CHAPTER I

INTRODUCTION

1.1 The Problem:

This thesis examines the proposition that there may exist linkages between changes in landownership among rural households as key elements of structural changes among them and the processes of income formation and patterns of livelihood. It is assumed that the relationship between changing landownership pattern and the processes of income formation and patterns of livelihood is interactive in nature and the emerging dynamics is an outcome of complex interactions between the two processes.

The context of the study is Bangladesh rural society which is characterized by inequalities in landownership within a very narrow range. Over the time there has been a decline in per capita land owned due to tremendous demographic pressure and the top most holding group also experienced slight erosion in average quantity of land owned. Along with this phenomenon there has been the emergence of a huge mass of marginal and landless rural
households. The result is growing differentiation but no significant structural change whereby a large farm agriculture emerges to reap the benefits of economies of scale and efficient management. The country remains to be a predominantly agrarian economy with the preponderance of small holdings. Yet, changes are occurring within the bounds of small holding agriculture. The question is at what pace this change is occurring, what factors determine the pace and the patterns of change. Though in structural terms the dynamics appears to be in a 'deadlock', the economic environment in which the rural households earn their livelihood is continually changing. This thesis aims at exploring the linkages between this Changing economic environment and changes in landownership of the rural households. The thesis examines at length the survival and livelihood strategies of rural households under conditions of shrinking and differentiating land base and non-land income earning opportunities emerging at a slow pace. In the process of this investigation an attempt is made to discern the nature and the process of differentiation in landownership within this narrow bound. Thus, this is a study in 'bounded differentiation' process in rural Bangladesh taking two densely populated but ecologically diverse villages as case studies at micro-level. In the
process of the study of the ongoing dynamics of Bangladesh rural economy some received understandings of the processes of change are questioned and a fresh appraisal of the observed change process is attempted.

1.2 The Chapter Plan:

The thesis comprises of eleven chapters. The first introductory chapter states the problem, the objective and outlines the subsequent chapters. Chapter II deals with a review of the theories of agrarian transformation as enunciated by some major schools. The chapter sifts out certain strands of ideas from these theories that appear to be relevant in the context of the on-going dynamics in Bangladesh rural economy. Chapter III lays down the broad features of Bangladesh economy in terms of economic structure, income distribution, landownership pattern at the macro level and raises some issues to be studied at the micro level to appreciate the fact that a lot of the changes that are going on at the micro level, may not aggregate into significant changes at the macro level demonstrating contradictory trends. In Chapter IV some micro level studies conducted in different villages of Bangladesh by renowned scholars from time to time are surveyed as a prelude to our own study and is intended to show how some of the issues to
be reopened by us have been anticipated by them. Chapter V deals with the selection of sample villages and the mode of inquiry. Chapter VI deals with the changing land ownership pattern in our study villages. It also deals with the plausible implications of the observed patterns of landownership changes for the overall dynamics. Chapter VII deals with sources of finances for land purchases, motivations for land sales and the nature of activity in the land market. This analysis of finance, motivation and activity in the land market provides the hint that the type of dynamics that we observe is activated by the income formation processes and the nature of fusion between the domains, internal and external, to the village economies. In Chapter VII alternative modes of classification of the sampled households and the rationale of those classifications are discussed. The extent of matching among different classifications is also demonstrated. In Chapter IX economic structure of different groups of sampled households under alternative classification are compared to establish empirically that notwithstanding alternative classification the configuration of income remains the key differentiating element between most of the groups of households.
In Chapter X processes of income formation and patterns of livelihood of the sampled households of the two study villages are discussed and shows the correspondence between those processes and patterns and the location of households in the dynamic contours of landownership. Chapter XI rounds up the discussions and findings of the previous chapters to show the character of dynamics in the rural economy of Bangladesh.