

The Poor in Development

(Published in 1985)

a) Researcher's Identity

1. M. Nurul Haq
Director
M.A. (Economics), Dhaka University
MS (Development Administration), American University, Beirut

b) Objectives

The main objectives of the Comilla type Cooperatives are:

- i. Creation of an institutional infrastructure for effective utilization of available resources for development;
- ii. Formation of capital;
- iii. Utilization of institutional credit facilities;
- iv. Diffusion of ideas, technology and adoption of innovation through an organization owned by peoples; and
- v. Development of local leadership.

c) Executive summary

In this study we have discussed physical features, demographic aspects, socio-cultural characteristic, production potential, tenurial systems, cropping patterns, farm income, poverty ratio, programmes for reduction of poverty, promoting progress and achieving social justice in Bangladesh.

We have observed that Bangladesh is a relatively new country with a long history and old territorial boundaries. It has some natural advantages such as fertile soil, adequate rainfall, abundant sunshine and moderate climate. But it is heavily burdened with high density of population and extreme poverty of the people. It is a land of small farmers with nearly half of the population either landless or owning less than an acre. Chronic insolvency and frequent unemployment and under employment place the poor peasants at the mercy of unscrupulous traders and money lenders. Occasional national hazards,

such as flood, cyclone, and hailstorm cause crop failures and the peasants are pinned down to perpetual poverty.

We have described how policy makers, planners, intellectuals and others perceive the problems of the poor, how they suggest solutions and introduce programmes to remove poverty and ameliorate their conditions.

We have referred to reforms of land tenure systems since the period of "Permanent Settlement" and noticed the slow speed of tenancy reforms and their negligible effect on the poverty of the peasant community.

We have also discussed at length various development programmes including cooperatives, works programmes, irrigation programmes, integrated rural development programme, special programmes of voluntary agencies, trade unions, local bodies, self-reliance programme and ASARRD projects; and noticed how poverty persists inspite of the programmes; poor people escape through the holes of the "development net."

In one sense the entire nation is in the grip of extreme absolute poverty. The poverty-line has been defined at US \$ 110, per capita annual income. The per capita annual income in Bangladesh is estimated at US \$ 100. Target groups thus include the entire population.

We have observed that agriculture dominates the economy and crop production dominates agriculture. In the land-based socio-economic structure, possession of land is craved both by the landed and the landless. But there is not enough land to provide sustenance for everybody. Politics of land reform is 'delicate', and real reform is always avoided by the people in power.

Cooperatives, both old and new were conceived as a remedy for rural poverty. It was expected that small farmers would organize themselves into viable productive units, practice thrift, form capital and become self-reliant through self-help and mutual help. But the cooperatives could not cure the basic ills of the economy, break the bottlenecks of the delivery system and pierce through the rural power structure. In the process they have made the rich into richer, they have by-passed the poor and left them on the wayside waiting for further poverty.

There are some silver lines in the cloudy sky. A few programmes, such as Works Programme, Food for Works Programme and the Thana Irrigation Programme provided palliatives in the form of more employment, more production and cheaper food for the poor. But these measures can not provide permanent employment to an ever increasing population.

Programmes of voluntary organizations, the self-reliance movement, local bodies and trade unions have limited coverage and activities. To the villagers, especially the poor, these are programmes of "foreign people", for a limited period and with doubtful intentions. There are many gaps between the delivery mechanism and the receiving mechanism. The programmes are produced and propagated by the powerful, implemented by the power structure of the government bureaucracy and the rural elites, yet these are intended for the poor and the powerless. The results must be obvious.

In an atmosphere of haste and anxieties, new programmes within the same socio-economic system in which the old programmes were pursued may do no better unless the constraints are removed and conditions are created for the participation of the poor themselves.

What are the constraints? The most serious constraint is the absence of facilities intended only for the poor. No organization offers any specific facility, such as credit without collateral to the poorer members. If they are not sure of any facility or benefit, why should they join any organization? When they do join they are in a minority and can not influence any decision in their favor. How to create conditions for the participation of the poor is a question for which an answer has to be found by further experiment and trial. They can only participate through their own permanent institutions.

A closer look at the old programmes, such as cooperatives, reveals that an effort of three quarters of a century at the same pace could cover only 30% of the eligible farm families and a negligible number of the landless. It would not be realistic to assume that new programmes would be able to achieve miracles within a short period of time. Of course, some programmes show better promise than others. For example, ASARRD projects have aroused some expectation of a better life among the target groups. But it is too early to expect much out of it, as it has not yet passed the stage of experimentation under "laboratory" conditions.

ASARRD has one advantage over others. By definition, intention, purpose and operation it is addressed to the poor. But it suffers from uncertainty and lack of continuity.

The problems of the poor are enormous. They deserve urgent and persistent attention focused on improving the existing institutions. Laws and procedures should be relaxed to facilitate the entrance of the poor into economic activities and encourage their participation. Incentives should include concessional rates of interest on credit, reservation of seats in the managing committees, fixation of quotas for supply of inputs and other services.

d) Recommendations

Where conditions permit and the situation demands new institutions and organizations should be created by the poor on the basis of common interest. To promote organizations of the rural poor the following strategies are recommended:

- Establishment of Rural Organizations Development Authority (RODA) at the national level and a Farmers Assembly or Peasants Panchayet at the village level
- Limited land reform
- A high-risk credit fund
- Common Service-cum-Training centre
- Rural Employment Bureau
- Village Food Bank
- Rural Housing
- Multi-Village Organization for target groups & Women's Organizations.