

Building from Below
Local Initiatives
for Decentralized Development
in Asia and Pacific

Volume 3

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Building from Below

FOREWORD

Societies and peoples in developing countries are passing through a period of turbulent change. They are confronted with not only global economic pressures which operate from outside, but also new dynamic forces which have been unleashed from within. As we approach the end of this century, the under-development of our vast rural population and, in particular, the inequities in distribution of public and private resources, will continue to be a priority concern. In spite of four decades of development efforts and even high growth rates experienced by some of the countries of the region, problems of poverty seem to be intractable. While many poverty alleviation projects have been undertaken, new delivery systems installed and massive resources invested, most of the development has effectively bypassed the poor. As the critics rightly point out, there has been much development of the bureaucracy, but very little of the people. Administrators out of their keenness to perfect delivery systems, have grossly ignored the key actors of the development process. The conscientious amongst the economic planners have admitted their "seven sins"; the development practitioners and professionals in public administration must also be candid about their follies.

Awareness of some of the harsher realities, has prompted the Konrad Adenauer Stiftung and the Asian and Pacific Development Centre, to assess the outcome of recent decentralization trends in the region. Through its project network comprising national research and training institutions and some of the leading professionals in the field, a series of case studies were undertaken to look at decentralized development experience, not from the top of government structure, but from below. These were relatively recent experiences which focused on local-level initiatives for development. They were based on the premise that to be meaningful, development must be not only for the people, but also has to be carried out by them. To do that, people have to be empowered out of their own consciousness and resources - it is logical that such a process should begin at the local-level. The case studies as well as the country reports attempt to analyse some of the underlying factors of success as well as failure of local-level endeavours and draw out the implications for the more traditional approaches to decentralization. New assertive voices of people in thousands of little villages, barangay, tambon and kampung all over the region, are increasingly being heard.

They clamour for local-level development, protection of their environment and a greater say in determining their own future. It is important that our planners and administrators should pay heed to them. They must consider what are the alternatives for more meaningful decentralization that allow development of people and not the bureaucracy. It is our genuine expectation that this APDC-KAF study would provide new insights for this purpose.

I am very pleased that the Konrad Adenauer Stiftung (Konrad Adenauer Foundation) - which is deeply concerned about people's development in the Third World - has joined its hands with ours, in carrying out the study. I am thankful to the Foundation for its generous support, without which the project could not have been completed. Khalid Shams, Programme Co-ordinator, APDC and Professor Heinrich Siedentopf, Post-Graduate School of Administrative Sciences, Speyer, Federal Republic of Germany, undertook the task of co-ordinating this research study - to them I extend my deep appreciation.

However, our immediate concern is with the aftermath! I hope the publication will be widely circulated in this region and will be useful for those who think about development management systems for the future and an alternative vision of decentralization that transfer government power to people's organizations -- below.

M.A.J. Shahari
Director
APDC

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APDC staff assisted in many ways (editing, proofreading and typing the papers) in seeing the publication through its completion. In particular, we acknowledge the hard work put in by Pauline Almeida, Yap Chin Yean, Selina Chan and Caridad Tharan.

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1988

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DECENTRALIZATION FOR RURAL DEVELOPMENT IN BANGLADESH

Abstract

Decentralization in Bangladesh has experienced many twists and turns. The various government-sponsored programmes, including the grassroots co-operative organizations which started with Akhtar Hamid Khan's Comilla approach, have failed to reach the rural poor. Grameen Bank has attained some success in this respect, but its activities are essentially confined to target group-based credit operations. More recently, the government has introduced a decentralized local government system aiming to set up people's representative institutions at sub-district or upazila level. There are some elements of devolution in the system as the local council has the power to raise taxes, formulate development plans and implement them. But financially the council is hardly viable. In addition to the government, numerous voluntary agencies or non-government organizations are also involved in decentralized development programmes which aim at upliftment of the rural poor. There were significant experiments in conscientization and participatory development, but operations of most NGOs are restricted to small areas. Significant lessons have emerged from this experience, which need to be evaluated. In the Bangladesh context, it would be important to differentiate between the various categories of rural poor and efforts have to be made so that they are organized to protect their own interests.

