2.1 Poverty Definition

There is no common definition of poverty. Some have defined it according to per capita calorie consumption while others have defined it on the basis of income. On the other hand, some others have tried to define poverty according to minimum needs criterion.

We intend here to define absolute and relative poverty. Absolute poverty is described as income level below which minimum level of nutrition, shelter and personal amenities cannot be maintained. Relative poverty reflects extreme differences in levels of living between the top and the bottom strata of the society. Between two households or two persons, one may be considered poor while the others in comparison may not be so even though both may be in a position to fulfil their basic needs.

To estimate the number of people below the poverty line according to this approach, the whole population of the country is stratified on the basis of income, and then the living standard of the highest and the lowest income groups are compared. Persons having standard of living below a certain cut-off point, fixed in the light of income distribution of the population, are viewed as poor.

Based on household expenditures, two poverty lines have been constructed by the World Bank. Poverty line - I (PL-I) is
defined by the minimum energy requirements as recommended by a joint WHO/FAO Experts Committee. Adjusting for age and occupational profile of Bangladesh, the weighted average of per capita daily intake has been estimated at 2122 calories termed as the line absolute poverty. The second poverty line (PL-II) has been defined as 85% of this intake which determines the "hard core" poor. The Bangladesh Bureau of Statistics (BBS) has drawn three poverty lines for Bangladesh. The first one is the normative calorie requirements as suggested by the FAO which is 2200 calories. The second one is 1800 calories (85% of the suggested requirements) and the last one is 1600 calories (72% of recommended caloric).

The income method of poverty measurement designates a minimum food consumption bundle fulfilling a certain nutritional requirement. This is valued and an amount for consumption of non-food essentials is added to it. Thus, the total value of minimum food and non-food essentials is then taken as the poverty line income.

In our study, we shall use the above mentioned calorie levels to explain absolute and extreme or hard core poverty. We shall also apply the income method of poverty measurement in order to identify the proportion of people below or above the poverty line. And, again, to explain the relative poverty situation of Bangladesh, we shall consider the income distribution with the help of the tool Gini concentration.
2.2 Rural Poverty Trends in Bangladesh

Bangladesh has a total area of 1,44,000 square kms with a population of about 110 million of whom a significant percentage live in poverty without adequate income and access to economic and social conditions necessary for a decent living. According to Household Expenditure Surveys from 1983/84 and 1985/86, about half of the rural people lived in absolute poverty and about 30% of the rural people lived in extreme poverty\(^2\). Rural poverty trends in Bangladesh along with some other poverty correlates are briefly discussed in this chapter.

Table 2.1 presents the magnitude of rural poverty trends of Bangladesh over the period of FY 1974 to FY 1986 on HES data collected by BBS considering 2200 calories/person/day as absolute poverty level and 1800 calories/person/day as extreme or hard core poverty level. In the rural area of Bangladesh, population below poverty line (absolute poverty) both in percentage and in absolute figures had increased sharply between the early seventies (on Fiscal Year '74) and the beginning of the eighties (FY '82). The deteriorating trend was more severe in the case of extreme or hard core poverty. In the few years of the eighties upto FY '86, we observed an improvement both in the case of absolute and extreme poverty situation. Though the absolute number of people below the absolute poverty virtually unchanged in FY '86, compared to FY '84, in the case of extreme poverty the figure dropped over the two periods. Now we are discussing the rural poverty trends of Bangladesh in a different way.
Table - 2.1

Magnitude of Rural Poverty in Bangladesh
(1974 - 1986)

<table>
<thead>
<tr>
<th>Financial Year (FY)</th>
<th>Absolute Poverty (2200 calories/person/day)</th>
<th>Extreme Poverty (1800 calories/person/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 1974</td>
<td>65.27 (41.38)</td>
<td>49.67 (28.67)</td>
</tr>
<tr>
<td>FY 1982</td>
<td>79.12 (57.92)</td>
<td>66.44 (48.63)</td>
</tr>
<tr>
<td>FY 1984</td>
<td>49.81 (41.05)</td>
<td>32.02 (26.39)</td>
</tr>
<tr>
<td>FY 1986</td>
<td>47.08 (41.02)</td>
<td>28.36 (24.71)</td>
</tr>
</tbody>
</table>

A. Proportion of People below Poverty Line Income.

B. Direct Measures of Poverty (% of People)

<table>
<thead>
<tr>
<th>Year</th>
<th>1982</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE</td>
<td>74</td>
<td>62</td>
</tr>
<tr>
<td>PE</td>
<td>47</td>
<td>37</td>
</tr>
</tbody>
</table>

Notes: Figures in parentheses represent the number of population (million) in poverty.


Table 2.2 shows the rural poverty trends over the period 1974 to 1986 based on HES data collected by BBS considering 2122 calories/person/day as abosolute poverty and 1805 calories/person/day as extreme poverty level. It is evident that the absolute number of people below the poverty line (both absolute and extreme poverty) in rural area of Bangladesh has increased over the period of 1973/74 to 1981/82 although an increasing trend in extreme poverty situation and an improving trend in
absolute poverty situation over the same period can be observed. After 1981/82, we had an improving trend in the cases of both absolute and extreme poverty situations that was more substantial in the case of extreme poverty.

