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JORDAN

GOVERNMENT FAILURE TO IMPLEMENT FIVE-YEAR PLAN CRITICIZED

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[Article: "Jordan's 1976-1980 Five-Year Development Plan Entrenches Aspects of Economic Defacement and Subservience"]

[Text] This study reviews the recently completed Jordanian 5-year plan according to the official figures and indicators announced by the authorities. In view of the importance of this review which was published in TARIQ AL-SHA'B [People's Path], the mouthpiece of one of the factions of the Jordanian National Movement, (namely the Democratic Front's organization in Jordan), we republish it here to enlighten our readers who are interested in the issues of Jordan and of the other subservient regimes in the area. The article is, naturally, addressed to the Jordanian public and, consequently, speaks from this angle.

The main figure indicators on the economic growth realized during the years of the latest 5-year development plan (1976-80 plan) were published recently. Even though these figures underline the miserable outcome and the abysmal failure of this plan in comparison to its declared general goals, the official Jordanian circles have not hesitated in creating a storm of praise for the alleged accomplishments realized by the plan.

What is more, these circles have declared that the results have exceeded the goals set for the plan! As usual, the official agencies have relied in their false praise of the accomplishments realized in the preceding years on some partial and one-sided indicators, disregarding the fact that no matter how brilliant these indicators seem to be, they cannot erase the essential facts apparent to all, namely that the past 5 years (the period of the latest plan) witnessed the entrenchment of the aspects of economic defacement and chaos and of the country's subservience to the international capitalist system instead of curbing and curtailing these aspects. This entrenchment has left deep negative imprints on the life of the country and of the citizens, the most significant being the intensifying inflationary pressures and the widening gap between the classes as a result of the further concentration of wealth and capital in fewer and fewer hands and of the constant impoverishment of the broadest classes, both in the countryside and in the cities.

Development Between Goals and Results of Plan

So that this review may not be mere generalizations floating in the air, let us compare, relying on the official figures and indicators themselves, the plan's general goals

with the actual accomplishments realized. It is well-known that the plan's official document sought to realize the following four main goals:

1. Realize an annual growth rate of 12 percent in the gross local product "by focusing on development of the commodity production sectors."
2. Distribute the development gains so that they may spread in all areas.
3. Raise the reliance of the general state budget on the local financial resources.
4. Reduce the deficit in the balance of trade from 153 million dinars in 1975 to 131 millions in 1980.

Have these general goals of the plan been realized or have they been approached at least?

The actual accomplishments, as declared by the official figures, stress clearly that they have not been realized. Regarding the first goal, the gross local production at the fixed prices [presumably of 1975] has grown at an annual rate of 8.5 percent, and not of 12 percent, under the impact of the rising inflation rate which has neared 12 percent annually. This growth rate (even if we accept that inflation has not exceeded this rate) is hardly enough to cover the costs resulting from the growth of the population at a rate of more than 3.5 percent annually. This is on the one hand. On the other hand, the fundamental thing is that the plan's first goal was not only to realize a 12 percent growth in the gross local production but to do so by relying on the fundamental modification of the economic structure, i.e. by focusing on the production, not service, sectors in a manner that leads to raising the production sectors' contribution at tangible rates nearing 10 percent. But the official accomplishment figures show that the national economy's structure has not undergone this promised transformation by the end of the plan because the contribution of the production sectors to the gross local production has not exceeded 4.7 percent, rising from 34.1 percent to 38.8 percent between the years 1975 and 1980. It is needless to say that the targeted growth rates have been realized in the construction sector only. The contribution of the agricultural sector has risen by 5.7 percent, compared to the targeted 7 percent, that of industry by 13.6 percent, compared to the targeted 26.2 percent, and that of electricity by 8.1 percent, compared to the targeted 17.1 percent.

The fact is that the aforementioned accomplishment rates are based on the cash value of the production and not the material value of this production [as published]. We are afraid that the rise in prices, and not the rise in the material volume of the production, is what is responsible for the "growth" in the contribution of the aforementioned sectors.

The social effects of the actual development accomplishments during the years of the preceding plan become completely evident when we compare the plan's second goal with what has been actually accomplished. Instead of the gains spreading among the entire population and in all areas, as the plan document states, what has been realized is the further confinement and concentration of the fruits of the horizontal and vertical growth in the hands of a small segment of the population. There is no need to look for figure indicators to confirm that the rural areas and the southern and northern provinces have been denied the promised fruits of development. The severe