DECENTRALIZATION FOR RURAL DEVELOPMENT IN BANGLADESH

Akbar Ali Khan

Introduction

The agonizing and protracted quest for national identity in Bangladesh did not reach its culmination through the constitutional process. Bangladesh won her independence in a traumatic revolution. It was a spontaneous outburst not only against alien rule but also against what Thomas Jefferson used to describe as "the degeneracy of government". An ideal government in Jefferson's view is not meant to strengthen the power of many but the power of every one within the limits of his competence. Governments, therefore, degenerate when all powers are "concentrated in the hands of the one, the few, the well-born or the many." The remedy for this degeneracy lies in breaking up "the many" into institutions where "every one" could count and be counted upon. Decentralization of governmental power and people's participation had always been the fondest dream of revolutionaries throughout the world.

The hopes and aspirations of the Bangladesh revolution are embodied in her constitution. "The emancipation of the toiling masses - the peasants and workers and backward sections of the people, from all forms of exploitation" was proclaimed by Article 14 as one of the basic goals of the state. The narrowing of economic disparity between rural and urban areas and effective measures to bring about radical transformation in the rural areas" were also mandated by Article 16 as constitutional responsibilities. Article 19 directs to adopt effective measures "to remove social and economic inequality between man and man." Promotion of local government institutions and the participation of women in national life were prescribed as fundamental principles of state policy.

This paper seeks to examine the effectiveness of decentralization measures for rural development which were undertaken in Bangladesh to realize the grandiose vision of the emancipation of the toiling masses. It is divided into six sections. The first section delineates the social, economic and political environments which shape decentralization and rural development efforts in Bangladesh. The second section reviews the measures taken by the government to build up grassroots co-operative organizations for rural development. The third section reviews the administrative innovations in local government which were introduced to promote decentralization. The fourth section analyses the experiments for effective decentralization which were conducted by non-government organizations (NGOs). The fifth section examines

critically the issues relating to implementation of decentralization programmes for rural development in Bangladesh. The final section summarizes the main findings and policy implications of this study.

SOCIAL, ECONOMIC, AND POLITICAL ENVIRONMENT

Bangladesh is a small country (144 thousand sq km in area; 89th country in the world by size). The magnitude of her poverty is, however, colossal. She is the most populous Least Developed Country and contains the eighth largest population in the world. Stark deprivation blights the life of more than two-thirds of her population. According to official estimates, 73 per cent of her population consume less than average calorie (2,200 k.cal. per day) requirements.

There is, however, difference of opinion on the trends of poverty in Bangladesh. Some studies show evidence of the increasing misery of the poor (ILO, 1977, p.147; Ahmed and Hosain, 1985, p.70). These findings are not, however, consistent with a third study which indicates that the proportion of poor in rural Bangladesh declined from 92 in 1963-64 to 83 in 1973-74 (Osman, 1982, p.176). On the other hand, the latest Household Expenditure Survey of Bangladesh Bureau of Statistics did not find significant variations in the proportions of households and population below poverty lines between 1973-74 and 1981-82. The wide divergence in these estimates may be attributed to lack of consensus on the definition of "poverty line."

Even if it is assumed that the proportion of poor in the last decade has remained constant, the absolute number of people below the poverty line has swelled as a result of the dramatic increase in population (2.4 per cent annually according to Bangladesh Planning Commission). According to the estimates of a World Bank study, there are about 8 million more poor in 1981 than there were in 1974, though the proportion of the poor in the total population did not increase (1983, p. 4). Ironically, life expectancy has increased despite the aggravation of poverty. In 1960, life expectancy at birth in Bangladesh was 37 years; in 1986 it is 50 years. The fall in the death rate itself contributed to a population explosion that has ensured the economy is in a low-level equilibrium trap.

There is considerable differentiation among the poor in Bangladesh. According to Michael Lipton, the poor in Bangladesh may be divided into two categories: (1) "moderately poor"; and (2) "ultra poor" (1983, p.38). In the context of Bangladesh, the "ultra poor" may be defined as those who consume less than 1,600 k.cal. per day, the basic metabolic calorie requirement. Those who consume

85 per cent of average calorie requirement (1,800 k.cal. per day) may be classified as moderately poor. According to this classification, at least 30 per cent of the population are ultra poor. Only 15 per cent of the population are moderately poor. The problem of ultra poor in Bangladesh is thus much more poignant and severe than in other countries.