**Table - 2.2**

*Rural Poverty Trends in Bangladesh (1973/74 to 1985/86)*

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Population Below Poverty Level (%)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PL-I (2122 calories/person/day)</td>
<td>PL-II (1805 calories/person/day)</td>
</tr>
<tr>
<td>1973 - 74</td>
<td>82.9 (57.4)</td>
<td>44.3 (30.7)</td>
</tr>
<tr>
<td>1981 - 82</td>
<td>73.8 (60.9)</td>
<td>52.2 (43.1)</td>
</tr>
<tr>
<td>1983 - 84</td>
<td>57.0 (47.0)</td>
<td>38.0 (31.3)</td>
</tr>
<tr>
<td>1985 - 86</td>
<td>51.0 (44.2)</td>
<td>22.0 (19.1)</td>
</tr>
</tbody>
</table>

Notes: Figures in parentheses represent absolute number of population below poverty (in Million).


It is to be noted here that it is not appropriate to draw any firm conclusion regarding poverty trends from the above discussion as some changes were brought about after 1982 in the methodology and sample size of HESs which affect comparability of different surveys. However, it is apparent to us that poverty situations (both absolute and extreme) deteriorated till 1982 and afterwards there has been an improving trend.
Now, we discuss the relative poverty situation in rural area of Bangladesh from the concentration of income as indicated by Gini-coefficient. Table 2.3 presents data on relative poverty trends in the rural area of Bangladesh. It is evident to us that the concentration of rural income was high in 1976/77 compared to the earlier periods such as 1963/64 and 1973/74. The average household income declined from 1680 in 1963/64 to 1383 in 1973/74 and again to 1344 in 1976/77. A sharp increase in the Gini-coefficient to 0.423 indicates the benefit of the rural rich at the cost of the rural poor. Compared to 1976/77, the Gini-ratio in 1981/82 declined and average household income increased indicating a reduction of relative poverty. It is clear to us that in the 1970's poverty situation (relative/absolute/extreme) deteriorated. But in the early eighties we observe an improvement in relative poverty and the features were opposite in the case of absolute and extreme poverty. We had a gradual upward trend in the Gini-coefficient and average household income over the period 1981/82 to 1985/86. From this, it is clear that over this period income inequality becomes narrower indicating a declining trend in relative poverty situation which is similar to our earlier findings regarding absolute and extreme poverty over the same period.

However, over the period 1980-86, when the economy experienced a sustained growth rate of 3.7% per annum, some modest improvement in the poverty situation evidently took place. With an expansion in targeted Government programmes
along with complementary activities by NGOs it was possible to make a considerable dent in hard core poverty.

Table - 2.3
Concentration of Rural Household Income:
Gini-Ratios in Constant 1963/64 Prices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gini-Ratio of Income</td>
<td>0.342</td>
<td>0.340</td>
<td>0.423</td>
<td>0.337</td>
<td>0.354</td>
<td>0.362</td>
</tr>
<tr>
<td>(in TK)</td>
<td>(1,680)</td>
<td>(1,388)</td>
<td>(1,344)</td>
<td>(1,555)</td>
<td>(1,922)</td>
<td>(2,228)</td>
</tr>
</tbody>
</table>

Notes: Figures within parentheses refer to average household income (in TK) per annum at constant 1963/64 Prices.

Now, we are interested in discussing some poverty correlates such as food intake, housing, health and medical care, landlessness, employment and unemployment along with trends in rural wages, demographic trends, economic growth and growth related linkages in the rural sectors.

The per capita food intake is not only lower than the recommended dose but also the gap between the actual intake and recommended dose becomes wider over the years. According to Nutrition survey of 1981/82, the per capita food intake was 886 gram in 1962-64 that dropped 807 grams in 1975/76 and to 765 grams in 1981/82. If we consider this on the basis of farm size we have an opposite scene. The food intake of...
households with 0.01 - 2.99 acres of land has declined between 1975/76 and 1981/82 whereas for the households having more than 3.00 acres of land, the average food intake has increased over this period. In 1981/82, the calories intake of the households owning upto 0.50 acre was about 19% lower than that for the households owning more than three acres of land and in the case of protein, the corresponding figure was 20%. Poverty also manifests in the housing condition of the rural population. In a village study conducted in 1981, it was found that 34% of the total households had only one room accommodation. Another study showed that about 40% of households had floor space not more than 150 square feet and almost 35% did not have separate kitchen. Four or more persons were found to live in one room.

2.3 Population Growth

An important factor that led to the long-run stagnation of the economy is the high rate of population growth. Intercensual growth rate of population is given in the following table.

<table>
<thead>
<tr>
<th>Table - 2.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercensual Growth Rate of Population</td>
</tr>
<tr>
<td>(1951 - 1981)</td>
</tr>
<tr>
<td>-------------</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>4,41,65,740</td>
<td>5,52,22,663</td>
<td>7,63,98,000</td>
<td>8,99,12,000</td>
</tr>
<tr>
<td>Growth Rate (Exponential)</td>
<td>X</td>
<td>2.26%</td>
<td>2.48%</td>
<td>2.32%</td>
</tr>
</tbody>
</table>

Source: Statistical Year Book of Bangladesh - 1990, p. 41.
Though the population growth rate in 1981 compared to 1974 showed slight declining trend, the size of population for such a small country is really dangerous as the density of population is the highest in the world. According to the provisional estimate of 1991 Census, total population increased to 110.2 million and density of population is approximately 756 per square km. Several estimates made on different assumptions about the future population of the country are available. Based on the drastic reduction in fertility rates, the Harvard University Centre for Population Studies arrived at a figure of about 153 million by the end of this century. Assuming a medium variant of declining fertility and mortality decline, the BBS puts the estimates at 139 million. Such an increase of population will lead to further deterioration of Bangladesh's economic condition.

