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POVERTY ALLEVIATION IN BANGLADESH: PAST, PRESENT AND FUTURE

I. INTRODUCTION

Poverty reduction remains today the greatest development challenge to Bangladesh. In this country, a large segment of the people are poor and do not have sufficient income to meet their basic needs like food, shelter, clothing, education and health. Over time various measures have been taken for alleviation of poverty. Yet, Bangladesh has to go a long way before complete eradication of poverty becomes a reality. In the meantime, a unique opportunity has arisen in that the SAARC countries are joining hands in their war on poverty. It is time, therefore, that we take a stock of the experiences so far, evaluate the future prospects of the anti-poverty measures and share our experiences and views with each other.

This paper tries to review the historical trend of poverty and the experience of poverty alleviation strategies and programmes in Bangladesh. These experiences are analyzed to understand their implications including those for international assistance for future anti-poverty programmes. For our purpose the paper has been divided into the following sections: Country Background; Poverty

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Trends; Characteristics of Poor and Correlates of Poverty; Poverty Alleviation Strategies and Programmes; Future Strategies for Poverty Alleviation; and Concluding Remarks.

II. COUNTRY BACKGROUND

Bangladesh and its economy have several characteristics in common with its SAARC neighbours. The country has an area of 144,000 square kilometres and a population of 110 millions (1991) 85% of whom live in rural areas. The present rate of growth of population (2.03% per annum) is lower than the earlier rates but is still quite high in view of the very large population. The dependency ratio is roughly 1 : 1.26 meaning that roughly five people are supporting four others. This ratio is much lower elsewhere, say, in Sri Lanka (1:1.7).¹

The per capita GDP is modest even by South Asian standard. Agriculture is the single most important sector of the economy while manufacturing industries are yet to be substantial contributors either to GDP or employment generation.

Over 1972/73-1990/91 the trend rate of growth of GDP had been 4.46%² at best a moderate rate given the experience of other South Asian Countries. Since 1986/87 a programme of Structural Adjustment Reform had been in operation. Taking that year as the dividing line one finds that while upto 1985/86 the rate of growth had been 4.69% per annum, it had fallen drastically afterwards to 3.89% per annum. It must be remembered, however, that the latter

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1. Based on the information in World Bank, 1992a, p. 268. Dependency ratio has been defined here as the ratio of children (under 14 years of age) to the working-age population (between 15 and 64 years of age). Quite obviously, one may include the very old (aged above 64 years) among the dependents which would increase the ratio somewhat but is unlikely to alter drastically the ranking of countries.
 2. Mujeri, Shahabuddin and Ahmed, 1993, p. 54.

period contained two of the devastating flood years of 1987 and 1988. Indeed this is another aspect of the Bangladesh economy. It is continually open to shocks from natural hazards like flood, drought, cyclone and salinity. These shocks adversely affect agriculture, and in turn, the rest of the economy as the latter is heavily dependent on the former.

III. POVERTY TRENDS

There are different ways to measure poverty. Most popularly poverty is measured as the proportion of people living below a certain level of income (poverty line income) necessary for physical survival. In Bangladesh the minimum nutritional requirements for physical survival are taken to be 2122 kilo calories (k cal) for measuring absolute poverty and 1806 k cal for estimating hard core poverty. The difference between the two is that the former level of energy is required for normal physical activities while at the lower level of nutrition people just survive but cannot function normally.

In 1988/89, the last year for which the official figures are available, more than 51.3 million people or slightly less than one half of the national total were absolutely poor (Table-1). The hard core poor numbered just about 30 million or more than a quarter of the total population. Certainly the number and proportions of the poor people both are extremely large.

There are controversies about the estimates of poverty, particularly its trend. However, over time it has been found that the number of absolute poor has generally fallen. So has its proportion. But the number and proportion of the hard core poor have both fallen and risen. Furthermore, the proportion of the

hard core poor among the poor people has generally remained very high, around 60%.

The above estimates have taken into account only the nutritional requirements. Other estimates that take both expenditures on food and other necessities into account show the proportion of poor people in the rural areas to be lower than the official estimates for 1988/89.³ Such estimates, however, confirm the declining trends as observed by others.