crises experienced by the agricultural sector in recent years, the flagrant lack of services in rural areas and the large-scale labor emigration from the countryside and from the various governorates to Amman are the best proof of the intensifying deprivation of the various provinces (especially the south) of the benefits and fruits of development. The ill-distribution of the development gains has not been confined to this aspect but has also assumed a vertical dimension in all parts of the country, including the Amman Governorate. The studies of a number of academicians and researchers whose loyalty to the regime is indubitable note that the real increase in worker wages has not exceeded 0.36 percent, i.e., less than one-half percent, [annually] in the past years because of the rapidly rising inflation rates. The same sources also point out that labor's share (i.e. the salaries and wages of workers and employees) of the national income declined in the years 1973-79 in favor of the investment share (i.e. the income of the various groups owning the means of production). The wages and salaries share the national income dropped from 49 percent in 1973 to 46 percent in 1974, 1975 and 1976 and to 43 percent in 1978 and 1979. If we take into consideration the increasing number of citizens entering the labor market and the hired labor during this period, it becomes evident that the workers' real average income is declining and not increasing. This, in its turn, explains the heavy emigration of labor to the outside world. In contrast to the declining income share of the workers (in addition to the declining incomes of small farmers and small producers in the cities), the incomes of big real estate owners, of parasitic capitalists and of the compradores have been increasing to the degree where this small segment of society enjoys more than one-half the entire national income. The passive figures prove indisputably the intensifying aspects of the "ill-distribution of the development gains" and prove that these gains have been taking the direction of sharply polarized wealth on the one side and poverty on the other side.

Another Unrealized Goal

The third goal of the plan has also not been realized. Despite the enormous rise in the budget's local revenues (from 80 million dinars in 1975 to 224.5 million dinars in 1980, i.e. with an increase of 30.5 percent over the plan's set target of [figure presumably dropped] million dinars in local revenues by the end of the plan)--a rise realized by squeezing more customs taxes and all kinds of fees and levies out of the citizens--this vast growth in the local revenues has not been able to cover the current expenditures which have been rising at a faster rate. In 1975, the local revenues covered 61.5 percent of the current spending (i.e. salaries and the state's consumption expenses). The plan assumed that by 1980, i.e. by its end, the local revenues would cover most of the current spending or 91.5 percent of this spending, to be specific. But these revenues have been able to cover only 68.9 percent of the current spending. Thus foreign revenues, comprised of foreign aid, grants and loans, have continued to be the main resource for the budget. Moreover, these revenues are relied upon completely to cover the capital and development spending, in addition to more than 30 percent of the current spending.

The plan also talked of its fourth goal of reducing the balance of trade deficit from 153 million dinars in 1975 to 130 million dinars in 1980. The plan noted at the time that this reduction will constitute "a change of direction for the first time," considering that the 3-year plan has sought to "reduce the rising deficit rate and not the value of the deficit." Has this been realized? Regrettably, the answer is no. The exact opposite has happened, considering that the balance of trade deficit has

risen at missile speed, compared with which the failure of the 3-year plan is negligible. This deficit has reached 543.3 million dinars in 1980, meaning that the actual deficit is fourfold the balance of trade deficit expected by the end of the 5-year plan. This rise is due to the growing import volume which has amounted to 715 million dinars (instead of the 300 million dinars expected by the plan).

The abovementioned facts completely refute the government's claims about the successes of the "plan" and prove, with official figures, the failure of this plan to realize the goals set for it. This reminds us that this failure is not a transient thing and that it has been the fate of all the successive development "plans" witnessed by the country in the past 2 decades. It is natural that this would compel one to wonder about the reasons for this failure and the reasons for our country's constant floundering in a vicious circle of backwardness, subservience and of chaotic capitalistic growth.

The answer to these questions requires no big effort. The reasons lie in this flagrant conflict between the development goals which the regime claims it tries to realize and the practical policies and measures which this regime adopts. The reasons lie in the lip service paid to the goals of curtailing the intensifying economic subservience, defacement and backwardness while working at the same time to deprive the country of the fundamental requirements for the realization of these goals. One of these requirements is the requirement of dependence on the obligatory and comprehensive planning of economic growth. It is needless to say that the so-called successive development "plans" witnessed by our country have not possessed the quality of abundance, meaning that they have not constituted the basic law directing the economic development as in the case of the countries which actually embrace planned development. Rather, these alleged "plans" in our country have been characterized by encouragement and recommendation that are not binding to the private sector. What is more, a balanced programmed development based on a binding plan requires the creation of a broad public sector that controls the main keys to the economy (major industries and production projects, banks, foreign trade and large-scale domestic trade). Such development also requires that the state intervene by controlling and guiding the private sector activity to insure its compatibility with the goals of the plan.

In our country, which lacks large and productive public sector that undertakes the prime responsibility of development, the regime refuses to use its tax, financial and legislative instruments to control and channel the private sector's activity to make sure that it is not in conflict with the development goals. Rather, this regime uses these instruments to give free rein to the compradorial and parasitic capitalism and to free its destructive activities of all shackles.

Regime Deprives Country of Fundamental Requirements of Development

Depriving the country of the fundamental economic conditions and requirements of programmed growth based on obligatory comprehensive planning leads us to remind that instead of supplying these requirements, the regime itself constitutes an insurmountable obstacle in the path of realizing the goals of real development. This is not surprising as long as the regime represents the alliance of the compradorial bourgeoisie, the bureaucracy and the big real estate owners, i.e. the classes most strongly tied to imperialism and most eager to maintain the conditions of backwardness with the aim of tightening their hateful grip on the country.

Exposure of the reality of the regime's alleged development policy strengthens the conviction that the only means to break the subservience and to realize economic and political independence and social progress lies in the establishment of a national democratic regime that responds to the people's interests and that provides the basic requirements of national economic, social and political development.

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