

POVERTY ALLEVIATION MEASURES IN INDIA AND BANGLADESH: A COMPARATIVE STUDY

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CERTIFICATE

Certified that the dissertation entitled **POVERTY ALLEVIATION MEASURES IN INDIA AND BANGLADESH: A COMPARATIVE STUDY** submitted by **REHANA BATUL** in partial fulfilment of the requirements for the award of the degree of **MASTER OF PHILOSOPHY (M.Phil)** of this University, is her original work. This dissertation has not been submitted for the award of any other degree of this or of any other University.

We recommend that this dissertation be placed before the examiners for evaluation.


PROF. BALADAS GHOSHAL
Chairperson


DR. MAHENDRA P. LAMA
Supervisor

To
Achey
(my sister)

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PREFACE TO THE WORK

There is a lot of literature available on Poverty Alleviation Programmes of India and Bangladesh. Massive survey and analytical work has been done by governmental agencies, international organisations and independent scholars in this field, in both the countries. But, hardly we find any comparative study of the programmes of the two countries. This is essential particularly in understanding the problems of policy formulation and implementation of development programmes under different conditions. Such research can help countries to cooperate with one another in information sharing and other developmental efforts. In this context, this study makes an attempt to make a comparative analysis of the Poverty Alleviation Programmes of India and Bangladesh.

In the first chapter, we look at the concept of poverty and its measurement; the nature extent and magnitude of poverty in India and Bangladesh; and finally, we examine some of the prominent methodological debates regarding poverty estimation in the two countries.

In the second chapter, we deal with the Poverty Alleviation Programmes of India and their impact both of the macro and micro levels. Similarly in the third chapter, we take up the Poverty Alleviation Programmes (and their

impact) of Bangladesh, both at the macro level and the micro level.

Finally in the fourth chapter, we attempt a comparative study of the programmes of India and Bangladesh. In order to make a focussed analysis we compare one poverty alleviation programme each from India and Bangladesh both at the macro and micro levels.

And finally, 'The Conclusion' summarises some of the major findings.

ABBREVIATIONS

AIRD	Asian Institute of Rural Development
ASAG	Ahmadabad Study Action Group
ADB	Asian Development Bank
BADC	Bangladesh Agricultural Development Corporation
BBS	Bangladesh Bureau of Statistics.
BIDS	Bangladesh Institute of Development Studies
BRAC	Bangladesh Rural Advancement Committee.
BRDB	Bangladesh Rural Development Board
BWDB	Bangladesh Water Development Board
CSO	Central Statistical Organisation
DRDA	District Rural Development Agency
FAO	Food and Agricultural Organisation
FFWP	Food For Works Programme
GDP	Gross Domestic Product
GB	Grameen Bank
HES	Household Expenditure Survey
IAY	Indira Awaz Yojna
IDA	International Development Association (WB)
IRDP	Integrated Rural Development Programme
IGVD	Income Generation for Vulnerable Group Development.
ILO	International Labour Organisation.
JRY	Jawahar Rozgar Yojna
KSS	Krishi Samabaya Samity (Farmer's Cooperative)

MWS	Million Wells Scheme
NABARD	National Bank for Agriculture and Rural Development
NAS	National Accounts Statistics
NGO	Non-Governmental Organisation
NPC	National Planning Commission
NREP	National Rural Employment Programme
NSSO	National Sample Survey Organisation
PPD	Poverty Programme Dolkha
PEO	Programme Evaluation Organisation
RLGEP	Rural Landless Guarantee Employment Programme
RWP	Rural Works Programme
SB	SEWA Bank
SC & ST	Scheduled Caste and Scheduled Tribe
SEWA	Self Employment Women's Association.
TAKA	Bangladesh Currency, 56 Taka = 1 US dollar.
TCCA	Thana Central Cooperative Association
TRYSEM	Training of Rural Youth for Self-employment
UP	Union Parishad
UPAZILLA	New Designation of Thana, the lowest Administrative Unit.
UCCA	Upazilla Central Cooperative Association
WWF	Working Women's Forum
WFP	World Food Programme
ZP	Zilla Parishad

Chapter - I

STATE OF POVERTY IN INDIA AND BANGLADESH

The first step in the solution of a problem is to define it. The second is to measure it and the third is to unravel the causes. Only after the answers have been found to these questions, can the question, what are the solutions? be asked.

Poverty is a social problem. It exists in all societies. The nature, extent and magnitude of poverty may differ from society to society. There are various factors viz, social, economic and political responsible for it.

In this chapter, we first make an attempt to understand the concept of poverty and measurement, then look at the nature, extent and magnitude of poverty in India and Bangladesh, and thereafter, at the end, we examine some of the critical methodological debates regarding the measurement of poverty in the two countries (India and Bangladesh).

Poverty - Conceptual Issues

Definition of Poverty

Poverty is generally defined in the following two ways:

- i. lack of means in relation to needs (absolute poverty)
and
- ii. lack of means in relation to means of others (relative poverty).

Absolute Poverty:-

Since the nineteenth century when rigorous studies of poverty began, researches have tried to establish a fixed yardstick against which to measure poverty. Ideally such a yardstick evolved should be applicable to all societies and should establish a fixed level, usually known as the poverty line, below which poverty begins and above which it ends. This concept of poverty is known as absolute poverty. It usually involves a judgement of basic human needs. Most measures of absolute poverty are concerned with establishing the quality and amount of food, clothing and shelter deemed necessary for a healthy life. Absolute poverty is often known as subsistence poverty since it is based on the assessment of minimum subsistence requirements. It is usually measured by pricing the basic necessities of life,

drawing a poverty line in terms of this price and defining as poor those whose income falls below that figure.

Some concepts of absolute poverty go beyond the notion of subsistence poverty by introducing the idea of basic cultural needs. This broadens the idea of basic human needs beyond the level of physical survival. Cultural needs generally include education, security, recreation etc.

The concept of absolute poverty has been widely criticised. It is based on the assumption that there are basic needs for all people in all societies. This is a difficult argument to defend. Such needs vary both between and within societies. Thus Peter Townsend¹ argues, "it would be difficult to define nutritional needs without taking account of the kinds and demands of occupations and leisure time pursuits in a society. For example, the nutritional needs of the nomadic hunters of the Kalahari desert in Africa may well be different from those of the members of western society. Within the same society nutritional needs may vary widely between for example the bank clerk sitting at his desk all day and the labourer on a

1. Haralambos, M, 'Sociology, Themes and Perspectives' p. 141, Oxford University Press, 1980.

building site. Similar criticism can be made of attempts to define absolute standards of shelter and clothing." Amartya Sen² also argues that due to variation in the physical features, climatic conditions and work habits nutritional requirements would be different and it is difficult to translate minimal nutritional requirement into minimum food requirement, as the choice of commodities vary. He also agrees that non-food requirements are not easy to specify.

The concept of absolute poverty is even more difficult to defend when it is broadened to include the idea of "Basic cultural needs" Such needs vary from time to time and place to place and any attempt to establish absolute, fixed standards is bound to fail.

Relative Poverty:

Kamal Siddiqui³ says, "Relative poverty is concerned with the relative position of income groups to one another. The argument here is, that poverty cannot be understood by

2. From, Rahaman, P.K. MD. Motiur; 'Poverty, Issues in Rural Bangladesh University Press Dhaka, 1994, p.5.

3. Siddiqui, K., 'The Political Economy of Rural Poverty in Bangladesh, 1987 National Institute of local government Bangladesh, p.5.

isolating the poor and treating them as a special group. Society is seen as a series of stratified income groups and poverty is concerned with how the bottom layers fare relative to the rest of the society. In other words to understand the poor, the affluent must equally be studied."

The idea of relative standard is relative to time and place. It is measured in terms of judgements by members of a particular society of what is considered as a reasonable and acceptable standard of living and style of life according to the conventions of the day. Just as convention change from time to time and place to place, so will definitions of poverty. Peter Townsend⁴ argues, "Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diets, participate in the activities and have the living conditions and amenities which are customary. Their resources are so seriously below those commanded by the average individual or family that they are in effect excluded from ordinary living patterns, customs and activities."

4. Haralambos, H., op.cit., p.142.

In a rapidly changing world, definition of poverty based on relative standards will also be constantly changing. Thus Samuel Mencher⁵ writes, "The argument for relative standard rests on the assumption that for practical purposes standards become so fluid that no definition of need no matter how broad, satisfies the ever changing expectations of modern life". The argument is put in a nutshell by IM Rubinow⁶ who says, "Luxuries become comforts, comforts become necessities". Thus any definition of poverty must be related to the needs and demands of a changing society.

There are however, a number of problems with the concept of relative poverty. It can be assumed that there are society-wide standards of reasonable and acceptable life styles. Within a particular society, ethnicity, class, age, religion, region and a variety of other factors can vary judgements of reasonable living standards.