Consumption of food is partly determined by cultural norms. Therefore, poverty can also be thought to be influenced partly by them. In such a situation people's self evaluation of their condition may capture this aspect. Rahman (1993)⁴ found that in 1990 the proportion of rural people who faced chronic food deficit had been around 20-21%. If such people can be called hard core poor then their proportion, though still large, may not be as large as discussed earlier. On the other hand, however, the proportion of rural people who faced some deficit (including chronic deficit) has been 56% in 1992⁵, a figure which is somewhat higher than the proportion of absolute poor in 1988-89.

On the whole, therefore, it appears that while there are differences in estimates, the extent of poverty has fallen somewhat in the eighties and early nineties. But the absolute magnitude of poverty is still very high, and thus leaves no cause for any complacency.

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3. The differences in the estimates reflected those in the method for construction of the poverty line income. See Rahman and Hossain (1992), pp. 12-14.
 4. Rahman, 1993, p. 234.
 5. *Ibid.*

IV. CHARACTERISTICS OF POOR AND CORRELATES OF POVERTY

Spatial Aspect of Poverty

In Bangladesh the majority of the people lives in the rural areas. Thus, a large number, indeed the majority, of the poor naturally lives there (Table-1). However, the number of poor people living in the urban areas is not small, nor is poverty less visible there. For example, in 1988/89 of the total number of 51.3 million poor, 40.5 million, or three-fourths lived in the rural areas. On the other hand, however, when the incidence of poverty is considered, the urban poverty appears to be as widespread as the rural one. In 1988/89, one thus finds, the poor comprise 44% of the urban population and 48% of the rural population. During the early eighties, in general, the incidence of urban poverty appeared to be higher than that of the rural one. Considering the hard core poverty, however, it seemed to be less visible in the urban compared to the rural areas all throughout.

Access to Land

In a recent study it has been found that among the landless 90% suffer from chronic food deficit (Table-2). Such experience is rare among higher land holding category. On the other side of the scale, self-sufficient or surplus households are found more in the higher land holding categories. In the rural areas, therefore, poverty and landlessness appear to co-exist together in a large number of cases. A recent research⁶ has found that 72% of the hard core poor and 60% of the absolute poor in the rural areas have at most half an acre of land. This, however, does not mean that there are no poor among the large landowners. About 9% of those owning 5 acres or more have been found to be poor.

6. Rahman and Hossain, 1992, p.105.

Table 1 : Poverty in Bangladesh

Indicators	1973/74	1981/82	1983/84	1985/86	1988/89
Numbers (mn)					
Absolute Poverty (< 2122 k cal)					
Rural	57.4	60.9	47.0	44.2	40.5
Urban	5.6	6.4	7.1	7.0	10.8
Total	63.0	67.3	54.1	51.2	51.3
Hard Core Poverty (<1806 k cal)					
Rural	30.7	43.1	31.3	19.1	24.9
Urban	2.0	3.0	3.8	2.4	5.0
Total	32.7	46.1	35.1	21.5	29.9
Percentage					
Absolute Poverty (< 2122 k cal)					
Rural	83	74	57	51	48
Urban	81	66	66	56	44
Total	83	73	58	52	47
Hard core poverty (<1806 k cal)					
Rural	44	52	38	22	30
Urban	29	31	35	19	21
Total	43	50	38	22	27

Source: World Bank, *Bangladesh : Selected Issues in External Competitiveness and Economic Efficiency*, 1992b, p. 135

Note: Apparently, the national percentages for 1973/74 were miscalculated in the source. These have been corrected here.

Table 2 : Classification of Deficit/Surplus Households by Land-Ownership Categories

Land owning categories (acres)	Deficit Categories (percentages)			
	Chronic deficit (%)	Occasional deficit (%)	Break-even (%)	Surplus (%)
Landless	35	16	8	5
Near landless (.01 -0.49)	54	34	19	5
Marginal (0.50 -1.49)	8	25	25	10
Small (1.50 -2.49)	3	10	13	17
Lower Middle (2.49 -4.99)	-	11	26	32
Upper Middle (5.00 -7.49)	1	1	6	13
Large (7.50 +)	-	2	4	18

Source: *Monitoring Adjustment and Poverty in Bangladesh: Report on the Framework Project*, CIRDAP, 1993, p. 220

Note: The percentages add columnwise, but may not add to 100 due to rounding.