The migration from rural to urban areas has been increasing in recent years which is the most significant component of urban population growth. Due to this high rate of migration, rural population growth remained low. However, the growth of rural poor in 1981 was about 2.1% per annum and a growth of agricultural sector from 2.2 to 2.4 per cent did not have any significant impact on the growth of per capita income in the rural areas. The overall growth of the economy itself has slowed down from 5.0% per annum over 1972-75 to 4.7% per annum over 1975-80 and further to 3.6% per annum over 1980-85.
2.4 The Trend of Rural Landlessness

Landlessness is perhaps one of the most important elements in explaining the level and growth of rural poverty in Bangladesh. Various studies showed the increase of landlessness in rural Bangladesh. Between 1960 and 1981, the absolute number of landless households increased from 3.07 million to 4.34 million (without making adjustments for migration) and to about 5.57 million (with adjustments for rural to urban migration)\textsuperscript{14}. According to Murshid and Abdullah, the overall growth in landlessness over the span of 20 years (1960 to 1981) was about 81% with migration related adjustments and about 43% without migration related adjustments\textsuperscript{15}.

It can be observed from Table 2.5 that the proportion of landless and near landless increased from 35% in 1960 to 45% in 1983/84 and according to BIDS survey the figure stood at 48% in 1987\textsuperscript{16}. Compared to 1960, both the total number of rural households and functionally landless households (having no operated land and or having operated land less than 0.50 acre) increased substantially between 1977 and 1983/84. Over the years between 1960 to 1983/84, total rural households increased by 67.7% while functionally landless households by 113.2%. Again, over the period between 1960 to 1977 the two figures increased by 32% and 70.7% respectively and over the period 1977 to 1983/84 these two increased by 27.1% and 24.9% respectively.
Table - 2.5
Pattern of Landownship in Bangladesh
1960 - 1983/84 (Figs. in thousand)

<table>
<thead>
<tr>
<th>Incidicators</th>
<th>No. of Rural Household</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1960</td>
</tr>
<tr>
<td>Total No. of Rural Households</td>
<td>8239 (100%)</td>
</tr>
<tr>
<td>Farm Households</td>
<td>6139 (74.5%)</td>
</tr>
<tr>
<td>Non-farm Households</td>
<td>2100 (25.5%)</td>
</tr>
<tr>
<td>Landless and Near</td>
<td>2903 (35.2%)</td>
</tr>
</tbody>
</table>

Notes: Landless and near landless households are non-farm households plus farm households having less than 0.50 acre of cultivable land.


It is to be mentioned here that not only the size of landless and near landless increased but also the land distribution becomes more unequal. This is more clear from the distribution pattern of operational holding in Bangladesh from 1960 to 1983/84 as shown in Table 2.6.

The bottom 51.6% of farmers in 1960 were owners of only 16.1% of operated land, in 1977, the bottom 50% owned only 18.8% of operated land and in 1983/84, the bottom 70.3% owned only 28.9%. Whereas in 1960, the top 10.7% owned 38.1% of land,
Table - 2.6

Distribution of Operational Holdings in Bangladesh (1960 to 1983/84)

<table>
<thead>
<tr>
<th>Farm Size in Acre</th>
<th>% of Farmers</th>
<th>% of Land Operated</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.05 - 0.99</td>
<td>24.3</td>
<td>15.8</td>
</tr>
<tr>
<td>1.00 - 2.49</td>
<td>27.3</td>
<td>34.0</td>
</tr>
<tr>
<td>2.50 - 7.49</td>
<td>37.7</td>
<td>40.8</td>
</tr>
<tr>
<td>7.50 and Above</td>
<td>10.7</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Source: (i) Figures of 1977 and 1983/84 are from the Bangladesh Census of Agriculture and Livestock – 1983/84, p.32. (ii) Figure of 1960 are from Aditee Nag Chowdhury 1989, p.37 and please see A Report to the Like Minded Group (A Summary), 1986, p.58.

In 1977, the top 9.4% owned 32.4% and in 1983/84, the top 5% owned 25.9% of operated land. From the above table, it is clear that the landlessness and marginalization expanded rapidly and that land distribution became more and more skewed. The average farm size dropped from 3.50 acres in 1977 to 2.3 acres in 1983/84. The per capita land decreased over the time as population went on increasing. The per capita cultivated area dropped from 0.37 acre in 1960 to 0.26 acre in 1977 and to 0.25 acre in 1983/84. It is to be noted here that the inclusion of new farm households with the bottom farm households will make the pattern of land distribution more skewed. A BIDS Survey, conducted in 1987 gives us a more clear picture regarding the pattern of land ownership (Table – 2.7).
Landlessness is directly connected with the problem of unemployment. The farmers losing land or having too little land, join the ranks of the poor and competing for work. In this way, the unemployment situation and finally that of poverty become more acute.

2.5 Unemployment, underemployment and Wage Rates

The problem of unemployment and underemployment is very serious in Bangladesh. Open unemployment is low because people often find part time or short duration work but the degree of underemployment is remarkable.

The size of rural labour force steadily increased from 15.9 million in 1961 to 22.6 million in 1981 and to 26.2 million in 1985/86 (Table - 2.8). It is to be noted here that the annual average growth rate of male labour force remained the same (1.8%) over 1961 to 1974, 1961 to 1983/84 and 1974 to 1984/85.

<table>
<thead>
<tr>
<th>Land Ownership (Acre)</th>
<th>% of Households</th>
<th>% of Land Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 0.05 (Nonfarm)</td>
<td>19.0</td>
<td>0.2</td>
</tr>
<tr>
<td>0.05 - 0.99</td>
<td>41.2</td>
<td>8.5</td>
</tr>
<tr>
<td>1.00 - 2.49</td>
<td>20.8</td>
<td>20.4</td>
</tr>
<tr>
<td>2.50 - 7.49</td>
<td>15.1</td>
<td>38.6</td>
</tr>
<tr>
<td>7.50 Acre &amp; Above</td>
<td>3.8</td>
<td>32.6</td>
</tr>
</tbody>
</table>

But in the case of female labour force, the rate varied from 0.4% over 1961 to 1974 to 9.6% over 1974 to 1984/85 and again, over the period 1961 to 1983/84 it was 4.1%.