The concept of relative poverty also poses problems for the comparison of poor in the same society and between

5. Ibid., p.142.

6. Ibid., p. 142.

societies. One solution to the problem of comparison has been suggested by Peter Townsend.⁷ He argues that two standards of poverty are required, 'National Relational' and 'World Relational'. The former standards are based on relative poverty according to the conventions of the particular society and the latter would have to be based on more artificial standards which involves a return to absolute standards of poverty, despite all their drawbacks. In this way, he argues, it would be possible to compare poverty in different societies.

It is important to note that not all poverty resulting from average incomes is relative, absolute poverty can result from higher average incomes. A.K. Sen⁸ analyses it by saying that poverty can be an absolute notion in the space of capabilities, though relative in that of commodities or characteristics. A number of different factors can account for this. Some of these are the result of goods and services either ceasing to be available or

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7. Townsend, P, 'The Concept of Poverty' Heinemann London, 1970, p.23.
 8. From, Streeten, Paul, 'Poverty concepts and measurement': The Bangladesh Development Studies, vol. XVIII, Sept. 1990, no.3, p.5.

rising in price more than money incomes; others of changes in conventions and laws; others again of deeper psychological causes, such as shame at not being able to afford what has become socially necessary.

Subjective Poverty:

This refers to whether or not individuals or groups feel they are poor. Subjective poverty is closely related to relative poverty since those who are defined as poor in terms of the standards of the society will probably see and feel themselves to be poor. However, this is not necessarily the case. The concept of subjective poverty is important since to some extent, people act in terms of the way they perceive and define themselves. It is recognised by scholars that it is not possible to assess subjective deprivation independent of actual deprivation.

Alternative Approaches to Poverty Measurement

Several approaches are followed to construct poverty line income or threshold income in the literature. But there is no unique ideal approach for construction of the same line. Different approaches can be criticized, visualised and defined from any angle depending on the critic's perspective and purposes. The concept of poverty

and the approach to measure it, should be in conformity with the nature of the society in which it exists.

There are mainly three methods of measurement of poverty line income, viz., (i) income method (consumption-based), (ii) calorie-income graph method, and (iii) actual calorie intake method. The basic technique of income method involves calculating the amount of income deemed necessary by an individual or a household to purchase a predetermined minimum bundle of food items for fulfilling recommended daily calorie requirement and a minimum non-food essentials. Minimum income needed to meet the adequate calorie intakes and non-food essential can be calculated by taking the prices of those items and the resultant value is then considered as poverty line income. An individual or a household is considered as poor if he or it fails to meet the minimum requirement. "This method has been widely used since the beginning of this century and followed by many social economists for measurement of poverty line. This method also enables us to compare various micro level results. It is less demanding of data and likely to be least affected by the change in the method of data collection. Another important advantage of this method is

that the poverty line income can be adjusted over time with changes in relative prices of commodities [Rahman and Haque (1988)"].⁹ Though this method seems to have wide acceptance, it is not free from criticism. For instance, the choice of items to be selected and consumption price to be considered for costing are problems of considerable magnitude associated with this method.

The second method "involves deducing an income level from 'caloric-income graph' at which calorie intake is just equal to recommended daily calorie requirement of an individual or a household. In this method poverty line is estimated in terms of nutritional requirement alone, non-food essential are not taken into consideration. A good deal of information on food items is needed for the estimation of poverty line income by this method. The estimated result obtained by the method is less amenable to comparison with various micro-level estimates of poverty line."¹⁰

9. Rahman, P.K. MD., Motiur, op.cit., p.9.

10. ibid., pp. 9-10.

The third method of poverty measurement involves calculating actual intake by an individual or a household. "This method does not take into cognizance the question of ability to consume. As a result, if an individual or a household from a high income group consumes less food he could be treated as poor, while if an individual or a household from a low income group consumes more, it could be considered as non-poor. Like the second method, it needs wide range of data on consumption and the estimate obtained by this method cannot be readily compared with micro-level results [Rahman and Haque (1988)]. The choice of items to be imputed for estimating calorie intake is determined in an arbitrary manner and only food items are taken into account."¹¹ Moreover, difficulties arise with respect to what items are to be included under essential needs and what are to be excluded.

Theories of Poverty:

The 'Positive Feedback Theory'¹² shows how the various circumstances of poverty reinforce each other and maintain

11. *ibid.*, p.10.

12. Haralambos, M, *op.cit.*, p. 152.

the system. This theory is based on the concept of vicious circle of poverty. According to it, various circumstances of the poor combine to maintain them in poverty. They (poor) are trapped in the situation with little chance of escaping. According to this theory, 'poverty has many dimensions, each of which must be studied separately but which in reality constitute a interrelated network of deprivations. The major advocates of this theory are David Caplovitz, Kencoates and Richard Silburn. The theory was widely discussed in the early 1960s in America.

The 'Culture of Poverty Theory' claims to show how a distinctive sub culture develops within the situation of poverty and perpetuates the system. The culture of poverty is seen as a response by the poor to their position in society. However, the culture of poverty goes beyond a mere reaction to a situation. It takes on the force of culture since its characteristics are guides to action which are internalised by the poor and passed on from one generation to the next. As such the culture of poverty tends to perpetuate poverty since its characteristics can be seen as mechanisms which maintain poverty. According to Oscar

Lewis¹³ it is a reaction of the poor to their marginal position in Society. Attitudes of fatalism and resignation lead to the acceptance of the situation. Lewis argues that once established, the culture of poverty tends to perpetuate itself from generation to generation. The advocates of this theory are Oscar Lewis, Michael Harrington, W.B. Millers and others.

However neither theory that is the 'Positive Feedback Theory' and the 'Culture of Poverty Theory', answer the question, 'why poverty'? They do not explain its genesis.

Explanations of Poverty

i. Poverty - A Marxian Perspective

From this perspective, poverty can be understood in terms of the system of inequality generated by a capitalist economy. Societal wealth is controlled by the rich. The poor own only their labour which they sell in return for wages.¹⁴ But the workers are not paid in proportion to their work. This creates the surplus value which the

13. Ibid., p.154.

14 From Sociological Thought, Karl Marx, ESO-03, 1991 Indira Gandhi National Open University, p.30.

capitalist appropriates.¹⁵ So there is exploitation of one class by another. The concept of exploitation of the poor by the rich is central to the Marxian philosophy. From its perspective, it is not simply that there are rich and poor in the society. It is rather that some are rich because some are poor.

According to Marx the only solution for the eradication of poverty is that the poor organise themselves in a struggle against the rich or the capitalists, overthrow them and create the communist society which would be ruled by them (poor or workers).

ii. Poverty - A Weberian Perspective

From this perspective an individual's economic status depends upon his market situation i.e. the amount of influence he has on the workings of the market in his favour and the rewards of his skills.¹⁶ So groups such as the aged, unskilled labourer etc have little power in the market and therefore, receive little reward. Indeed their

15. Haralambos, M., op.cit., p.161.

16. Weber, M., 'Class, Status, Parg in H.H. Gerth and C.W. Mills (edt). From Max Weber; Essays in Sociology London, Kegan Paul 1947, p.37.

circumstances largely prevent them from competing in the market. Thus, their incapacity acts as a cause of poverty. However, not all members of these groups are poor and this is referable to their market situation prior to their present circumstances.

The logic of this theory conforms to that of Herbert Spencer's concept of the Survival of the Fittest. In other words, only those will have access to resources in society who can survive in the competitive market and others will remain poor. Thus their incapacity acts as a cause of poverty.¹⁷

Poverty in South Asia

In 1991¹⁸, the South Asian region had a population of 1.1 billion out of the total world population of 5.3 billion. Estimates of the incidence of poverty vary widely in the region. Even if the extremes are left out, poverty in the region in 1991 would have been approximated 30 to 40 per cent of the population.¹⁹ That places the number of poor

17. Ibid., p.38.

18. From Report of the Independent South Asian Commission on Poverty Alleviation, Nov. 1992, p.1.

19. Ibid., p.1.

according to these estimates, between 330 million to 440 million, more likely on the higher side. If it is taken at 40 per cent, then nearly 360 million poor would be living in rural areas and 80 million in urban areas.

Given the present trends in population and economic growth, the number of poor in the region is likely to increase substantially. Despite decades of planning for development in most South Asian countries, they failed to make a significant dent in the problem of poverty. Despite gains achieved in the region, especially during the last two decades, mortality rates remain unacceptably high. Large numbers continue to suffer from malnutrition. About 125 million children of school age are not in primary or secondary schools and of the adults 375 million are illiterate.²⁰ About 316 million people do not have access to safe drinking water.²¹ Of the 1100 million people in South Asia, only 110 million (10 per cent) have access to sanitation.²²

20. From Human Development Report 1992.

21. Poverty Commission Report 1992, op.cit., p.1.

22. Human Development Report, UNDP.

The problem of poverty is further aggravated by various other social deprivations and discriminations from which the poor suffers.