Occupational Aspect of Poverty

In the rural areas again one finds that chronically deficit households are mostly engaged in wage labour particularly as agricultural wage labour (Table-3). Among the occasionally deficit households, farmers appear to be a major category. It is not surprising, therefore, that wage labour and cultivators account for nearly three-fourths of the rural absolute poor. At the same time, however, the incidence of poverty among wage labourers (85%) is

much higher than that among the farmers (41%).⁷ The information in Table-2 suggests that many of these farmers are probably functionally landless and marginal farmers. The implications of such occupational distribution of the poor in rural areas is that poverty has a seasonal dimension. Farming and agricultural wage employment both are known to exhibit pronounced seasonality. This is more true for the latter (see below).

In the urban areas the poor appears to be involved in various types of occupation. Among these, employment in transport sector (rickshaw pulling), small business, daily wage labour, low salaried job, factory work and jobs as household maids seem to be important.⁸

Seasonal Dimension of Poverty

In rural Bangladesh the months of September, October and November prior to the beginning of harvest of Aman rice, the main rice grown in the country, are the leanest month. It has been found in a recent study⁹ that 40% or more of the rural households suffer from food deficit during this period. The following months during and after the harvest are the months of peak food availability. As a result one finds that while during October-December more than one half of rural people can be termed as poor, the incidence of poverty falls drastically by April-June to 33%.¹⁰ This seasonality in poverty reflects not only the crop cycle but also the related seasonality in rural employment.

7. Rahman and Hossain, 1992, p. 106.

8. Pal-Mazumder, 1992, pp. 15-18.

9. Rahman and Hossain, 1992, p. 20.

10. *Ibid.*

Table 3 : Classification of Deficit/Surplus Households by Major Occupational Categories

Major occupational types	Deficit Categories (percentages)			
	Chronic deficit	Occasional deficit	Break-even	Surplus
Farmers	8	47	59	70
Agricultural labour	46	16	-	3
Non-agricultural labour	26	14	7	3
Self-employed in household	3	3	3	-
Self-employed in non-farm sectors	11	12	12	15
Service holders	6	9	20	10
Others	1	-	-	-

Source: *Monitoring Adjustment and Poverty in Bangladesh: Report on the Framework Project*, CIRDAP, 1993, p. 221.

Note: The percentages add columnwise, but may not add to 100 due to rounding.

Gender Aspect

The gender aspect of poverty has so far been only little investigated in Bangladesh. It is well-known, however, that there are wide disparities between men and women in employment opportunities, labour force participation, rates of literacy and food intake¹¹. One may therefore safely assume that while in poor

11. For a recent review of some of these issues, see, Westergaard 1993, pp. 407-511.

households women may face a harder life, women in non-poor households may be nutritionally deprived compared to men and be poor. As has recently been observed rural males may consume between 10-52% of more kcal and 12-56% of protein compared to rural females.¹² Thus, it is quite likely that even in non-poor households women may be nutritionally poor. This implies that in case of eradication of female poverty targeting of households alone may not be enough. It may often have to be done on an individual family member basis.

Another way of looking into the gender aspect of poverty is to look at the situation of the female headed households. Generally, most of the female headed households are among the hard core poor with all the disadvantages that such a situation creates.¹³

Environmental Aspect of Poverty

As has been discussed earlier Bangladesh suffers from various natural calamities and adverse physical environmental condition. The incidence of poverty is known to be partly determined by such environmental factors. The highest incidences of poverty (63% for absolute and 35% for hard core) have been observed in the flood prone areas followed by those in the drought prone areas (54 and 25% respectively).¹⁴ Given that both flood and drought adversely affect agriculture while flood also destroys property such findings are not surprising.

Human Capital Aspect of Poverty

Education

The access of population to education is rather limited in Bangladesh and more so among the poor. In 1987/88 only 10%

12. Chowdhury, 1993, p. 334.

13. Rahman and Hossain, 1992, p. 118-131.

14. *Ibid*, p. 31.

of the adult members in hard core rural poor households could be termed as literate. Among the non-poor, the proportion was 25%.¹⁵ The future prospects regarding education and literacy are also bleak for the poor. This is so as while among the school age males from non-poor families about 70% actually go to school, the corresponding proportion among the hard core poor households is 53%.¹⁶ For girls the respective proportions are 62% and 43%.¹⁷