Table - 2.8
Size of Rural Labour Force (Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Source</th>
<th>Size of Rural Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Both sexes</td>
</tr>
<tr>
<td>1961</td>
<td>Census</td>
<td>15.9</td>
</tr>
<tr>
<td>1974</td>
<td>Census</td>
<td>19.8</td>
</tr>
<tr>
<td>1981</td>
<td>Census</td>
<td>22.6</td>
</tr>
<tr>
<td>1983-84</td>
<td>LFS</td>
<td>24.6</td>
</tr>
<tr>
<td>1984-85</td>
<td>LFS</td>
<td>25.4</td>
</tr>
<tr>
<td>1985-86</td>
<td>LFS</td>
<td>26.2</td>
</tr>
</tbody>
</table>


The economically active population as percentage of total population (crude activity rate) decreased from 30.4% in 1961 to 28.3% in 1981 and this had an upward trend thereafter (Table-2.9). But still up to 1984/85 it was lower than what it was in 1961 and in 1985/86 it reached the level of 34.0%. We observe a declining trend in the case of female participation up to 1981 but afterwards it had an upward trend though it was lower than the level in 1961. We had an increasing trend in the case of female participation after 1981 for which overall participation reached 34.0% in 1985/86 due to the presence of a mild declining trend in male participation up to 1981 and up to 1985/86 it was below 1961 level.
Table - 2.9
Labour Force Participation in Rural Bangladesh

<table>
<thead>
<tr>
<th>Period/Source</th>
<th>Economically Active Population as % of Total Population</th>
<th>Economically Active Population as % of Population of 10 Years and above</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>1961 Census</td>
<td>30.4</td>
<td>56.1</td>
</tr>
<tr>
<td>1974</td>
<td>28.4</td>
<td>52.9</td>
</tr>
<tr>
<td>1981</td>
<td>28.3</td>
<td>52.5</td>
</tr>
<tr>
<td>1983/84 LFS</td>
<td>29.4</td>
<td>53.2</td>
</tr>
<tr>
<td>1984/85 LFS</td>
<td>29.8</td>
<td>53.8</td>
</tr>
<tr>
<td>1985/86 LFS</td>
<td>34.0</td>
<td>55.4</td>
</tr>
</tbody>
</table>


The economically active population as a proportion of working age population aged 10 years and above (refined activity rate) showed a sharp declining trend over the period 1961 to 1985/86 in the case of male participation and an increasing trend over the same period in the case of female participation. These two opposite direction trends put the overall participation down to 45.6% in 1985/86 from 48.4% in 1961.

Though female participation in economic activity has increased in recent times, it is still one of the lowest in the world. The low participation (of both males and females) rate in rural economy of Bangladesh indicates a rather high degree of economic dependency and this increased from 229 in
1961 to 235 in the middle eighties\textsuperscript{20}. The Census and the LFS data showed a more or less constant rate of open unemployment (varying between 2.5 to 3.5 per cent) in Bangladesh over the 1970's and the 1980's\textsuperscript{21}. The level of underemployment among the rural employed persons (defined as working period less than 40 hours a week) was 25.3% in 1983/84 and 14.4% in 1984/85. In the case of females, the rates were 43.1% in 1983/84, that stood at 27.1% in 1984/85\textsuperscript{22}. From the above analysis, we can conclude that compared to the mid-1970's and the early 1980's the employment situation in the 1980's was better as participation of labour force in economic activities increased.

As wage-income constitute an important source of income of rural poor, so the movement of wage along with employment level are important influencing factors of poverty. Due to an increase in the size of landless agricultural workers and sluggish growth in the demand for agricultural labour, real wages declined. The decline was very sharp upto 1974 to 1975 but it recovered considerably during 1975/76 to 1978/79. But real wage in 1981/82 was about 25% below the level of 1969/70\textsuperscript{23}.

\begin{table}[h]
\centering
\begin{tabular}{lcccccc}
\hline
Financial Year & FY 77 & FY 82 & FY 83 & FY 84 & FY 85 & FY 86 & FY 87 \\
\hline
Real Wages & 109 & 89 & 92 & 94 & 104 & 121 & 115 \\
\hline
\end{tabular}
\caption{Indices of Real Wage Rates of Agricultural Wage-Earners (Both Skilled & Unskilled - FY 74 = 100)}
\end{table}

Source : Atiq Rahman et.al. (1988), p. 35.
From Table 2.10, it is evident that there was a noticeable upward movement in real wages since FY 82 and in FY 86 the figure was impressive compared to earlier periods. From FY 82 to FY 84, real wage was below that of FY 74, and from FY 85 onward real wage was higher than that of FY 74.

From the data given earlier in this section, we may come to an initial conclusion that poverty situation deteriorated in the 1970's and early 1980's and improved mid-1980's.