The gravity of the poverty situation in South Asia automatically leads one to a comparison of it with the developed countries. The countries of South Asia are typical examples of poverty ridden underdeveloped countries. To make sense of the grinding poverty in South Asia, the theories of development and underdevelopment give the right perspective. Scholars like A. Gunder Frank, Paul Baran, Wallerstein and others explain why the poor countries of the world are the way they are. They analyse the underdeveloped countries' social and economic development in terms of external forces i.e. in terms of the domination of these countries by other more powerful countries both during the colonial and the post-colonial period.

For instance, Gunder Frank uses his 'Metropolitan' and 'Satellite' model to explain development and underdevelopment. He says, "My thesis is that underdevelopment as we know it today and economic development as well, are the simultaneous and related products of the development on a world wide scale and over a history of more

than four centuries, of a single integrated economic system - capitalism."²³ The 'Metropolitan' - 'Satellite Model' refers to a characteristic feature of this single system - namely, the domination of the underdeveloped countries by the industrial metropolis. And the major way in which the exploitation takes place according to him is by the imposition of an export oriented capitalist development.

Like A.G. Frank, all other dependency theorists also argue that since western development had taken place at the expense of the underdeveloped countries, the only solution for the latter was to break out of the capitalist system.

Poverty in India and Bangladesh

India and Bangladesh are two of the countries worst hit by poverty in South Asia. The World Bank in its world Development Report 1990 stated that, "although it is difficult to measure the extent of poverty no one seriously doubts that a very large number of people are extremely poor. Half of the people in absolute poverty live

23. Quoted by Hamza Alavi and Theodore Shamin, in Development and Underdevelopment, from Sociology of Development and Underdevelopment (edt) by Oxford University, Press. 1980, p.38.

in South Asia, mainly in India and Bangladesh with the partial exception of Latin America." Unlike many Latin American countries where poverty is largely an urban phenomenon, in India and Bangladesh as is the rest of Asian and Africa, it is largely a rural phenomenon.

Poverty in India

India is the largest country in the South Asian region both in terms of population and geographical area. The steady population increase leads to the quantitative expansion of the people under the poverty line and the spiraling inflation results in qualitative deterioration of standard of living. "India's population is 84.34 crores. It is increasing at a rate of 16 million annually. India had a population of 54.69 crores in 1971 and 68.38 in 1981. The average annual growth rate in the last 3 decades - 1971, 1981 and 1991 has been 2.20, 2.25 and 2.11 per cent respectively.²⁴

Apart from this problem, low economic growth has also been a major source of concern vis-a-vis the poverty

24. Kishan, NR and Kumar, PS, 'Population Growth, Poverty and Unemployment' Khadiqramodyog, May 1995, p.429.

scenario. Agriculture is the mainstay of the country's economy supporting about 75 per cent of her population directly or indirectly.

Though there has been increasing diversification within the economy, (according to the Indian Economic Survey, the industrial growth rate for the year 1995-96 is likely to be above 10 percent following a 8.6 per cent rise in the whole of 1994-95) agriculture still forms the critical backbone of the economy. India is a country of villages. And the agricultural sector dominates the economy. But due to slowness of agricultural growth over the years and a very uneven distribution of its benefits mainly because of an inegalitarian agrarian structure (land ownership), it has been resulting in the increasing number of the poor.

The Magnitude of Poverty in India

According to the National Planning Commission (NPC) the poverty ratio was 29.9 per cent in 1987-88, where as an alternative independent estimate by a group of scholars put it at 45.9 per cent for the same year.²⁵ In recent

25. B.S. Minhas, L.C. Jain and S., Tendulkar, 'Declining incidence of Poverty in the 1980 s. Evidence vs Artefacts' Economic and Political Weekly - July, pp. 6-8, 1991.

statements the government has high lighted the preliminary results of a NPC exercise based on National Sample Survey Organisation (NSSO) data which reportedly show a decline in the proportion of the people below the poverty line from 25 per cent in 1987-88 to 19 per cent in 1993-94. "This is remarkable because, using the NSS data available upto now many independent analysis had come to the conclusion that poverty had increased during the early 1990's. However, the NPC has now offered a clarification stating that the figures quoted were not only preliminary but also were based on partial data."²⁶

In keeping with what has been a standard practice since 1979, the Commision has used the rural and urban poverty lines correspondingly to monthly per capita expenditure of Rs. 49.01 and Rs. 56.64 respectively at 1973-74 prices "The traditional methodology used by the NPC attempts to adjust for the fact that NSSO surveys typically show lower total consumer expenditure than that estimated independently by the Central Statistical Organisation (CSO). The adjustment involves blowing up the reported consumption of every

26. Chaudhuri. S., 'Poverty Reduction by Manipulation' Economic and Political Weekly, June 27, 1996, p.183.

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household suggested by factor equal to the rates of the CSO to NSS total expenditure. In other words, this method assumes not only that the higher CSO estimate of total per capita consumption is more accurate but also that the discrepancy is distributed among the surveyed household in exactly the same proportion as their reported consumption. Further the NPC uses CSO's implicit price index of total consumption expenditure in order to calculate what should be the poverty line in a given year corresponding to the norm fixed at 1973-74 prices. This amounts to assuming that the rate of inflation is identical across states and is the same in rural and urban areas. It is on the basis of these assumption that the NPC has calculated the proportion of the population below the poverty line in 1993-94 at 19 per cent. The Commission also recalculated the corresponding poverty ratios for 1987-88 (25.5 per cent)."²⁷

It is surprising that the NPC should continue to release these estimates obtained by its 'conventional' method. Three years ago, the Alagh committee appointed by the NPC, recommended certain important modifications to the Commission's conventional method of estimating poverty.

27. *ibid.*, p.183.

Among the recommendations²⁸ the two most important were, first, discontinuance of the practice of adjusting the NSS Survey estimates for possible differences with CSO estimates and second, use of price indices which accurately reflect inter-state and urban-rural differences in the rate of inflation facing those at or near the poverty threshold.

In fact the incidence of poverty in a tabular form presets a clear picture of the trend in poverty in India.

TABLE 1
Incidence of Poverty in India

Country	Estimated by	Year	Poor as a % of the Population
India	NPC ¹	1972-73	51.5
	NPC ¹	1877-78	48.5
	NPC ¹	1983-84	37.4
	NPC ¹	1987-88	29.9
	NPC ¹	1993-94	19%
	MINHAS ²	1970-71	56.3
	MINHAS ²	1983	48.1
	MINHAS ²	1987-88	45.9

Source: 1. Planning Commission, GOI
2. B.S. Minhas, L C Jain and S. Tendulkar, "Declining incidence of poverty in the 1980s; Evidence Vs Artifacts" Economic and Political Weekly July 6-8, 1991.

28. Alagh, Y.K. 'Poverty and Food Security. Towards a policy system for food security' Economic and Political Weekly, vol. XXX, No.52, Dec. 1995, p.A-142.

From Table 1 it comes out very clearly that all studies show a significant decline in the incidence of poverty during the early 1980s. And the NPC claims a decline in the early 1990s also. "Although the survey data for 1993-94 have not yet been officially released a number of analysts have unofficial access to partial data. Some have also used the data to make quick estimates. Their estimates suggest that although rural poverty did decline between 1987-88 and 1993-94. The decline was very slight from 39.2 per cent in 1987-88 to 37.5 per cent in 1993-94."²⁹

Nature of Poverty in India

Rural poverty has been recognised as an outstanding feature of the Indian scene for several decades. By far, the greater part of India is rural, but urban and rural poverty is intimately connected. The vast majority of the urban poor come from villages. The poorest among them come from the most helpless strata of the rural population.

Since rural poverty is more dominant, we need to understand it more thoroughly. This can be done by analysing the composition of the various groups constituting the total

29. Chaudhri, S. op.cit., p.184.

population below the poverty line. Dandekar and Rath³⁰ have demonstrated that the bulk of the rural poor comprise landless agricultural labourers and small landholders. The data on the inegalitarian agrarian structure makes the picture clear. The top 13 per cent of farmers in the country own 57 per cent of total land and poor peasants who constitute 54.6 per cent of rural households own only 0.7 per cent of total land area.³¹

Housing conditions and access to health services, education, drinking water, access to transportation, communication and information are elements of the living environment which contribute significantly to social and human development. Access to most of these depend upon public policy and public investment.