In urban areas the situation appears to be surprisingly worse as among the hard core poor only 22% of school age children actually attend any school.¹⁸ This probably has to do with the various odd income-earning opportunities in large urban areas.¹⁸

Health and Sanitation

The situation regarding health care apparently seems to be bad for all groups of households. While around 65% of deficit households take advice from traditional medical practitioners at times of sickness, 52% among the surplus households do so.¹⁹ Thus although the poor has comparatively much less access to modern medical facilities compared to the non-poor on an absolute level, the latter is not in a very happy situation. Still, as the disease patterns and morbidity rates are similar across groups such differential access to modern medicine implies that the poor as a result is constrained due to lower physical capability to work and earn an income which he/she sorely needs. In the urban areas the situation appears to be somewhat better.²⁰

15. Rahman and Hossain, 1992, p. 109.

16. *Ibid.*

17. *Ibid.*

18. Sen and Islam, 1993, p. 287.

19. Rahman and Hossain, 1992, p. 58.

20. Sen and Islam, 1993, p. 288.

V. POVERTY ALLEVIATION STRATEGIES AND PROGRAMMES

Evolution of Programmes²¹

The present day poverty alleviation programmes had their beginnings in the awareness during the mid-sixties and early seventies. It is often alleged that the two-tier rural development cooperative model (best known as the Comilla model) helped the landowning peasants more than the landless and the poor peasants. These cooperative activities focussed on increasing crop production and improvement of rural infrastructure. While these did not help the poor much some indirect benefit was obtained through increased employment opportunities and direct employment in infrastructure work.

The failure of the replication of the Comilla Model through the Integrated Rural Development Programme (IRDP) resulted in actions and thinking in several fronts. A Swanirvor (self-reliance) Programme for total village development and a Small Farmers and Landless Labourers Development Programmes (SFDP) were started to address the poverty situation more directly. Also the IRDP was transformed by the early eighties into the Bangladesh Rural Development Board (BRDB) which started a Rural Poor Programme (RPP) in 1983. The seventies also saw the beginning of the NGO movement, initially as a response by foreign organizations to help reconstruct a war-ravaged country, but later directed towards rural development in general and alleviation of poverty in particular.

The BRDB by this time has routinized its rural development and poverty alleviation efforts in two directions, one within an overall cooperative framework and another without. Any parti-

21. This section draws heavily upon BIDS, 1990.

cular programme covers or may cover several thanas (mid-level administrative unit somewhat similar to English counties). Within the cooperative framework, three types of cooperatives are formed at the village level, viz., Krishi Samabaya Samitis (KSS -farmers' cooperative), Bittohin Samabaya Samitis (BSS -cooperative for the assetless) and Mohila Samabaya Samitis (MSS - women's cooperative). The latter two types of cooperatives are expected to address more directly the problems of the poor and women. These cooperatives which differ somewhat from one RPP to another are used as conduits for channelling credit to their members for income-generating activities in crop production, non-farm production and services. In many of the rural poor programmes, formal cooperatives for the poor are no longer a pre-requisite for BRDB support. The rest of the programmes are similar, though not necessarily the same. Of late this informal group approach has become more common.

A major problem with the BRDB programmes is their wide diversity in area coverage, group formation and federation along cooperative lines, staffing intensity and status of the staff, project management, method of credit channelling and in differences in scope and emphasis on particular activities. Such diversity has been the result of donor insistence on having particular variations to suit its purpose.

The eighties saw a rapid expansion of the NGO movement by virtue of its performance in reaching the poor. With the help of financial contributions from international aid agencies they could pose themselves as alternative agents for popular mobilization, poverty alleviation and social change in rural areas. But this has not been without resistance from the government and vested quarters whose social and economic interests could as a result be harmed.

The NGOs, in general, have put from the beginning much emphasis on conscientization and social mobilization. Over time, however, increasing focus has been given on employment and income generation and therefore, on expansion of credit programmes and various training activities.

The BRDB's programmes overtime acquired some of the characteristics of the NGO programmes. Although social mobilization is not specifically aimed at more involved participation in group formation and training in various trades are now included in its programmes particularly in those in which informal group approach is taken.