2.6 Effectiveness of Some Poverty Alleviation Programmes

In our whole discussion made earlier, we have observed the rural poverty trends in Bangladesh over a couple of years along with an emphasis on some poverty correlates. Now, we discuss the effectiveness of some programmes of both Government and Non-Government taken to alleviate rural poverty. A number of poverty alleviation programmes have been taken up in the past (that are running until today), both at the Government and Non-Government levels to improve the socio-economic conditions of the poor. Some programmes sought to create employment opportunities in the lean season while others are involved in income-generating activities among the rural poor through financial assistance along with some supportive services and some other are engaged in improving the health and nutrition of poor women and children and to expand family planning activities. Some programmes are nation-wide, while others are very specific focusing on specific target groups. Hence, we discuss briefly the success and failure of some of these programmes.
2.6.1 Government Programmes

We begin with the Comilla Model, rural development programme that was started in 1959 to integrate rural development with its co-operatives and two-tier organizational structure (one at village level and another at thana level). The model has succeeded in increasing agricultural production and providing an organizational structure to the farmers. But it has failed to ensure an equitable distribution of the benefits of the development. The big farmers dominated the co-operatives and they monopolised the inputs and services. Aditee Nag Chowdhury states that in spite of some successful ventures like the "Deedar Co-operative Society", it has however, bypassed the middle farmers, landless and semi-landless or the rural majority. According to a study of the World Bank, with the expansion of its programmes, the degree of supervision decreased, credit defaulters increased in which big farmers were the majority. Not only that, the credit received from Comilla Co-operative was again invested as Mahajani Capital.

Now, we examine the Integrated Rural Development Programme (IRDP) now renamed as Bangladesh Rural Development Board (BRDB) that was established in 1971 to replicate two-tier co-operative system of the Comilla Model throughout the country. This programme attempted to increase rural productivity providing credit, inputs, irrigation supports, training facilities etc to the rural people. The programme has succeeded substantially in increasing agricultural production but failed to reach the
rural poor (like Comilla Model) with some exception like Rural Poor Programme (RPP). This programme is monopolised by the big farmers. The Rural Poor Programme of BRDB, operating since July, 1983 aims to extend the coverage of the two-tier cooperative system to the landless poor both, males and females, providing them credit and input supports. Anderson noted its positive contribution and recommended its continuation. Though the programme succeed in reaching the target people, its coverage is not sufficient to cover the total target people throughout the country. Recently, the Comilla Model has undertaken some experimental programmes for the poor but still these are at experimental level.

Next, we discuss the Rural Works Programme/Food-for-Work Programme - a programme that was started in the mid-1970s and became one of the largest poverty alleviation programmes in Bangladesh. Originating as a relief oriented programme, now it has become a more development oriented one with a focus on creating durable infrastructure so as to reduce seasonal unemployment and poverty. This programme was able to create temporary employment opportunity for the rural poor. It has been found that the workers are paid about 30% less than the officially admissible amount of wheat. The programme is also dominated by the local elites. This programme has a positive impact on income and employment but the benefits are mostly temporary in nature.

We discuss now, the Swanirvar Credit Programme (a Semi-Government effort) which started in 1974 as swanirvar movement.
In the 1970s, the main objective of the movement was institution-building at the grassroot level forming Gram Sarkar (Village Government), a grassroot level Government Unit. Following the abolition of the Swainirvar Gram Sarkar with the change of Government (though now it begins to have a new life), income-generation through credit to the landless emerged as the main objective of the programme. It creates employment opportunities providing credit and training but indeed its achievements are small in relation to the needs. This programme is also successful in reaching the poor though in some cases landed people are present in this programme.

Different Land Reforms had no significant positive impact on rural poverty alleviation as surplus land available for distribution among the landless and marginal farmers was not large enough. Tenurial reforms such as share cropping right for five years and three-fold distribution of output (known as Tebhagha system), minimum wage rate for agricultural labourers (3.50 seers or 3.28 kg of rice or equivalent amount of money for one standard day's wage) are appreciable as these can affect rural poverty in a positive direction. But the implementation of these programme is almost absent as it is rather problematic. There is little chance that such reforms can be implemented. The Government cannot police 85 thousand villages and in the existing socio-economic structure it is not possible to implement these reforms perfectly.
We have briefly discussed earlier the success and failure of different Government rural poverty alleviation programmes. It is found that some programmes such as the Comilla Approach and its replication to nationwide known as BRDB (the then IRDP) mostly exclude the rural poor and the rural big farmers dominate the programmes and enjoy the benefits of the subsidized inputs. On the other hand, in Rural Works Programme/Food-for-Work Programme, we notice the dominance of the rural elites exploit landless labourers. Some programmes such as a Swanirvar Credit Programme, RPP of BRDB, Vulnerable Group Feeding Programme succeeded in reaching the target rural people of Bangladesh, their coverage was not sufficient to meet the needs. Again, the impact of different land reform policies was also significant for alleviating rural poverty. In some programmes (like Comilla Model and BRDB, Food-for-Work Programme), there exists complexities and corruptions. According to a study of the World Bank, complexities in getting registration of the society, in Government Co-operation and in credit supply make the society formation (in BRDB) to some extent meaningless. From this realisation, the World Bank suggested to take initiatives outside the Government structure to organize the rural people so as to create self-employment and to generate income in non-crop sector efficiently. According to Anu Muhammad, the fruitful implementation of this realization is the emergence of NGOs in Bangladesh. Here, we are not concerned with the emergence of NGOs but simply discuss briefly the success and failure of NGOs working in Bangladesh. Before analysing this we are making a brief discussion regarding Grameen Bank - a specialized credit
institutions for the landless or near landless males and females who were (and also at present) previously neglected seriously by the institutional sources of credit like agricultural credit. It was launched in 1976 and now becomes the largest target-group oriented rural poor programme with relatively a larger coverage. Various studies pointed out that the bank is perfectly successful in reaching the target people and has made remarkable improvement over some socio-economic aspects of the beneficiaries. On the contrary, in the case of rural institutional credit (Govt.) the rural poor are neglected and again, the credit performance is the worst.