Provision of subsidised social goods has been a very important mechanism for taking care of the poorer sections of society in most developing countries and even in some developed countries. From the view point of public policy

30. From Verma, S.C., 'Million in Poverty Grip', Kunj Publishing House, New Delhi, p.25.

31. Betteille, A., 'Studies in Agrarian Social Structure' Basil Blackwell, Oxford 1972, p.18.

and that of poverty alleviation, it is necessary to understand the efficiency of social consumption. Survey on social consumption, conducted by the N.S.S.O in India in 1986-87, showed a significant difference in the access to social goods between rural and urban population. In fact the urban-rural difference was sharper than the poor and non-poor differential in many cases. The poor in general were less literate and predominantly rural. With respect to vaccination of children and pre-natal care of mothers, both urban and rural differentials and poor and non-poor differential were large. The poor and non poor fared more or less equally in their access to (or use of) the public distribution system and treatment in hospitals.

Differentials in access to nutrition between boys and girls exist particularly in the distribution of food within the household. For example malnutrition among young girls is estimated to be 15 per cent in comparison to 5 per cent for boys in India.³² This phenomenon is a reality all over India. Binu Agrawal³³ points out that due to intra-

32. Human Development Report, 1992.

33. Quoted by Ariane Loening in 'The Development Debate and Gender Implications', Manushi 1989, p.17.

household discrimination there are women below the poverty line in households which are counted above it and men above the poverty line, which are counted below it.

Gender differentials are found in literacy, school enrollment and access to higher education. Of the illiterate adults 62.9 per cent are women.³⁴ In addition, rural women work longer than men. Gender differentials have also been found in total remuneration and availability of jobs.

It has been observed from almost all the household expenditure surveys that poorer groups have larger households and higher dependency rates. This is more true in rural areas, particularly among the landowning marginal farmers. It has been found that in India, poor households had a larger number of children below the age of 10 years and fewer members in the income earning age group than the non-poor and also the incidence of poverty increases with household size. According to the Human Development Report (HDR) - 1992, about 40 per cent of the households in absolute poverty had seven or more children and malnourished children under the age of 5 years was 45.5 per cent.

34. Poverty Commission Report, 1992, op.cit., p.10.

The 1991 estimated population growth rate of 2.11 per cent (mentioned earlier) for the country is very high. The country already has a population base of 84 crores. An addition of 2.11 percent to the total population every year is dangerous. Poverty can not be tackled in the face of such annual additions given the severe resource constraints and the existing levels of income, savings and investment.

Poverty in Bangladesh

Bangladesh has a population of 146 million people and has one of the highest population densities even among the Asian countries.³⁵ The population density is 782 per sq. km.³⁶ Agriculture is the mainstay of country's economy contributing more than half of her GDP and supporting 80 per cent of her population. Also, over 90 per cent of Bangladesh's population lives in villages and 75 per cent of labour force is engaged in cultivation of land.³⁷ About 4/5th of the population of Bangladesh lack the basic

35. Fourth Five Year Plan (1990-95), Bangladesh Planning Commission, pp. XII-XIV.

36. Rahman, PK, HD, Motiur, op.cit., p.27.

37. Fourth Five Year Plan, Bangladesh, op.cit., p.XIV.

calorie needs.³⁸

Bangladesh is the typical case of an underdeveloped agrarian economy. It ranks among the five poorest countries in the world. Over the past three decades, the population of Bangladesh has grown by 2.6 per cent annually but food grain production has increased by a little more than 2.2 per cent.³⁹

The average growth rate of Bangladesh economy during the period 1965-85 was 2.4 per cent, somewhat less than even the average population growth (2.7 per cent during this period). Though the economy has picked up some momentum since then (1980-91) with growth rate of 3.6 per cent, this figure doesnot reflect the grinding poverty among the people especially an rural areas. Slowness of agricultural growth and uneven distribution of its benefits due to highly skewed nature of land ownership has been resulting in the increasing number of the poor.

38. Bangladesh Academy for Rural Reconstruction, Comilla Models for Rural Development; a quarter century of Experience by Study team, Comilla, 1985, p.371.

39. Alamgir, M. "Development Strategy for Bangladesh" Dacca, Centre for Social Studies, 1980.

Magnitude of Poverty in Bangladesh

As per the official estimates by the Bangladesh Bureau of Statistics (BBS), poverty in Bangladesh was 82.9 per cent (head count ratio) of population in 1973-74, 73.8 percent in 1981-82, 57 percent in 1983-84, 51 percent in 1985-86 and 48 percent in 1988-90. The corresponding estimates for 1985-86 were 47 percent and 50 percent by independent sources. For other years also the range of variations between the estimates of official agencies and other scholars, is narrow. The following table gives a glimpse of this narrow variation.

Table 2
Incidence of Poverty in Bangladesh

Country	Rural, Urban Total	Estimated by	Year	Poor as a % of Population
Bangladesh	R	B.B.S.	1973-74	83.0
	R	B.B.S.	1981-82	74.0
	R	B.B.S.	1985-86	51.0
	R	Rehman	1985-86	47.1
		Hosain	1985-86	49.9
		B.B.S.	1988-89	48.0

Source: "Poverty in Bangladesh: Trends and Determinants", Mahbub Hossain and Binayak Sen, Asian Development Review, vol. 10, no.1, 1992).

The household expenditure surveys, periodically conducted by the Bangladesh Bureau of Statistics have been the main source of information for most of the studies on poverty in Bangladesh. The Bangladesh Institute of Development Studies (BIDS) had also conducted rural household surveys in selected villages in 1987-88 and 1989-90 and poverty estimates have also been made by the Bureau of Statistics as well as by scholars. "The estimates differ due to differences in the details regarding methodology for determining the poverty line though poverty lines invariably use the norm of 2112 calories per capita per day. The prescribed norm was 2200 calories before 1983-84. Because of the predominance of rural poverty, more attention has been paid to measuring rural poverty. Incidence of urban poverty, however would only have been slightly less than the incidence of rural poverty.⁴⁰

Nature of Poverty in Bangladesh

As mentioned earlier, Bangladesh is among the poorest countries in the world. It is a common saying that when one thinks of poverty, one thinks of Bangladesh.

40. Poverty Commission Report, op.cit., p.2.

Since the rural poverty dominates the scene, a detailed analysis of the composition of various groups constituting the total rural population is needed. Stephan de Vylder has demonstrated that the bulk of the rural poor comprise of unemployed landless poor, landless labourers and small landholders.

Intimately connected with the overall problems of rural poverty are the twin problems of landlessness and unemployment. With land by far the most valuable asset in rural Bangladesh its unequal distribution determines most inequalities in other fields as well. In the following table Stephan de vylder⁴¹ reveals the glaring inequality of its distribution.

Table 3

Distribution of Land, 1978

Acres owned	% of Rural Households	% of land area
Landless	28.8	-
0.01-2.00	47.8	21.7
2.01-4.00	12.6	22.4
4.01-10.00	8.2	30.7
10./01 - or more	2.5	25.2
Total	100.00	100.00

Source: Stefan de Vylder, p.9.

41. De Vylder, Stefan, 'Agriculture in Chains, Bangladesh: A Case Study in Contradiction and Constraints', p.9, vilas publishing house, New Delhi.

We thus see that over half of all agricultural land is owned by a small minority of surplus farmers (i.e. those owing more than four acres of land per household). We also note that the share of households owing less than two acres is almost 80 per cent. Around 50 per cent of the household can be regarded as functionally landless, owning less than 0.5 acres each. If we make the dividing line one acre, then over 60 per cent can be classified as landless peasant.

So inequalitarian being the agrarian structure of an agricultural country, poverty is obviously likely to affect a large number of people in every aspect of their life.

Malnutrition remains a major problem in Bangladesh. It causes retardation in weight and height and poor performance in intelligence test. It has a profound effect on the productions of people. According to the HDR-1992, in Bangladesh malnourished children under 5 years in 1990 was 12.6 million, the daily calorie supply per capita in 1988 was 1925 and the food import dependency ratio in 1988 was 12.5. The bulk of the malnourished people of the world belong to Bangladesh: Life expectancy of birth in 1990 was 51.8 per cent and infant mortality per 1000 live births in

the same year was 114 in Bangladesh, according to the UNICEF Statistical Profile.

The problem of poverty creeps into education also. In Bangladesh Children not in primary or secondary school were 21.2 million in 1990 and the adult literacy rate in the same year was 47 per cent for male and 22 per cent for females according to HDR 1992.

In all patriarchal societies, poverty has a gender dimension also. Bangladesh being one, is no exception to it. Differentials in access to nutrition between boys and girls exist particularly in the distribution of food within the household. For example, in Bangladesh, malnutrition among young girls is estimated to be 14 per cent in comparison to 5 per cent for boys, (HDR, 1992). Gender differentials are found in literacy and education in general. Of the adult illiterates 63.3 per cent are women. Sex bias has been found in total remuneration and availability of jobs. Females accounted for only 33.3 per cent of the labour force in 1990.