There are also cases where some sort of a marriage between the two approaches are attempted. While the main investment funds are channelised through the government the social mobilization is left to the NGOs. The role of Bangladesh Rural Advancement Committee (BRAC) in the Vulnerable Group Development (VGD) programme is one example. BRAC and PROSHIKA (another local major NGO) have both been engaged in staff training in some of the RPPs. Some other NGOs have collaborated with major donor-funded projects for mobilization of the people, e.g., CARITAS which is organizing shrimp farmers in a World Bank-aided shrimp farming project.

The eighties saw an increasing attention to the gender issues in rural development both in government and more particularly in NGO programmes. Not only that within a given programme women are getting preferential treatment in disbursement of credit (e.g. Grameen Bank), there have been and are programmes specifically designed for women (e.g. Socio-Economic Development Programme for Women - SEDPW, a government undertaking).

Rural Works Programme has been in existence in Bangladesh since the sixties. As indicated earlier these infrastructure development programmes created direct employment for the poor and the

landless. In the aftermath of the famine in 1974 a Food for Work Programme (FWP) was started with the help of World Food Programme (WFP) initially as a relief measure to create seasonal employment. Over time, the emphasis shifted towards construction and repair of rural infrastructure which help in generating indirect employment through encouragement of productive activities (e.g. irrigation channels, flood control embankments, roads). The scope of such food for works widened over time in terms of employment of women and nature of work (tree plantation, school attendance). Certain programmes like Rural Maintenance Programme (RMP) for maintaining infrastructure like road and tending trees in road-side afforestation programmes employed only landless and destitute women.

The activities of the BRDB constitute the major poverty alleviation effort of the government. It has, however, also tried to bring in other agencies to cater to the needs of special interest groups like the youth (Thana Resource and Employment Development Programme).

Evaluation of Programmes

The above gives, in a nutshell, the evolution of strategies and programmes for poverty alleviation in Bangladesh. The question is: have these been effective in terms of creation of income and employment for the poor at an affordable cost? One may question further if such activities can be sustained when the participants are weaned away from their sponsors.

Two of the main government programmes are those under the BRDB and the FWP. The BRDB has enrolled some 3.5 million persons (including both poor and non-poor) in its programmes upto 1993 and disbursed Tk. 9.7 billion as credit. The FWP generated 72 million person days of direct employment in 1991/92.

Other government programmes had much lower level of popular participation.

Among the NGOs, popular participation had been equally or more impressive. The Grameen Bank has reached 1.8 million poor, while BRAC and PROSHIKA each has a pool of beneficiaries of around 400,000 poor persons.

A comparative analysis shows that both government and NGO sponsored programmes have been infiltrated by non-target households (owning more than 0.5 acres of land) particularly in the former.²² The study further shows that the impact of poverty alleviation programmes appears to be primarily confined to changes in secondary occupations. The level of employment and nominal income of both target and non-target members seemed to have increased under both government and NGO programmes. The non-target group participants, however, have been able to benefit more than the target group members. Although the positive changes in economic well-being have not been found to have affected the pattern of consumption, a substantial proportion of the target group member households appears to be above the poverty line compared to the target group non-participant households.

On questions of cost effectiveness and sustainability, while all programmes in the sample appeared to be cost effective there was a wide variation among them. Furthermore, there had been a lack of clear correspondence between institutional forms (Government or NGO) and level of cost effectiveness. Sustainability remained an open question in both cases.

VI. FUTURE STRATEGIES FOR POVERTY ALLEVIATION

A Summing Up

The foregoing discussion may now be summarised to understand the future directions of activities and programmes for

22. BIDS, 1990.

poverty alleviation that is described in the next sub-section. These are as follows:

- a. Poverty in the country appears to have diminished on a relative scale but its absolute magnitude remains huge leaving no room for complacency. Furthermore, while most of the poor lives in the rural areas and poverty needs to be attacked most vigorously there, urban poverty is also too glaring to be sidetracked.
- b. The poor is concentrated in several occupations, farming being a major one while both agricultural and non-agricultural wage labour constitute two other major categories. Being so concentrated in terms of the major occupations, poverty and its correlates like lack of employment exhibits a distinct seasonal pattern. Then again poverty appears to be accentuated in a situation of adverse physical environmental condition.
- c. Landlessness is a major correlate of poverty in the rural areas. They are also mostly illiterate and suffer from morbidity and lack of adequate nutrition thus limiting their capability to work and compete with others.
- d. Poverty also exhibits a distinct gender bias. Poor women are poor for reasons which make poor men poor and additionally because they are women. Discrimination against women within households in terms of access to food is glaring.
- e. The approaches to poverty alleviation can be divided into three major categories, viz., those that directly attack some of the correlates of poverty like illiteracy and malnutrition and poor health and try to raise physical and mental capabilities of the poor through the provision of the requisite facilities including training, growth-oriented programmes with a strong emphasis on impact on poverty (e.g., technological change in

