

CHAPTER - VIII

SUMMARY AND RECOMMENDATIONS

Poverty is a socio-economic problem of Bangladesh. Considering its importance the present study has dealt with the conceptual problems of poverty. In this study various aspects of poverty problem of rural Bangladesh has been examined. Growth performance of Bangladesh economy is examined through per capita GNP, per capita annual consumption expenditure and per capita availability of food grains. Data analysis show that growth rate of per capita availability of foodgrains is less than the growth rate of per capita annual consumption expenditure which is again less than that of per capita GNP. It tells about the fact that in a poverty stricken agrarian society like Bangladesh percolation effect of the economy is very weak.

In this study we have reviewed the earlier attempts at measurement of poverty in rural Bangladesh. Here earlier two approaches to measure poverty namely food and nutrition approach and income approach are reviewed. As per nutrition approach for which data collected through three nutrition surveys in three points of time e.g. 1962-64, 1975-76 and 1981-82 consumption of per capita food intake is found to be

at a decreasing trend. Per capita intake of calorie which is an important energy for humanbeing is found to be at shortfall from the required level and also the gap between the requirement and actual intake is found to have widened over time. According to income approach income level of a person to ensure a recommended diet is identified and the population below this level is termed as poor. FAO recommended diet have been modified by Ahmed and Hossain in the context of dietary habits and practices within the rural areas of Bangladesh. Then estimating the cost of the required food, cost of some non-food items is added with it. Thus poverty line income is estimated and percentage of rural population below poverty line is calculated. As per Ahmed and Hossain's estimation percentage of rural population below poverty line increased from 52% in 1963-64 to about 56% in 1973-74 and to about 61% in 1976-77.

Then we estimate poverty situation of rural Bangladesh through consumption expenditure approach. Data have been taken from HES of 1983-84. We have examined (1) Distribution of private consumer expenditure among various household expenditure groups, (2) Pattern of consumption expenditure which examined distribution of the total consumer expenditure of various household expenditure groups between major items such as food, fuel clothing etc., (3) Household expenditure groups with nutritional inadequacy.

Data analysis reveals that (i) more than 57% of rural household have expenditures below the national average per capita consumption expenditure, (ii) rural household in the expenditure groups Tk 2000-2499 and below spend 75% or more on food and fuel. Afterwards this percentage declines, (iii) Taking 2273 calories per capita as daily normal nutritional requirement as estimated by INFS as per FAO/WHO suggested methodology about 83% of rural households and 74% of rural population fall below poverty line.

The study also examines the poverty situation of rural Bangladesh through examination of inequality in income distribution. Inequality in income distribution gives the picture of relative poverty of the country. The study shows that there is a sharp inequality in income distribution in the rural areas as well as in the country. Existence of high inequality in distribution of land which is the main wealth of the society lie at the heart of the problem of inequality in income distribution.

Another important area taken for investigation of poverty is employment. Because lack of employment is a key element in the chain of causation of poverty and employment is an instrument for attainment of minimum income and alleviation of poverty. Bangladesh follows time criterion method to measure underemployment. As per this criterion employment

of a person less than 40 hours per week is taken as a cut off point. The magnitude of rural underemployment in 1983-84 was about 22%. In spite of the existence of relationship between unemployment and poverty, it is not a linear simple minded relationship. Like other developing countries, in Bangladesh also poverty is more widespread than unemployment. Thus if all the unemployed are even fully employed, poverty will not be fully alleviated. Therefore, along with removal of unemployment strategies should be found to attack the root cause of the poverty of the country.

An important issue to examine in this thesis is the relationship between rural poverty and agrarian structure. Central focus of most of the definitions of agrarian structure available in the literature is land. Therefore, it may be stated that agrarian structure of a country is a related component of various aspects of land like landownership, land distribution etc. In this thesis agrarian structure of Bangladesh is studied under the five headings e.g. (i) Size of agricultural holdings, (ii) Fragmentation of land holdings, (iii) Distribution of land holdings, (iv) Phenomenon of landless labour, (v) The nature of tenancy. These issues are discussed in the study in so far as they have a bearing on the relationship of poverty to agrarian structure.

The study shows that agrarian structure affects the pace of agricultural growth. Due to backward agrarian structure agriculture of the country seems to be in a low level slow growing productivity trap. The study also shows that agrarian structure affects the spread effect of growth. Thus it affects the growth and its percolation and thereby affects the changes in the level of poverty.