The social position of women being weak, they have to bear a large burden when there is scarcity or deprivation.

Over the past three decades the population of Bangladesh has grown by 2.6 per cent annually. This rate is considered to be very high. The country already has a population base of 146 million people. An addition of 2.65 million annually is a cause of worry. Poverty alleviation is a serious task given the limited resources at the Country's disposal.

Poverty Studies in India

The methodological debates regarding poverty line form the core of an analysis on poverty studies. The subject of defining a poverty line was first posed at the Indian Labour Conference in 1957. Subsequently, the Planning Commission in 1962 came up with the Rs. 20 per capita per months (norm) at 1960-61 prices. During the 1960's and the 70's a spate of studies undertaken by research scholars attempted more systematic evaluation of poverty norms. Though the Rs. 20/- norm is frequently quoted, a few of the subsequent studies have adopted more substantially worked out poverty lines.

The most systematic and celebrated work on the poverty level question is that of V.M. Dandekar and N. Rath (1971). "Assuming that the calorie intake norm of 2,250/per capita per day for both urban and rural population and using the

NSSO data on size wise household consumption, Dandekar and Rath defined the poverty line, as the expenditure level at which the average calorie intake met this norm. Though the same calorie intake norm was applied for rural and urban population, their study took into account the differences in consumption patterns and also in the prices of commodities facing rural and urban households. They thus arrived at the poverty line of Rs. 180 per capita, per annum for rural areas and Rs. 270 per capita per annum for the urban areas."⁴²

What has come to be termed as a fundamental attack on the calorie intake method came from V.K.R.V. Rao (1977) and P.V. Sukhatme (1978). Citing the presence of households with calorie intake below the prescribed norm in NSSO data for 1971-72, Rao found the result paradoxical in that "the poor as defined also included the not poor and that the not poor included the poor".⁴³ Rao (1977) sought to identify poverty

42. Gaiha, Raghav, 'On estimates of Poverty in India; Asian Survey, vol. XXIV, No.7, July 1989, p.688.

43. From, Poverty levels in India: Norm Estimates and Trends Economic and Political Weekly, Research Foundation, Special Statistics., p. 1749, Economic and Political weekly, Aug. 21 - 1993.

with deficiency in the total level of living which included not only energy requirements but also balanced diet needed for health and other components of basic needs essential for human existence at a tolerable level. Impliedly, Rao perceived that estimates based on the calorie intake method underestimated poverty levels whereas Sukhatme (1977) argued that the correct estimate of poverty was about 1/2 of the estimate put forward by Dandekar and Rath.⁴⁴ Sukhatme considered that the figure of calorie requirement used in such studies was not minimum but the average requirement of a healthy, active population of the reference type.

In defence, Dandekar⁴⁵ (1981) argued that (a) both Rao and Sukhatme emphasised the method for estimating under nutrition where as Dandekar-Rath study dealt with the measurement of poverty, and (b). that whatever criteria we chose, including the cost of essentials of tolerable human existence, ultimately it was the expenditure level so determined and not the chosen criteria that defined in poverty line.

44. Ibid., p.1749.

45. Ibid., p.1749.

Despite the existing controversy raging in the academic literature, the official agencies kept themselves aloof for a fairly long time. It was only in 1977 that a Task Force on projection of minimum needs and effective consumption demand was set up by the NPC. The Task Force adopted the same Dandekar-Rath method of applying the nutritional norm. Thus on the basis of a detailed exercise the Task Force redefined the poverty line at the national requirement of around 2,400 calories per capita, per day, in rural areas and about 2,100 calories per day, per capita for urban areas, the monetary equivalent worked out was Rs. 49-09 per capita, per month, for rural area and Rs. 56.64 per capita, per month, for urban areas at 1973-74 prices.⁴⁶

"The above mentioned 1973-74 poverty lines have become, in literature the second land mark estimation and have served as the base for a number of subsequent studies. The Planning Commission on its own has been updating the 1973-74 lines from time to time, based on some chosen deflators. It used the whole sale price index as deflator during in Sixth Plan and the Central Statistical Organisation's private consumer deflator during the Seventh plan period and

46. Ibid., p.1750.

onwards. No distinction has been made between the rural and urban cost of living in this respect".⁴⁷ Yet another criticism as mentioned earlier is of the Planning Commission approach, relates to large PRO RATA adjustments made to the observed size distribution of consumer expenditure because the Central Statistical Organisation (CSO) estimates of total private consumption expenditure in its National Accounts Statistics (NAS) exceeds by a large margin the total consumption expenditure estimated from the NSSO rounds.

Yet another major refinement, introduced by Minhas et al⁴⁸ (1990) relates to the use of state specific cost of living indices relative to all India separately for rural and urban population for working out the state specific poverty lines and estimates of the incidence of the statewise poverty line.

The most commonly used index of poverty is the head count ratio. This does not depict the extent to which the income and expenditure of the poor fall short of poverty

47. Gaiha, Raghavs, op.cit., p.689.

48. From Poverty Levels in India: Norms Estimates and Trends, op.cit., p.1750.

norm. The concept of income gap ratio is intended to fulfill this lacunae. While the head count ratio ignores the amounts by which the income of the poor fall short of the poverty line, the income gap ratio is said to be independent of the number actually in poverty. Both the measures are said to be insensitive to intra-poor transfers of income. A.K. Sen⁴⁹ suggests a comprehensive measure which takes into account not only the head count ratio but also the income gap measure and the Gini co-efficient amongst the poor. Sen's index thus captures the intensity of poverty.

Poverty Studies in Bangladesh

There has been increased concern about poverty in Bangladesh, it has led to several studies. Prominent ones are by Alamgir, 1974, Khan 1977; Muqtada and Alam, 1983; Ahmad and Hussain, 1985, Islam and Khan, 1986; BBS, 1986; World Bank, 1988; BBS, 1988; Rahman, Mohamad and Haque, 1988; Ravallion 1990; and others.

As mentioned before, it is the poverty line or standards used by various scholars or agencies to estimate poverty that is the main source of discrepancies in the

49. Ibid., p.1751.

poverty estimates. One of the important methodological debates is that of Mujahids⁵⁰ (1977) critique of Alamgir's (1974) methodology. According to Alamgir's estimates, 87.6 percent of the rural population in 1963/64 and 51.2 per cent in 1966-67, could be described as living in poverty. Alamgir presents data on the percentage of population in groups of households classified by monthly household income and the average annual percapita expenditure of the population in each household and income group. Mujahid says evidently Alamgir has pointed as 'poor', the total (members) in all household income groups for which the average percapita expenditure is found to be less than the pre-determined poverty line estimated at Taka 252/annum for rural areas and Taka 298 for urban areas. This method completely ignores the possibility of variations from the average in the per capita expenditure of persons comprising the households falling within a given income group. It is wrong to assume, for instance, that all individuals belonging to rural households classified under households having a monthly income of Taka 50-99 in 1963-64 had an

50. Mujahid, GBS, 'Measurement of Poverty in Bangladesh: A note on Methodology' p.451-454, Bangladesh Development Studies, BOS, Dacca.

annual expenditure of less than the poverty line (estimated at Taka 252 per annum) because the average annual expenditure of the group as a whole was only Taka 175.26.

Infact, there is a high possibility that individuals belonging to smaller households having one or two members, and lying near the upper limit of the range Taka 50-99 would have enjoyed levels of expenditure much above that defined by the poverty line and hence couldnot be counted as 'poor'. Similarly, Mujahid points out, it is wrong to assume that the annual expenditure of each person belonging to rural households having a monthly income of Taka 150-199 in 1966-67 was above the poverty line since the average for the group as a whole was about Taka 10 above the poverty level-Taka 252. Infact there is a high probability that per capita expenditure of individuals belonging to larger households having six or more members and lying near the lower limit of the range of Taka 150-109 was much less than the poverty line and they could hence be described as poor. Mujahid concludes that the methodology used by Alamgir for estimating the extent of poverty is therefore, not designed to making an unequivocal distinction between the poor and the non-poor.

Another important debate is that of Kamal Siddiqui's⁵¹ critique of Khan's (1976) methodology. Sidique starts off with a consideration of the findings of Khan which are presented in the table 4 below.

Table: 4
Incidence of Rural Poverty in Bangladesh,
1963/64-75 (percentages)

Year	Absolutely Poor ¹		Extremely Poor ¹	
	HH	Persons	HH	Persons
1963-64	51.7	40.2	9.8	5.2
1968-69	84.1	76.0	29.6	25.1
1975 First Quarterly	70.3	61.8	50.5	41.0

Source: Siddiqui 1982, p.56.