agriculture when access to technology is not restricted) and targeted programmes aimed at the poor for creation of direct employment (e.g., works programme and other) or improving the income situation. In many cases these programmes were and are of mixed nature.

- f. The institutional framework that has been used is basically of two types. The programmes are either government sponsored or are carried out by the NGOs; but, there are also programmes with a mixed framework. While the government programmes began with emphasis more on income generation and little by way of creating an enabling atmosphere for the poor through human resource development and social mobilization, the opposite has been the case with the NGOs. Of late, however, both have come nearer a centrist position in which the necessity of both types of activities are recognised.
- g. Both government and non-government programmes can claim a measure of success, but these also have their failures. Particularly the problem of reaching the target group remains problematic with both. The poorest of the poor appears not to be touched by the poverty alleviation programmes. Further, the sustainability of the programmes remains a big open issue.

Future Strategies

How should one go from here? Several points need to be kept in mind. The first includes the set of issues and findings referred to above. The second is to examine whether a separate pro-poor plan is a necessity. Thirdly, whatever strategies and programmes are adopted, how are these going to be affected by the current structural adjustment programmes going on in the country? Fourthly, we discuss very briefly the issue of resource mobilisation for poverty eradication. The second and the third issue will be

discussed first followed by the more substantive first set of issues. The fourth one will be taken up last.

A Pro-poor Plan

The Independent South Asian Commission on Poverty Alleviation has pleaded for the adoption of pro-poor plans in the SAARC countries. The idea is very appealing given the general failure of conventional planning process in eradicating poverty over the last four decades among the SAARC countries. However, one should be very clear about what is meant by a pro-poor plan. It can either mean a separate plan for eradication of poverty or it can mean giving proper emphasis on eradication of poverty in the plans.

Some would suggest a separate plan for the poor with social mobilisation as a major instrument for realising its goals. Such a plan begs answers to the following practical questions:

- a. In a situation where a country lacks sufficient manpower to prepare and put into effect a conventional plan, where are the extra and motivated manpower going to be available for the preparation of the pro-poor plan and its implementation through social mobilisation?
- b. What would be the relationship between such a pro-poor plan and the conventional plan particularly where there are substantial overlaps in terms of impacts and resource allocations?

Very probably, it is not a separate plan that may be suggested but a plan which gives due and effective emphasis on the eradication of poverty. This is certainly a workable proposition in Bangladesh in the sense that all plans so far have emphasised alleviation of poverty in various degrees. What now needs to be done is to bring the issue to the forefront and prepare a Plan which remains true to the objective of eradication of poverty not

as a residual element but through allocation of resources and adoption of policies and their implementation (including social mobilisation) in such a way that both poverty eradication and growth are achieved at the same time. Such a plan will need to be prepared with participation from people at various levels including government, members of the general public and NGOs. What such a plan or even a separate pro-poor plan should include are discussed later.

In any case the matter deserves serious considerations. It may be mentioned in this respect that the Bangladesh government has instituted a Task Force to look into the preparation of a pro-poor plan and examine its scope, feasibility and implementability in the Bangladesh context.

Structural Adjustment and Poverty

Any attempt at poverty alleviation and eradication must keep in mind the present general macroeconomic framework in the country which is often summed up as a collection of structural adjustment policies (SAP) and their implementation. Structural adjustment policies do not necessarily mean the same thing in different countries at any given point of time. In general, however, this means a greater reliance on the market forces, deregulation, privatisation of many or all public enterprises and organisations, lowering public expenditures and deficits and greater integration with the global economy through the liberalisation of trade and exchange rate regimes including convertibility of the domestic currency. Questions have been raised about the effects of such policies on the poverty situation and the poor.²³

Some would argue that as the poor are efficient and the aim of the structural adjustment policies are to encourage efficiency,

23. Mujeri, Shahabuddin and Ahmed, 1993, pp. 41-204.

there is no inherent conflict between the two. This is true only under certain circumstances which may not exist in any given time and space.