Employment being an important aspect of poverty problem the author also examines the relationship between employment and agrarian structure. Employment opportunities of the country are mainly determined by the prevailing land tenure systems and associated institutional organization of agrarian production. Thus the relationship between employment and agrarian structure is an obvious one. One of the important characteristics of agrarian structure found here is that major portion of the rural population are small, marginal and landless farmers, but own relatively small portion of the total owned land while the large farmers being very small proportion of the community own a relatively bigger share of the total owned land. This is the basic paradox of Bangladesh rural society. The employment situation of the rural areas is determined by the paradoxical agrarian social structure. Employment opportunities of the major population of the rural society (i.e. small, marginal and landless farmers) who have to depend on sale of labour as main or

supplementary source of income lie in the hands of the tiny minority of the society (i.e. large farmers).

Finally, we examine the various strategies adopted for alleviation of poverty in Bangladesh. Among others, we examine the impact of IRDP, Rural Public Works Programme (RPWP) and Grameen Bank. We found that IRDP and RPWP served the interest of the rich more than the interest of the poor. In case of Grameen Bank inspite of the fact that it could reach the rural poor in particular areas of the country, where it was in operation but it will be difficult to produce significant effect on the alleviation of rural poverty in the total context of the country, partly because of the paucity of resources and partly because geographical expansion and wider coverage will almost inevitably bring about a dilution in its objectives and implementation as it has happened with other programmes.

In the context of grim poverty situation of rural Bangladesh and agrarian structure being related to poverty the following measures are suggested for the improvement of the position of the rural poor:

1. Redistributive Land Reform :

It has already been mentioned elsewhere that in 1983-84 according to our estimation about 83% of households and 74% of rural population fall below the poverty line.

This ratio is almost double that obtaining in India. In Bangladesh, where such a big proportion of population lives in the poverty situation, an allotment of even small plot of land to the poor will have an immediate impact or improvement of their poverty situation. This can be made possible through redistribution of land from the land rich to the landpoor farmers. This redistribution of property or rights in land for the benefit of the small farmers and agricultural labourers is called land reform in the traditional and generally accepted sense of the term.¹

Besides the improvement of the status of the poor section of the rural community, redistribution of land in the long run will promote growth of agricultural production of the country. Growth impact of land reform is explained in the following ways: (1) It has already been mentioned elsewhere in the thesis that per acre production in case of farmers with larger amount of land is less than that in case of farmers with smaller amount of land. Thus if through redistributive land reform land is transferred from the large farmers to small farmers total agricultural production of the country will increase, (2) It has already been discussed

1. Doreen Warriner, Land Reform in Principle and Practice, Clarendon Press, Oxford, 1969, P.xiv.

elsewhere that large farmers use their surplus mainly on land purchases, conspicuous consumption like expenditure on social ceremonies, construction of houses, investment in usurious money lending, trade and business. Large farmers rarely invest their surplus in productive activities. On the other hand, although the small farmers have less surplus compared to the large farmers the former utilize large portion of their surplus for productive investment in agriculture. Therefore land distribution is likely to increase productive investment.

In the past some measures were taken regarding abolition of intermediary tenures and fixation of ceiling on land. Even after independence of Bangladesh two major (i.e. in 1972 and in 1982) land reform programmes were announced. But they have had very little redistributive effects. Therefore, in order to alleviate poverty of rural Bangladesh practical implementation of redistributive land reform for the interest of the land poor community is recommended.

2. Tenancy Reform :

Sharecropping on which a reasonable proportion of small, marginal and landless farmers depend for their survival is an exploitative type of arrangement in rural Bangladesh. Insecurity of tenure, unfavourable terms and conditions obstruct the productive investment in agriculture by sharecroppers. Due to unfavourable terms and conditions tenants

have to work hard in order to earn a subsistence living. In the above context present tenancy system specially sharecropping arrangement should be reformed.

In July 1982 a land reform committee was formed under the chairmanship of the Minister of Agriculture. On the basis of the recommendations of the committee Land Reform Ordinance 1984 was promulgated. As per the ordinance: written contract is essential in sharecropping arrangement. The sharecropping contract will be valid for five years from the date of commencement as specified in the contract. Produce of the sharecropping land will be divided into three equal parts among the sharecropper, landowner and the supplier of inputs. That means landowner or sharecropper whoever bears the cost of inputs will get two third of the produce. If both the parties share the cost of inputs equally, the produce will be shared equally.

The above ordinance is no doubt a good one for the interest of the sharecropper. But in the unequal agrarian structure where few large landowner dictate the rural life, it is very difficult to implement this type of ordinance. Therefore, some effective mechanism should be found to implement this ordinance. Other measures which will be beneficial to the sharecroppers and easily implementable may be taken to safeguard the interest of the poor tenants of rural Bangladesh.