Notes:

- 1 = Percapita monthly income of Taka 23.61
- 2 = Percapita monthly income of Taka 17.02.

51. Siddiqui, Kamal, 'The Political Economy of Rural Poverty in Bangladesh', National Institute of Local Government Bangladesh p.56-58.

Sidiqui says as may be seen from table 4, (a) the proportion of the extremely poor increased sharply and steadily throughout the period and (b) the proportion of absolute poor increased more than a third between 1963/64 and 1975, although between 1968/69 and 1975, this proportion declined. However, Sidiqui says that as the author (Khan himself) also admits, the 1975 estimate is based on household expenditure survey of only one quarter of 1975. It is therefore, possible to relate the observed decline in the proportion of absolute poor between 1968/69 and 1975 with this shortcoming. Also Sidiqui notes that there is a contradiction between Khan's 1977 "basic need exercise" and his 1976 estimate of poverty in rural Bangladesh. In the 1977 paper Khan had argued that the Food and Agricultural Organisation (FAO) estimate of calorie requirement for an average person in Bangladesh was 2150 unit per day but the requirement was much greater for households engaged in heavy physical labour (and typically such families were located in the lower range of the income scale). So he (Khan) says to determine the basic need level of calorie intake, we must estimate the requirements of the lowest income groups.

Accordingly, he had taken per capita calorie consumption of 2500 per day as the basic need for Bangladesh. On the other hand, in the 1976 paper he (Khan) had defined his poverty lines in relation to the above mentioned FAO recommended minimum calorie need for Bangladesh. The poverty profile says Sidiqui, presented in the above table may therefore have failed to capture that section of poor working people with calorie intake between 2150 and 2500. To the extent that among the rural poor there are far more working than non-working people.

Infact, the household income and expenditure surveys (HES) periodically carried out by Bangladesh Bureau of Statistics (BBS) form the main source of information for most of the years. One comes across various estimates of poverty ratios. Most of the studies have used the head count ratio as the measure of poverty. However, the discrepancies amongst the head count estimates recorded for the same year have been quite substantial. The variations in the estimates are attributable to differences in underlying assumptions relating to minimum calorie requirement for physical survival, items to be included in the minimum diets, prices to be used for the costs of the diet etc.

A close look at assumptions underlying the various studies on poverty reveals that the set of prices to be used for costing of the minimum constitute a major source of discrepancy amongst various head counts estimates. Rahman and Haque⁵² (1988) for instance, assumed that the rural poverty line for successive years of observation to be constant at 90 per cent of the respective urban lines. In effect, then, what they actually accomplished was to carry out the costing of the minimum diet by using urban retail prices for each of the items included in the diet and then deflating it by a margin of 10 per cent to arrive at rural consumer prices. This problem is exasperated by the fact that certain proportions of the consumption bundle is met from household production. Whether one should allow for such cost saving scope in setting the prices for the costing of the minimum diet remain unsettled.

For instance, Ahmad and Hussan⁵³ assume that 50 per cent of the vegetables and fruit consumption is met from the production in kitchen gardens. Naturally, cost of

52. From Report of the Task Forces Bangladesh Govt. 1995, p. 26.

53. Ibid., p. 26.

vegetables and fruit calculated by then would be less than in cases where imputation of these items are carried out on a full cost basis.

Chapter - 2

POVERTY ALLEVIATION MEASURES IN INDIA

In this chapter, we first discuss the poverty Alleviation Programmes of India at the macro-level i.e the government's Poverty Alleviation Programmes and then the ones at the micro-level i.e the programmes usually taken up by the Non-governmental organisation (NGOs) though some of them take the help of the government.

Right from the time India became independent, the dual problem of the removal of poverty and inequality has been engaging the attention of the planners and the intellegentsia of the country. Genuinely so, particularly when the sheer magnitude and the extent of the poverty are so puzzling.

Since one of the important goals of the Constitution is to establish an egalitarian society, it was obviously, the government which took up the massive poverty alleviation programmes. In the Constitution, under the Directive Principles of State Policy, the first directive to the state is, "to establish economic democracy and justice by securing

certain economic rights."¹

"Any discussion on history of rural development and poverty alleviation remains incomplete unless M. Gandhi's ideas regarding rural development are mentioned. During the freedom struggle Gandhi laid great emphasis on the development of villages and the subsequent attainment of self-sufficiency for the villages of India. Gandhi always said that India lives in her villages and for the development of the country as a whole, dire importance should be given to its villages."² There is no doubt about the fact that the Gandhian concept of self-sufficiency of the villages has influenced the official thinking on strategizing for rural development and poverty alleviation.

Approach to Poverty Alleviation at the Macro Level

India's poverty alleviation measures operate through the implementation of the employment generation programmes and the rural development programmes (because rural poverty dominates the scene as we noted in Chapter - 1).

1. From Basu, Durga Das; Introduction to the Constitution of India, 1993, Prentice Hall of India, New Delhi, p.424.
2. Patnaik, R, 'Approaches to Rural Development and Poverty Alleviation in India'. Teaching Politics, vol. 14, no.2-4, 1988, p.31.

And once poverty alleviation came to be accepted as the chief goal of planning in the Fifth Plan, the next step was to introduce well planned programmes as per the strategy identified (though before the Fifth Five Year Plan rural development programmes to tackle the poverty problem (indirectly), were initiated there were no concrete poverty alleviation programmes targetting the people below the poverty line). The approach to poverty alleviation has been undergoing changes from time to time. Certain ideas like employment generation have persisted, whereas those like cooperative farming have vanished. Some have undergone a metamorphosis and reappeared.³

Immediately after independence in the 1950's the approach to poverty alleviation was multi-purpose. It was thought that since the economy was an organic whole no improvement in any sector was possible unless an attack was made on all sectors simultaneously. What emerged from this was the experiment on community development. "The major concern was to build up a strong rural community complete with infrastructure and communication. So that rural masses could be brought in line with the urban communities. During

3. Ibid., p.27.

the operation of the programme basic amenities like roads, school building etc came up which helped develop the rural areas. However, the most important criticism against Community Development Programme CDP was the widespread feeling that it had failed to arouse the enthusiasm of the people. This was confirmed by the findings of B.R. Mehta Committee set up in 1957 to examine the working of the programme. The Committee outlined the necessity of providing a forum for popular participation. This paved the way to the creation of the Panchayati Raj System.⁴ Also because of resource constraints, the multi pronged attack was not possible and hence the priorities had to be fixed. This led to the 'Target Sector' approach. Under this the emphasis shifted from agriculture to industry and then back to agriculture and then finally a mix of the two.⁵

"The 1960s were troubled years for India, marked by major political and economic pressures. Two wars were fought, in 1962 and 1965; the 1965 drought was followed by poor harvest untill 1967; the Green Revolution in the later

4. Misra, R.C, 'Rural Development: A Perspective,' Journal of Rural Development, vol. 9(2), pp.339-340.

5. Patnaik, R., op.cit., p.29.

half brought forth quantum leaps in food production but increased agrarian tension because larger landowners benefitted disproportionately and partly from this increased tension, rural unrest and violence, including Naxalism, originated in many parts. Rural poverty, therefore, forced itself on the political agenda towards the end of the 1960s. The Prime Minister nationalised major banks in 1969 so that they could expand into rural areas and followed that by winning the 1971 General Elections on the Garibi Hatao platform. From attention to rural under-development and social uplift, the government, thus, moved towards the alleviation of rural poverty in the early 1970s and initiated various policies directly targetting the poorer sections of the community."⁶

, All along, the government thought that 'growth' itself will take care of 'social justice' through the trickle down effect. But when doubt crept in during the 1970's regarding the effectiveness of the 'trickledown' theory, the government opted for an "Area Development", approach. Under this approach, special problem areas were identified and a deep

6. Sagar, Deep, 'Rural Development Policies of India : A historical Analysis,' Indian Journal of Public Administration, vol. 36, 1990, p.225.

and direct thrust was made. This led to the birth of programmes like the Drought Prone Areas Programme (DPAP), Development of Desert Areas (DDA) etc.

It was also during this period that the government tried the "target group" strategy. Under this approach, a particular group is taken for study in detail and priorities are accordingly fixed. From this exercise, programmes like Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers development agency later both merged were born.⁷ We shall discuss the programmes later.

However these programmes being unable to perform effectively owing to their adhocism, territorial overlap etc. new programmes with a more comprehensive coverage and capable of directly tackling the problem of poverty were introduced and this was the second phase of launching of poverty alleviation programmes. The main programmes of this phase were Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Jawahar Rozgar Yojna (JRY) etc. We discuss these programmes in detail later.