The field is not equally level for the rich and the poor. Unless it is so, the poor will not benefit whether or not there is a structural adjustment programme. The market, it is a common knowledge, does not necessarily lead to such a level field and thus fails to protect the interests of the poor and the socially disadvantaged which to begin with had been the basic reason for public intervention in certain fields. Only a transparent market, free of distortion, can help the poor to a certain extent. Even then one will need investments and public action (not necessarily government action) to enable the poor to compete with the rest of the society on an equitable footing.

It is particularly notable that the SAP, through their market liberalisation, changes the relative prices of commodities within the economy thus changing income distribution pattern in the society. In general, various groups in society, particularly the vulnerable ones are likely to be affected in terms of their access to basic needs and thus SAP may result in an infringement on their human rights.²⁴ Such tendencies of SAP quite obviously need to be combated. One way of doing this is to create an enabling situation for the poor and the vulnerable groups in society.

Structural adjustment and its adverse impact on the poor may also mean that the resources necessary for eradicating poverty may be larger than before. Sometimes called social debt, it has been estimated that for Latin American countries, the resources necessary to eradicate urban poverty as a result of SAP have increased from 21% of 27% of GDP over the eighties.²⁵ For

24. Skogly, 1994, pp. 49-51.

25. Infante and Tokman, 1994, p. 109.

some countries like Peru the social debt increased from 27% to 41% of GDP over the same period.²⁶

An Agenda for Future Action

- a. Enabling and empowering the poor through human resource development:

As indicated above, the creation of a level field is essential for the poor to adequately and efficiently take part in economic activities under the present macroeconomic environment. The creation of such an enabling atmosphere is possible through ensuring the access of the poor to education, skill acquisition and health facilities. Universal free primary education is a step towards such a goal. This is, however, easier said than done. An estimate shows that an increase in the density of primary schools from one school per 3.2 square kilometers to one per 2 square kilometers would need raising the total number of primary schools by 50%.²⁷ For comparison purposes it may be noted that during the Third Five Year Plan the rate of increase of the number of schools was only 12%. This shows the level of commitment necessary at the political and resource allocation level for such a scheme of human resource development to be successful. It should, however, be noted that although such an increase in resources is not yet a reality, the Bangladesh government has taken a pilot programme of 'food for education' which may help in better utilisation of the present capacity in schools by lowering the drop out rate.

It is notable that primary level education can also be imparted non-formally. In this regard the cooperation between NGOs and government may go a long way.

26. *Ibid.*

27. Hossain *et al*, 1991, p. 29

Expansion of primary health care facilities to all by the year 2000 would necessitate a drastic revision upward of the allocation of resources to the health sector. Indeed the allocation to the health and education sectors should be treated as investment in the future rather than residual items in the budget which has been the practice so far.

b. Ensuring access to assets, capital and technology

By this time, it is more or less accepted that in the present political and agrarian context redistributive land reform is either not feasible, or of limited effectiveness. The poor, therefore, should have at least an adequate access to capital (credit) and technology so that the productivity of whatever they possess (labour power, skill, homestead and other land and any other asset) can be maximized to raise their income to the fullest extent possible. Of course, to what extent credit may be made available, at what level, in which time sequence and for which activity will depend on specific circumstances. Similarly, the nature and complexity of technology may vary by the group at which it is targeted. Also, in general the technology may be much simpler in the beginning and as the poor become more skilled more sophisticated technology may be used to further increase their productivity, income and employment.

c. Employment generation, targeted employment and direct transfers

The lack of income of the poor arises mainly from the lack of adequate employment opportunities particularly in the rural areas where as seen earlier most of the poor are wage labourers. In such a situation a two-pronged attack is necessary. A growing economy becomes a necessary condition for sustained creation of new jobs either in the agricultural or the outside sectors. Secondly, creation

of self-employment through the RPP-type programmes which at the same time support the general growth in the economy will be necessary. These are, however, easier said than done. But unless this is done, the way out of poverty will remain an almost impossible dream.