3. Minimum Wage Rate :

In the context of Bangladesh rural society where a good proportion of the people depend on agricultural wage, adequate wage system is necessary in the interest of the agricultural labourers. 1984 Ordinance contains a progressive element regarding wage rate of agricultural labourers. This is: Daily agricultural wage rate should be minimum of 3.5 seers of rice (3.27 kg.) or an equivalent amount of money which would buy that quantity of rice in the local market. Again in a situation of widespread unemployment in rural areas to implement such wage rate is not so easy task. However, positive aspect of the ordinance is that it will act as legal sanctions for the poor people to invoke. Government may take necessary action to create an environment of implementation of wage rate ordinance.

4. Consolidation of Land Holding :

In Bangladesh rural society where small and fragmented landholding create obstacles for adequate productive investment for agricultural growth consolidation of landholding is an urgency.

5. Development of Rural Non-Farm Activities :

The rural non-farm is an important sector for employment generation for the large section of poor people with relatively small investment. Available evidence suggests that nearly

half of the rural labour force is engaged in various non-farm pursuits either as a primary or secondary occupation. They generally come from landless and landpoor families.²

In spite of recognition of importance and potentiality of the sector in successive five year plans of Pakistan in the 1950s, the sector has continued to remain neglected in terms of policy, institutional support and allocation of funds.³

In these circumstances a prospective policy, institutional framework should be formulated. Allocation of adequate funds of the Government for this sector is essential.

6. Fishing as a Common Property Right :

In rural Bangladesh a substantial area is available for fishing. Rivers, Canals, Ponds and Tanks are the fisheries of the country. Ponds and tanks are under private ownership. In most cases big landowners are the owner of these ponds and tanks. Big water areas, rivers and canals are at the disposal of the Government for allocation for the purpose of fish culture.

The position of the poor in fishing sector is also very disadvantageous. Government lease out the fisheries

2. O.K. Ahmad and Mahabub Hossain, Rural Poverty Alleviation in Bangladesh -- Experiences and Policies, FAO, 1984, P.63.

3. Ibid., P.64.

at open auction to the highest bidders. Thus it is obvious that the poor can not outbid the rich. The rural rich obtain the fisheries and sublet these to others at exorbitant rates. Although there is a provision of leasing out fisheries to the fishermen's cooperatives, in practice non-fishermen elite dominate the fishermen cooperatives. Interest from these fisheries also goes to the pockets of the rich non-fishermen class.

In these circumstances, steps may be taken to provide access to the rural poor to the fisheries of the country so that they can raise their income through fishing business. For this purpose fisheries may be declared as a common property right. Wherever possible members of the local community in such area may be given fishing rights as a common entitlement.

7. Grameen Irrigation Cooperative of the Rural Poor :

In the present rural power structure of the country small and marginal farmers are in disadvantageous position in securing irrigation water due to their lack of resources and lack of access to the delivery system. It has already been discussed elsewhere in the thesis that inequitous agrarian structure is an impediment to proper water utilization which put negative effect on agricultural productivity.

In the above context Grameen Irrigation Cooperative Society in Grameen Bank style may be formed for better irrigation management and better access of the rural poor. Unlike IRDP cooperative and irrigation activities under Rural Public Works Programme which are mostly dominated by rural rich our proposed irrigation cooperative will be formed only with the membership of small, marginal and landless farmers. It is expected that this land poor people will distribute water properly for their own class interest. They will not have tendency of domination and manipulation. This will increase agricultural production. Thus Grameen Irrigation Cooperative will bring equity in water distribution and at the same time growth will also be accelerated.

It may be mentioned here that in Bangladesh utilization of irrigation equipments has been examined in a more egalitarian framework. This has been done by making available tubewells and low lift pumps (LLP) in the early 1980s to number of landless cooperatives by the Ministry of Agriculture. The landless cooperatives used to operate the irrigation machines and sell the water, sometimes on a cash basis and sometimes for a share of the crop to the owners of the land within their command areas. Wood observed that giving control of the water in the hands of the poorest-stratum of the rural society which implies the arrangement of ownership of water divorced from ownership of land increased the efficiency implications.

Wood also reported that small farmers get better access to water through not being political tail enders.⁴

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4. G.D.Wood, "Provision of Irrigation Services by the Landless - An approach to agrarian reform in Bangladesh", Agricultural Administration, Vol.17, N.2 P.55-80. Quoted in James K.Boyce, "Technological and Institutional Alternative in Asia Rice irrigation", EPW, Vol.XXIII, No.73, 1988, P.A-14.