Even within ultra poor households, poverty is not shared equally. The children and women are discriminated against in both rich and poor families. Consequently, a high proportion of children in Bangladesh are malnourished from birth. By the age of four, three-quarters of the children are physically stunted and suffering from anaemia. Less than 20 per cent of the children born in a particular year get the opportunity of growing into healthy, physically fit and fully productive citizens (World Bank, 1985, p.61). The women are also malnourished. "Eating last and often least is only one of the many hardships they share in common whether they are rich or poor, Hindu or Muslim (Hartmann and Boyce, 1983, p.82). The calorie intake for adult women (without allowing for needs of pregnancy and lactation) is 29 per cent less than that of the males, for children under 5 some 16 per cent less, and for females 5-14, about 11 per cent less. Female children have almost three times the rate of malnutrition as males and a 45 per cent higher mortality rate among the severely malnourished (World Bank, 1985, p.12).

The deepening of poverty has been accompanied by increasing inequality in income and assets. The Gini index of income distribution for Bangladesh has increased from 0.36 in 1963-64 to 0.39 in 1981-82 (Appendix 1). The share of the bottom 40 per cent households in total income has decreased from 18.4 per cent in 1963-64 to 17.36 in 1981-82. Similar trends are also evident in distribution of land. In 1977, the bottom 40 per cent farm households cultivated only 13.3 per cent land. The share of this group in total cultivated area shrank to 7.6 per cent in 1983-84 (Appendix 2).

Another important characteristic of Bangladesh's land tenure is widespread sharecropping. About 24 per cent land is cultivated by sharecroppers. In nearly 90 per cent of the cases, tenancy agreements are annual and the tenants get only 50 per cent of the produce though they pay for all inputs themselves. Land reform measures undertaken so far have been half-hearted. The Land Reforms Ordinance 1984 reduced the ceiling of land ownership from 100 bigha (about 34 acres) to 60 bigha (about 20 acres). However, this ceiling applies to acquisition of new land only and the existing owners who possess more than 20 acres were allowed to retain the excess land. The share of owners who do not bear the cost of cultivation has been reduced to one-third. Legally, a written contract for five years has been made mandatory for sharecropping. These legal provisions,

however, have not been enforced as yet owing to lack of political commitment, opposition of landowners, and the absence of up-to-date land records. Similarly, a minimum wage legislation for agricultural labour (3.5 kg approximately of paddy per day) continues to be a dead-letter.

The gap between the rich and poor is gradually widened by the ever escalating problem of landlessness. According to Agriculture and Livestock Census 1983-84, 56.4 per cent households in Bangladesh are landless. The census identified three categories of the landless. The first category shows households owning no land at all. About 8.7 per cent households are landless according to this criterion. The second category includes households owning homestead but no other land. About 16.6 per cent households belong to this category. The third type of landless households owns homestead land and not more than 0.50 acres of other land. The last category covers 28.2 per cent households. Landlessness is increasing by more than 5 per cent annually. It has more than doubled over the last generation and is likely to increase inexorably.

The problem of landlessness is compounded by lack of employment opportunities. The estimates of Bangladesh Bureau of Statistics indicate that about 37 per cent of the labour force is unemployed. The rate of unemployment in Bangladesh today is more than double that of the U.S.A. during the Great Depression (18.2 per cent). The actual rate of unemployment in Bangladesh is likely to be even higher than the official estimates for two reasons. First, reliable data on disguised unemployment in the agricultural sector are not available. Secondly, the official statistics grossly underestimate employment among the females by assuming that only 4.3 per cent adult women participate in the labour force. According to Bangladesh Planning Commission, 8.5 million people were effectively out of employment in 1979-80. About 0.8 million new entrants enter the labour market every year. The number of unemployed in Bangladesh is larger than the combined populations of Norway, New Zealand and Israel.

The inequitable distribution of income and lack of employment opportunities not only undermine the social structure but also inhibit economic development. Poverty of the masses reduces purchasing power which in turn limits the size of the market. Economic inequality also generates distortions in the production process. For example, share-cropping practised by large landowners discourages the efficient utilization of scarce land. Similarly, "water-lordism" or the monopoly of the village elites over the irrigation equipment contributes to a decline in the command area of irrigation projects (BIRD Review, 1981).