The effort to create jobs will have to take notice of certain factors. The vulnerability of the poor due to seasonal nature of income and employment, adverse effects of natural hazards, destitution particularly among women and similar other cases often demand that a safety net be provided through food for work (FWP) and rural maintenance programme (RMP) types of activities which while providing employment and some income to the poor also have some growth impact on the economy. In some cases, direct transfers (like relief in times of emergency and distribution of government land particularly to destitute women for construction of homes) will be necessary.

d. Spatial balancing of activities

We have earlier observed that while the rural area is home to most of the poor, poverty is no less glaring in the urban areas. Then again not all the rural areas are equally poverty-stricken. There is thus a need for spatial balancing of activities under the poverty eradication programme.

e. Gender issues

The eradication of poverty of women may be more difficult than that of men because of certain additional dimensions of the former which may be resistant to change. Not only women are discriminated against *vis-a-vis* men as indicated earlier, cultural deprivation and violence against women are also some of the sickening social realities. Various approaches may have to be taken, therefore, in eradicating women's poverty. One way would

be to target not just the households, but also the household members individually. Another would be to target men and women together for creation of awareness about gender-equality and harmonious development of both the sexes.

f. Social mobilization

Social mobilization is the *sine qua non* for the success of any poverty eradication programme or plan. Such a mobilization, if limited to simple group formations as, say, under the BRDB is unlikely to do the trick. The poor, of course, must form their own groups. But at the same time they must support each other socially and morally to begin with.

The issue is: Is such mobilization possible in the present circumstances? In Bangladesh, Grameen Bank, BRAC, PROSHIKA and others have shown that it can be done. But the problem may have no magic formula. Each separate issue and area may demand its own solution.²⁸ The way forward is, therefore, to join hands between the Government and the NGOs. A partnership in which the government provides much of the resources for investment in creation of an enabling atmosphere for the poor and the NGOs and public actions groups see to it that the opportunity opened up can be utilized fully by the poor in a socially conscious manner may yet open a new horizon in the struggle for eradication of poverty among the SAARC countries in general and in Bangladesh in particular.²⁹

28. Westergaard and Hossain, for example, have shown how social mobilization for getting access to khas land in Pabna in two areas adopted different strategies; one depending on political and legal struggles while the other adopted more of a NGO strategy. Both were indigenous movements. See Westergaard and Hossain, 1994.

29. It may be noted that such a programme requires a willingness and modalities for clear demarcation of mutual responsibilities. If, as often happens, NGOs are thought to be the panacea for curing all ills of the governments and

g. Resource generation for poverty reduction

Whatever strategies are taken for poverty reduction, real resources will be necessary. The country itself shall have to generate these resources in various ways, through restructuring of state expenditures, savings through the poor's own groups and other types of mobilisation. But, it is likely that these will not be enough for a quick reduction of poverty, particularly as the poor's situation has worsened due to recent SAP as studies on Latin America indicate and the resources necessary for poverty reduction increase as a result. Concessionary aid may be necessary. A recent review, however, finds that despite rhetoric, very few donor countries have actually emphasised poverty reduction as a major goal in their aid programme while tied aid has substantially lessened the welfare of the recipient countries.³⁰

VII. CONCLUDING REMARKS

The foregoing discussion has tried to show the enormous dimension of poverty and efforts to alleviate and reduce it in the Bangladesh context. Particularly, we must understand more clearly as to how growth and poverty reduction may be combined together for a sustainable and more humane development of the society. One particular aspect in this regard which has not attracted attention so far is the human rights angle. Access to food, shelter and other basic needs of life is an inalienable human right

many of the state's functions are allowed to pass on to the NGOs, a 'franchising' of the state may occur with some peculiar consequences. For a discussion of such issues see Wood, 1994. For a discussion of the role of the NGOs see Westergaard, 1994.

30. In 1991, for example, tied aid averaged about 24% of total ODA. The recipient countries paid an excess of \$ 2.67 billion due to such tying. For a detailed discussion of these issues and the character of aid see Randel and German, 1994, particularly pp. 9-27.

and the poor must have access to these like all others in the society. And this will have to be earned. Charity may help in times of emergency but can not be a permanent feature if sustained poverty reduction is the goal.

One other aspect which has been given little attention so far is the poverty among the ethnic minorities. We know very little, if at all, about their socio-economic situation. This failure, on our part, should be corrected immediately.

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