaken at a relatively high cost.

The impact of such extension work is left by those engaged in the farm sector. Many of the rural farmers have done their best in using modern methods and inputs and have derived the benefit of increased production of various crops. But their efforts are faced with built-in constraints including the decrease in the size of arable land, multiplicity of official agencies from which they have to obtain support and also division of land among those who inherit from generation to generation. As a result, the positive impact of increased production in farms and fields do not go to the farmers and the rural community as such.

Some of the rural farmers have allowed migration of their unemployed children to urban areas and that for finding jobs. Those migrants are found in the streets and slums of urban areas and not always with the prospect of being employed. The basic reason for all these problems lie in their lack of education and skill needed for jobs in the urban sector. Some of the floating people suffered additional set-backs when they are evicted from the slums from time to time.

One would, however, note that quite a large number of the largely unskilled people have found daily employment in construction activities. Some of them, after acquiring skills join establishments in the urban informal sector. Yet others, who enter the manufacturing units, initially as "Badi" workers, are found being absorbed in the ranks of regular workers. In the process these people from the rural sector have joined the ranks of wage-earners with some assured income to eke out a living. But like their parents in the rural farm sector they do not have enough earnings to have any savings.

It has now been established that without savings, no economy can have a better chance of transforming itself from the primary to the secondary phase. The secondary sector, which covers all manufacturing units need good capital to get off the ground. And it is accepted by all theoretical and practical planners and economists that capital structure grows only with the savings of farmers and wage earners. With savings one can place his money into the snow-balling of multiplier effects needed for investment in the secondary sector.

In addition to the availability of capital, sponsors of the secondary sector activities need to have their guidelines for investment. Such guidelines may be obtained from studies of official and private agencies doing a dispassionate review of the given environment of work and investment. Some such studies, leading to investment decisions are also conducted by sponsors themselves. In doing so all concerned have to use professional competence relating to investment decisions, management of enterprises and evaluation of the given units of work.

It has been observed by specialists in investment and management that the poor capital structure of the economy is the basic cause of slow growth of the secondary sector of the economy. The prevailing higher rate of interest on savings sometimes encouraged people to keep their money in banks and that in preference to buying of shares in the stock market. It also makes savings-holders complacent about their return on savings in the form of interest, and apathetic to direct investment in the capital market or in any industrial enterprise.

It is gratifying to note that the government appears to have identified the prevailing lacunae when it has decided to reduce the rate of interest on money held in accounts. It is presumed that savings-holders may be encouraged to invest in the capital market and thereby contribute to the growth of the secondary sector. The intent is welcome and one would like that policy makers take steps to put the capital market on an even keel and encourage sponsors of industries to invest in viable projects. The economy needs a wider base of the secondary sector. And the transition should be expedited to ensure supply of goods and services to the people and to augment employment as a whole.

২৯ এপ্রিল ১৯৯৩ ২.৯ APR 1993

The Bangladesh Observer