7. India, Ministry of Agriculture and Irrigation, Manual on SFDA - MFAL (New Delhi, 1972) p.37.

The latest programme under the "target group" approach mentioned earlier, is the Integrated Rural Development Programme (IRDP). It aims at a more direct attack on poverty by providing productive assets to the rural poor and thereby creating self-employment and generating income.

While this approach is continuing, the government is moving towards a 'Multi-Level District Planning' strategy in which the district is the nerve centre of all development process.

Thus over the years, the shift is from Quasi structural approach linked to land reforms, cooperative etc to an increasingly technocratic approach that seeks to direct state intervention in the delivery of basic needs, provision of employment, development of vulnerable areas and finally the development of vulnerable groups. Correspondingly, instrumentalities sought to be used in the process became essentially administrative, viz, the government machinery and the nationalised commercial banking system.⁸

This approach has been continuing since the sixth Five Year Plan (1980-1985). The Plan document had the following

8. Patnaik, R., op.cit, p.28.

to say on the rationale for anti-poverty measures, "An increase in the productive potential of the economy is an essential condition for finding effective solution to the problem of poverty. At the same time recognizing the constraints which limit the scope for higher growth rate, in the medium term, more direct means of reducing the incidence of poverty in the stage of transition would have to be employed."⁹

According to S.Guhan¹⁰ the sixth Five Year Plan believed that (a) growth is the effective solution to the problem poverty, (b) that in the medium term there are constraints to growth and (c) that during the transition some means will have to be found to reduce the incidence of poverty. In short, poverty will have to be contained and ameliorated until it gets eradicated in the natural process of growth.

The Sixth Plan postulated "that substantial reduction in poverty can be achieved only if there is a significant

9. India, Planning Commission, Sixth Five Year Plan, 1980-85, (N. Delhi, 1980), p.22.

10. Guhan, S. 'Rural Poverty: Policy and Play Acting', Economic and Political Weekly, 22 Nov., 1980, p.1976.

redistribution of income and consumption in favour of the poor so that the percentage of the poor below the poverty line is reduced to less than 10 per cent by 1994".¹¹

This was reiterated in the Seventh Plan and the objective was reaffirmed in the 20 point programme of the Government of India 1986 (revised) which declared "the war on poverty is our first priority."¹²

Broadly speaking in Sixth Plan set out a two pronged strategy to deal with the problem of poverty. On the one hand emphasis was laid on accelerating the pace of agricultural development with the hope that it would have a beneficial effect on raising standards of living of the poorer sections of the society, on the other, it was decided to strengthen and expand the scope of beneficiary oriented programmes in rural areas.

Consistent with this approach, the Seventh plan laid emphasis on accelerated agricultural growth, (with the increasing use of Science and Technology) increased

11. India, Sixth Five Year Plan, op.cit., p.23.

12. Kaila. s., 'Rural Development in India - Problems, Approaches and Strategies' Journal of Rural Development, vol. (9) 4, p.34, 1992, NIRD Hyderabad.

productivity and induced a number of anti-poverty and employment generation programmes specially designed to raise the incomes and productivity of the people below the poverty line. The ongoing important poverty alleviation programmes were continued and special programmes like Jawaharl Rozgar Yojna (JRY) were initiated.

As for the Eighth Plan, it pays special attention on creating employment opportunities especially in rural India where bulk of the unemployed force lives in. It aimed at bringing the unemployment level to a negligible one within the next 10 years.

By focusing on rural employment this plan aims to control the menace of urban migration. Its a flexible plan with scope for change. It does not have any rigid blue prints. By doing so this plan is expected to keep in touch with the realities of the goals to be achieved thus leading to better results. The Eighth Plan notes,¹³ "Elimination of poverty continues to be a major concern of development planning employment will have to be provided to the poor,

13. India, Planning Commission, Eighth Five Year Plan. (1992-97), (N. Delhi, 1992), pp. 36-37.

through the existing special employment programmes."

It further notes, "Given the enhanced outlay for rural development in the Eighth Plan, it is necessary that resources are utilised for building up of rural infrastructure, which is an essential pre-requisite for a more sustained employment and development. The demand for these (assets) would vary between regions and even districts. Hence a certain degree of flexibility would have to be built in to the programmes leaving the choice to the people at the local level, based on their needs." It further notes,¹⁴ "Also, certain relaxation and changes in stipulation and guidelines incorporated both in the IRDP and JRY would be required to make them more effective."

Poverty Alleviation Programmes

As mentioned before, several programmes were introduced in the 1970s and the 1980s. The scope and content of the programmes have varied over the years and are characterised roughly in the following two phases.

First Phase

By the early 70s it was realised that the benefits of

14. *ibid.*, p.37.

the development programmes were in the main, being received, by those who were better endowed in terms of resources, therefore specially designed adhoc programmes were launched for the socio-economic upliftment of the disadvantaged sections of the rural community.¹⁵ This was the first phase of the launching of poverty alleviation programmes. Following are the important programmes.

1. **Small Farmers Development Agency (SFDA) and Marginal and Agricultural Labourers Development Programme (MFAL, 1971)** were started as pilot projects in the Fourth Plan. The farmers having land holdings below one hectare were catagorised as marginal and those between 1 and 2 hectares as small farmers. The main thrust of SFDA programme was to enable the farmers to raise their productivity from the subsistent level and become viable by helping them in transfer of capital, physical inputs and technology through concessional finances. In case of marginal farmers, and agricultural labourers, emphasis was on subsidiary occupation and providing employment on rural works. The scheme of SFDA and MFAL

15. Kaila, S. op.cit., p.34.

were revised in the Fifth Five Year Plan. The two programmes were merged and a uniform definition of small farmers as those with inheritable and transferable rights over unirrigated land less than two hectares was adopted.

2. **Crash Scheme for Rural Employed (CSRE, 1971)** - This programme was launched for a period of 3 years from 1971 with the objective of providing employment to atleast 1000 persons in each of the 350 districts of the country every year through labour intensive works and creation of durable assets.
3. **Drought Prove Area Development Programme (DPAP, 1973)**
This programme was started to limit the damage to the rainfed areas due to drought. It aimed at promotion of productive dry land agriculture with suitable cropping pattern, soil conservation etc. The DPAP was changed to Area Development Scheme towards the end of 4th plan.
4. **Development of Desert Areas (DDA, 1977)** The focus of this programme is on halting the process of desertification, improving the productivity of the

areas thus raising the income level of the people. This programme covers hot and arid zones of the country.

5. **Food for Works Programme (FWP, 1977)** This programme was launched to provide opportunities of work for the rural poor in slack employment periods of the year and at the same time create durable community assets. This programme was started as a non-plan scheme to augment the funds of the state government by utilizing stocks of food grains.

As mentioned before, these programmes being unable to perform effectively, owing to their adhocism, territorial overlaps etc new programmes with a more comprehensive coverage and capable of directly tackling the problem of poverty were introduced. And, that was the second phase. We focus more on the programmes of the second phase as (a) they are being implemented countrywide now and (b) are in any case the improved versions of the programmes of the first phase.

Second Phase

The major anti-poverty programmes of the second phase i.e, from the early 1980's and which are being implemented

now nationwide are the following:

1. Integrated Rural Development Programme (IRDP, 1980)

IRDP is a centrally sponsored scheme being implemented by the District Rural Development Agency (DRDA) of the states and the Union Territories (UTs). The scheme is funded on 50:50 basis by the centre and the states but in the case of Union Territories it is fully funded by the centre.

The IRDP is a major instrument or strategy to alleviate poverty. The objective of the programme is to assist the families below the poverty line in rural areas by taking up self-employment ventures. The programme aims to achieve its objectives by providing income generating assets including working capitals through a package of assistance comprising subsidy and institutional credit. The capital cost of the asset is subsidised to the extent of 25 per cent for small farmers, 33¹/₃ for marginal farmers, agricultural labourers and rural artism and 50 per cent for the STs.¹⁶

16. Srinivasan, S., 'Rural Development in the mid 1980's', Khadiogram Odyog, Jan. 1990, p.187.

The programme aims at the poorest among the poor. The IRDP is based on the principle of 'ANT-YODHA'¹⁷. That is to say that the beneficiaries selected under IRDP, selected on the basis of the poorest of the poor, should be financed and helped first.

2. Training of Rural Youth for Self-Employment (TRYSEM) -

The programme aims at removal of poverty among rural youths. The aim is to equip them with skills and technologies to take up self-employment. It proposes to cover 2 lakh youth per year. There are two criteria for the beneficiaries- those whose family income is less than Rs. 3,500 and those who come between the age of 18 and 35 years. 33 per cent of the beneficiaries are to be women. SCs and STs are given preference.