2.6.2 Non-Government Organizations (NGOs)

A large number of NGOs are working in Bangladesh since the War of Independence for the betterment of rural landless and near landless males and females. Like Grameen Bank, NGOs have achieved some success in improving the income and employment level of the rural poor by combining credit with group formation, skill training and other supportive services. Recent studies suggest that NGOs have achieved considerable success in the field of health and family planning along with some other socio-economic aspects. NGOs are also successful in reaching the target people. Due to less bureaucratic structure and greater flexibility in NGOs compared to Government programmes, the implementation of development programmes in rural areas is more effective and accordingly yields a better impact. In NGOs, corruption is almost absent which is much in some of the Government programmes. In addition to this, accountability
and responsibility of NGOs workers are satisfactory. But NGOs along with some target-group oriented GOs and Quasi-GOs have covered only around 10% of their target people all over the country and costs per beneficiary service of NGOs are higher than those of comparable Government programmes. Moreover, NGOs concentrate their activities in some specific areas, and small coverage of their activities in terms of population relative to costs. The Fourth Five Year Plan of Bangladesh recognised the importance and contribution of all the different types of NGOs and suggested to utilize their services in a more cost-effective co-ordinated way.

As the prime objective of the current study is to observe the role of some selective NGOs in rural poverty alleviation of Bangladesh, the contribution of NGOs in this aspect will be analysed later in detail. We discuss now the emergence of NGOs in Bangladesh defining them firstly.

2.7 Emergence of NGOs in Bangladesh – Their Types and Development

2.7.1 What is an NGO?

The term NGO normally includes those organizations which are formed by private initiatives and are engaged in either development activities or voluntary activities in any way and operate outside Governmental structure but function within the legal framework of the country. According to this definition,
different clubs having registration from the Social Welfare Department of Bangladesh Government are also included in NGOs. Khawja Shamsul Huda states that the term NGO normally includes all types of organizations which are formed by personal initiatives, which differ from the state apparatus and endeavour to achieve various goals which may be similar or different from those of the Government.

But in this analysis we include only those organizations or NGOs which have the following features: (a) they are formed by private initiatives and are engaged in development activities and/or education, training, health and family planning activities; (b) all the organizations must be registered with the Social Welfare Department of Bangladesh Government under Foreign Donation Voluntary Activity Regulation Ordinance-1978 and subsequently amended in 1982 and these organization get foreign donation through the External Resource Division (ERD) of Bangladesh; (c) these organizations mainly depend on foreign donation to run their activities; (d) these organizations operate outside the Governmental structure but function within the legal framework of the country.

2.7.2 NGO Emergence in Bangladesh-Leftist Stand Point

According to the leftists view, the mushrooming of NGOs is inspired by the First World Western Countries and the introduction of NGOs is nothing but a "new factor in imperialist strategy" and a "vehicle to counter and disrupt the potential of the
According to the leftists, the main aims of the backers of NGOs are:

a) to remove the possibility of revolution;
b) to ensure the expansion of the market for the First World products through raising the buying capacity of the target group;
c) to create alternative institutions that can save the western imperialist interests as there is no confidence in the unstable Third World Governments;
d) to divide the landless and poor peasants into innumerable fractions so that the possibility of a united peasants solidarity movement can be checked.

Islamic Satnd Point

According to a section of religious fundamentalists (Muslim), most of the NGOs are Western and many of them are church based and since the target groups do not have true ideological conception, they are therefore, vulnerable to being misguided by the foreign ideologies. As donors are giving emphasis to help women and strengthening their positions and rights in the society. They oppose it raising their argument that such programmes destroy the very foundation of family life.

Economic Context of the Emergence of NGOs

In the 1950s, the strategy for the Third World development
was economic growth. Although it was assumed that the benefits of development would trickle down to the poor, it did not so happen. In the Third World what was happening was that the poor were (are) becoming poorer and the rich richer. Different programmes taken by the Government in most of the Third World countries as prescribed by the donor countries failed to ensure equitable distribution of benefits. In Bangladesh, various Government efforts (such as Comilla Model and BRDB) failed to reach the rural poor. From the realization of the World Bank that not only IRDP, an organized effort other than Government was essential to create self-employment and to generate income in non-crop sectors - NGOs emerged in the late 1960s. Not only that, the Western countries and the donor agencies are very much interested to donate through non-Government efforts as these organizations can reach to the actual target group people. They also work more efficiently than the Government.

The grounds for the emergence of NGOs have also been created because of the dysfunctionalism of the elites section. The political elites do not go to raise the consciousness of the people, the industrial elites do not create new jobs and the bureaucrats do not perform their duties delivering the services to the people. As a result, NGOs needed to come forward to try to improve the situation.

Finally, it can be stated that, on the one hand, the Government efforts for rural development, even partial, failed to do anything for the rural poor. On the other hand, in order
to create awareness among the rural poor and for their socio-economic development, political parties did nothing. Again, the well-to-do persons are not keenly interested to do anything for the betterment of the poor. Above all, the Government machinery does not work sincerely. These are the main reasons for the emergence of NGOs and their rapid expansion in Bangladesh. It is to be noted here that what sort of development strategy will be adopted and for what duration in the Third World countries like Bangladesh mainly depends on the Western donor countries/agencies.

2.7.3 Types of NGOs

On the basis of the origin, area of operation and nature of organization, NGOs working in Bangladesh may be classified into:

a) **Doner Agencies** like Ford Foundation, Asia Foundation, OXFAM, CUSO, NOVIB etc which provide funds to both national and international NGOs for development activities.

b) **International Action NGOs** which directly participate in development activities in Bangladesh such as CARE - Bangladesh, Save the Children Fund (UK), Mennonite Central Committee (MCC), Rangpur - Dinajpur Rural Services (RDRS), HEED - Bangladesh etc. Not only their sources of funds are external, also the authority of planning, implementation and management of the programme lies with their head office (international).
c) National Action NGOs came into being through personal initiatives of some Bangladeshi individuals and organize rural development activities in different parts of Bangladesh. They primarily depend on foreign donation for their operation. Bangladesh Rural Advancement Committe, Proshika both Dhaka and Comilla, GK, Caritas - Bangladesh, Nijera Kori, CCDB etc belong to this category.

d) Local Action NGOs are dependent on various national sources of finance including Government grants and private donations. Unlike national and international action NGOs, they operate within a very small locality like village, union or thana with specific programmes of development and providing welfare services to the locality.

e) Service Oriented NGOs/Voluntary Resource Organizations (VROs) are not directly involved in the implementation of any development programmes, they mainly provide various complementary technical and support services to other NGOs. These organizations are run by Bangladeshi, though they depend on both national and international sources for funds. Association of Development Agencies in Bangladesh (ADAB), Voluntary Health Services Societies (VHSS), Micro-Industries Development Assistance Society (MIDAS), Village Education Resource Centre (VERC) etc are in this category. BRAC, Proshika, GK etc also provide training support to other NGOs and as such they can also be classified as VROs.

f) Religious NGOs such as the Church and Islamic NGOs are working on communal basis.
Again, on the basis of their roles and functions, NGOs in Bangladesh may roughly be classified into certain tentative categories. The possible weakness of such categorization is that they are not mutually exclusive.

a) **Relief and Welfare NGOs** represent those that provide relief support to people affected by natural calamities. In our country many NGOs are doing this along with other activities.

b) **Funding NGOs** include those that operate as conduits of foreign donors engaged in making grants to NGOs to enable them to undertake specified activities.

c) **Service NGOs** include those that are engaged in delivering services ranging from health care and family planning to agricultural inputs and services.

d) **Training and Technical Support NGOs** include such organizations that are providing training and technical supports to the organized group members and other NGOs.

e) **Development NGOs** include those that are involved in enabling the poor to develop their own institution and enhancing their awareness through development education and improve their socio-economic conditions.

f) **Net Working/Co-ordinating NGOs** involve in co-ordination among inter NGOs in different aspects. They also co-ordinate with the Government, and with national and international NGOs to promote and improve inter-institutional collaboration.

Following the framework of David C. Korten, NGOs are classified into:
a) The First Generation of NGOs: The NGOs which are exclusively engaged in relief and welfare activities.

b) The Second Generation of NGOs: Those NGOs which have made a transition from relief and welfare related activities to developing self-reliant organizations of the poor. Most of the NGOs working in Bangladesh started as relief and rehabilitation institution are now involved in institution-building of the poor and are providing credit support to undertake various income-generating activities and are also engaged in providing other supportive services belong to the second generation of NGOs.

e) The Third Generation of NGOs represent those which endeavour to extend the breadth of their programme impacts, ensuring sustainability through undertaking large-scale programmes, complementing the national development system and involving various organizations are institution. Only few NGOs like BRAC, CARE, RDRS, Proshika etc may fall into this type.

2.7.4 Development of NGOs in Bangladesh

The activities of NGOs in fact began only after the devastating natural disaster of 1970 and of course after the War of Independence of 1971. During the period of the then East Pakistan, there were only very few such organizations. The NGOs that came out forward to help the war-revaged people of the country providing relief and rehabilitation supports were most international.

The history of NGOs in Bangladesh is one of the process of evolution. Initially most of the NGOs, both national and
international, started their activities with relief and rehabilita-
tion programme and the intensity of NGO involvement in relief
and rehabilitation was massive indeed. Out of the total commitment
of roughly US $ 113 billion to Bangladesh, upto mid-1973, more
than US $ 115 million was channelled through NGOs. When NGOs
realised that such charity and welfare orientation could only
temporarily reduce the suffering of the distressed, could not
yield a sustainable improvement in their socio-economic conditions,
they shifted their course of action from relief and rehabilitation
to community development programmes.

During the period between 1973 and 1975, NGOs adopted
the Community Development Approach for self-reliant with various
sectoral activities such as agriculture, fisheries, livestock,
co-operatives, health and family planning, adult education,
training etc. Emphasis was given on increasing food production
and accordingly technical assistance along with inputs were
provided. Very soon, they realized that benefits of their efforts
were derived mainly by the larger landowners and the landless
and marginal farmers became worse off. As a result, around 1976,
NGOs began to shift from community based development to the
target-group approach where services were directed to the landless
and near landless. By 1984, the majority of the NGOs had adopted
the strategy mentioned above while a few NGOs retained a techno-
logy-based strategy to improve production level through the
adoption of appropriate technology.

The NGOs which follow the target-group approach focus
on awareness building and conscientization and introduce economic
projects to reduce the dependence of the beneficiaries on the exploitative forces. They also give emphasis on other supportive services like functional education, training both of practical skill and human development, health and family planning etc.

In Bangladesh, most of the NGOs are working in the rural areas. Though in some areas, the intensity of NGOs is relatively more. But it is true that NGOs are working almost throughout the country. Central administrations of NGOs are either Dhaka based or of city/town based (like other organizations). But their activities are absolutely concerned with the rural poor. Thus, almost all the NGOs working in Bangladesh are rural poor-oriented. We briefly state here the situation of some neighbouring countries mainly of this continent. A research study pointed out that among the registered NGOs in Nepal (national level, zonal level and some at district level), 80% in Kathmandu Valley itself. The activities of such organization are limited to the urban centres and periphery of the Kathmandu Valley. Besides, a number of multinational foreign voluntary organizations were working in different sectors of the country. The activities of NGOs in Nepal and of other countries are almost similar to those of working in Bangladesh. In Nepal, very few NGOs were involved in improving the condition of the people, specially in rural areas. NGOs were more effective than GOs in bringing about changes in the socio-economic conditions of the poor. In India, though a large number of voluntary agencies are working, these are not adequate to serve the large number of socially depressed people. And again, these are also scattered in the
rural areas. In the Philippines, a large number of voluntary organizations are working but most of them are small in size and local in character. In Sri Lanka, a large number of NGOs are working of whom most are local in character. According to one estimate, it was observed that only one-third of the villages of Sri Lanka were out of NGO coverage. Most of the NGOs were working in southern and western parts of the country. There were hardly any of them in the interior villages.

2.7.5 The Status of NGOs

A. Number of NGOs by Types

The number of NGOs operating in Bangladesh are comparatively large and they are heterogeneous in nature. The number of NGOs (including various local level voluntary organizations and clubs) working in Bangladesh are as many as 12,000 registered with the Government of Bangladesh. However, only a few of them actively participate in rural development activities and many of them exist only in name. ADAB, after a thorough search found around 550 registered local level NGOs engaged in development activities. There were as many 316 national and foreign NGOs (including 89 foreign NGOs) receiving foreign donation and registered under the Foreign Donation Ordinance of 1978. ADAB is a national level co-ordinating body of NGOs working in Bangladesh formed in 1974. Any non-profit and non-political voluntary organization registered with the Government and engaged in development activities may be the member of ADAB. For many
It has functioned as a co-ordinating body of NGOs and representative of them with the Government. Recently, it is involved in providing training and technical assistance to NGOs.

We can judge the growth of NGOs in Bangladesh from the membership of ADAB. In 1973, there were only 9 members enlisted in ADAB. At the end of 1988, the membership of ADAB was 730 and at the end of December 1989, it stood at more than 900. Over the period January, 1983 to December, 1989, the membership of ADAB has grown by 708. By December, 1989, approximately 343 NGOs have been enrolled as associate members. Among this members of ADAB, 75% were national (including local and regional) and 25% were foreign organizations. In 1986, the number of membership of ADAB increased over 400. From the above analysis, it is clear that NGOs expanded rapidly in the early 1980s. Another study on 46 major NGOs working in Bangladesh showed that about 44% of these were formed by the end of 1975, while the rest 56% were established in the early 1980s. One of the most important reason for the expansion of NGOs in that period was the favourable Government policies.

B. NGO Linkage with the Government of Bangladesh

Upto 1978, there was no legislation regulating or defining the operations of NGO with Bangladesh. From 1978, all the voluntary agencies undertaking activities in Bangladesh with foreign donations must be registered with ERD of Bangladesh Government through the Director, Department of Social Welfare. In this
way, the NGO activities are incorporated with the development
efforts of the Government. But however, the Government has
no effective control over NGOs with proper supervision on their
activities and on their expenses.

Now-a-days, the relation between NGOs and the Government
is relatively better and accordingly those NGO activities are
encouraged which complement the development efforts of the
Government. It is to be mentioned here that the revolutionary
left feel the NGO activities are the helping tools of the
expansion of capitalism and, thus, they have a tendency of
rejecting NGOs.

NGOs do not claim to substitute the Government efforts.
In fact, NGOs intend to complement the Government efforts to
improve the condition of the rural poor. Recently, in some
areas of development activities, the Government and NGOs are
working together for the betterment of the target people. Not
only that, the Government increasingly depends on NGOs for the
improvement of the rural poor and to implement some programmes.
On the other hand, NGOs expect necessary supports and co-operation
from the Government in their endeavour.

To expand (or to develop) the mutual co-ordination between
the Government and NGOs and to establish NGOs as complement of
Government efforts in respect of total development of the country,
the role of international donor agencies is very important.
Donor agencies both of Bangladesh Government and of NGOs were (are)
influencing the Government for a long time to develop a coordination with the NGOs and to set NGOs as complements of Government efforts. It was more clear in the evaluation of World Bank where suggestions were made on the expansion of NGOs' role. Due to defective organizational structures of Government agencies along with their inefficiency, dishonesty and ineffectiveness, the donor agencies are more interested to work with NGOs instead of Government of such countries like Bangladesh.

2.7.6 Sources of Finance

Almost all the NGOs depend on foreign donation which is generated from different sources such as international religious bodies, international and foreign donor agencies and some times from foreign Government. A single NGO may mobilize funds from diverse aid sources. Some major sources financing the NGOs working in Bangladesh are: US-AID, OXFAM, Ford Foundation, CUSO, SIDA, CIDA, Danish International Development Assistance, NORAD, Bread for the World, NOVIB, Inter Pares (Canada), UNICEF etc. Among these, OXFAM (UK, USA & Canada) and US-AID are the major sources.

The proportion of total foreign aid channelled through NGOs was about 1% in 1972-73, from 1982/83 to 1985/86, the figure increased to 16.4% and in 1986/87 that increased to 17.4%. Though some NGOs are involved in generating internal resources but compared to total financial involvement the figure is too little.
2.8 Conclusion

In our entire discussion of this chapter, we have analysed the poverty trends of Bangladesh along with a statement of the situation of some other poverty correlates. Analysing briefly the effectiveness of some Government organizations and non-Government organizations working in Bangladesh, we have pointed out the emergence of NGOs, their typology, development of their strategies, sources of finance, their growth and linkage with the Government. We shall observe the NGO's programme performance analysing the activities, socio-economic impacts and cost-effectiveness of some NGOs while making a comparison with GOs and Quasi-GOs later on. In our next chapter, we shall make a descriptive analysis on some organizations.
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