- 3. National Rural Employment Programme (NREP) -** This programme replaced Food for Works Programmes. In a way this programme was the culmination of the previous experience in implementing employment schemes. The programme was later merged with JRY in 1989. It (NREP) was implemented as a centrally sponsored programme on

17. Patnaik, R., op.cit., p.44.

50:50 sharing basis between the centre and the states with the objective of generating additional gainful employment for unemployed and under employed persons creating productive community assets. The programme was implemented through the District Rural Development Agency. Workers were to be paid under the minimum wages act and part of the wages are paid in the form of food grains.

4. **Development of Women and Children in Rural Areas (DWCRA)** - This programme was launched with an intention to improve the quality of life of women in rural areas. Basically this programme was formulated due to the failure of IRDP to cover the targetted women beneficiaries in rural areas.¹⁸ Under this programme group of women are granted assistance to take up viable economic activities, with Rs. 1500/- as one time grant.

5. **Rural Landless Employment Guarantee Programme (RLEGP)** - This programme is 100 percent centrally sponsored. The objective of the programme is improving and expanding employment opportunities for the rural landless by

18. Srinivasan, S., op.cit., 195.

providing guarantee of employment to atleast one member of every household upto 100 days in a year. Apart from this it aims at creating durable assets to strengthen infrastructure. This programme was merged with JRY in 1989.

6. **Jawahar Rozgar Yojna (JRY, 1989)** - The National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLGEP) were not successful (discused in detail in the following section on the impact of the programme) and in the light of this background it was decided to merge NREP and RLEGP into one single rural employment programme known as JRY.¹⁹ The expenditure under the programme is to be shared between the centre and the states on 80:20 basis. The primary objective of the programme is to generate additional gainful employment for rural poor. The secondary objective is the creation of viable rural infrastructure. And the main thrust of the programme is placing funds in the hand of Panchayats. People below, the poverty line are the target groups and the

19. Chauhan, S.P., 'Wage Employment Schemes' vol. 39, no.11, Sept. 1995, Yojna p.10.

preference is given to SCs and STs for employment, 30 per cent of employment opportunities are reserved for women.²⁰

7. **Prime Ministers Rozgar Yojna (PMRY, 1993)** - This programme was launched in 1993 for providing self-employment to educated unemployed youths. The eligibility conditions are that a person must be in the age group of 18-35 years, must be an educated but unemployed, permanent resident of the area for 3 years and the family income must be less than 24,000 per annum. SCs and STs are provided a reservation of 22.5 and 27 per cent for OBCs. Projects upto Rs. One lakh covered for individuals with higher cost may be covered.

Impact of the Poverty Alleviation Programmes (at the Macro-level)

The usefulness and benefits of a coordinated effort focussed on a national programme for poverty alleviation are self-evident. Basic questions of development and poverty alleviation such as financial technical and administrative efforts to be allocated to the programme, the areas of major

20. *ibid.*, p.10.

focus and concentration, the phasing and sequencing of activities, the linkages among the sectorial programmes and the developmental impact aimed for, can seldom be addressed in a piecemeal fashion.

There are infact certain factors which make the poverty alleviation tasks both complex and difficult. The most important factors are the depressing magnitude of poverty, the deplorably low quality of life and the enormous complexity of problems of poverty and development of the country.

At the moment, the poverty alleviation efforts in India tend to be dispersed and unorganised because there is still no clear idea of the overall size and nature of the problem of poverty.

As we noted in this chapter earlier, the poverty alleviation progrmames have been launched in two phases. First one in the 1970's and the second in the 1980s'. As we noted earlier most of the programme of the second phase of are improved versions of the first phase only.

Now to make an impact study, we could take up some of the very prominent poverty alleviation programmes like the

IRDP, NREP, RLEGP, TRYSEM and JRY.

IRDP

A few national level evaluation studies of IRDP including that to the Programme Evaluation Organisation (PEO) of the NPC (National Planning Commission) and National Bank for Agriculture and Rural Development (NABARD), brought to light a number of serious defects in the programme. Although according to the NPC²¹ in the Sixth Plan, as against a target of 15 million families to be assisted the actual coverage was 16.5 million, obviously the official circle was very happy about it. The evaluation studies however, indicate that behind this facade of a number of exaggerated level of positive impact, a number of unpleasant facts were hidden. It was found that upto a quarter of the families assisted were ineligible for assistance as they were above the poverty line of the Rs.3,500 at the time of assistance, that a good portion of the beneficiaries especially at the low end of poverty profile received only a meagre assistance, that the assets given were defective that

21. Kurian, N.J., 'Monitoring and Evaluation of Poverty Alleviation Programmes - Some conceptual and Methodological Issues' Journal of Rural Development, vol. 9, NIRD Hyderabad India, p.204.

the loan repayment schedules were fixed unimaginatively without taking into account the income generating capacity of the assets provided. As a result the various evaluation studies assessed that actual impact of the programme was likely to be far short of expectation. They concluded that majority of the IRDP beneficiaries are unlikely to cross the poverty line.

Nilakantha Rath²² argues that a mere 10 per cent of the beneficiaries had been raised above the poverty line contrary to the NPC's claim of 40 per cent.

The DR Mehta Committee²³ on Rural Development Programme set up by the Reserve Bank of India (RBI) in Sept. 1994 notes that the IRDP has not achieved the desired results. The fact that an official review committee has in its interim report, underscored the failure, points to the seriousness of the situation. Infact the Committee has suggested a critical appraisal of both the principles underlying as also its modalities and implementation, which

22. Srinivasan, S., 'Rural Development Programme in the 80 s' op.cit., p.188.

23. From Current Events, Spectrum, 1995, Published by Sepectrum India, p. B-120.

means that there is fundamentally something wrong with the programme.

, The three central issues put down by the report are non-homogeneity of the poor; their poor resource endowment; and their unpreparedness to deal with the different arms of the government institution and market. The Report mentioned that the poor needed to be segmented, as at present, under the IRDP, all the poor families below the povertyline are being considered for self-employment, without taking into account their skills and experiences in handling credit financial assets. The underlying assumption is that the poor have the necessary endowment to deal with them. The experience so far, however belies it. It is also noteworthy that the poorest, without any skills and experience in handling assets prefer wage employment to self-employment.

Apart from segmentation there is a sensible suggestion that banks provide loans to buy land apart from extending short term credit to meet current farm expenditure. Experience suggests investment levels for each family or enterprise under the IRDP have been rather low over the years, a point substantiated. Though the emphasis under the IRDP has been on the primary sector, it is the secondary and

tertiary sectors which have provided job opportunities and fare better it notes.

Having found the IRDP in bad shape, however no solutions are offered, probably the problem is admittedly difficult. Yet, it does not prevent the authors of the Report from suggesting a tightening of the loan disbursement process. The Report is keen to see that the subsidies are linked to performance. The Committee's recommendations regarding credit mobilization and percapita investment as the yardstick for measuring success in IRDP has already been accepted by the ministry of Rural Development and Employment. Consequently the physical target in IRDP have been done away with and the performance now would be gauged from the credit mobilisation and per family investment.

"Highlights from findings in concurrent evaluation of the IRDP have revealed that only 50.4 percent of the families had crossed the poverty line of Rs. 6,400 (per annum) while only 14.81 per cent of the beneficiary families could cross the revised poverty line of Rs. 11,000. The families assisted under IRDP during 1993-94 were 25.38 lakh but the figure declined drastically to 16.25 lakh in 1994-95

inspite of the increase in the outlay from Rs. 654 to Rs. 675 crore."²⁴

National Rural Employment Programme [NREP]:

Malcom Adiseshiak²⁵ in his mid year review of the economy, 1985, pointed out that the guidelines of the NREP are not specific in ensuring the filling of infrastructural gap or that the projects are based on the cost benefit principle, (b) NREP generates inflationary pressures and (c) much of the assets created are not permanent as in the case of rural roads which are washed away.

The Comptroller and Auditor General of India Report²⁶ (1985) points out the basic weaknesses of NREP as: (a) most of the resources were outside the scope of the programme and (b) failure of the official machinery to allocate the resources to the right beneficiaries. Since the programme was not found to be effective by itself, it was merged into JRY.

24. Sawhey, I, 'Outlays are up, so is poverty, Times of India, February 5, 1996, p.11.

25. Srinivasan, S. op.cit., p.191.

26. Ibid., p.192.

Rural Landless Employment Guarantee Programme [RLEGP]:

According to the NPC in the last two years of the Sixth Plan RLGEF' created 260 million mandays of employment against the target of 360 million mandays and in the Seventh Plan, a total of 1154.44 million mandays of employment were created against a target of 971 million mandays.²⁷

However, the experience of implementation of NREP and RLEGP both showed that the type of assets created needed to be made economically more productive and that the people's involvement in identifying work needed to be strengthened. And also that the funds didnot go invariably to the poor. An evaluation study showed that there were atleast 53 percent of villages which had not got the benefit of the works programme at all, so in the light of the background it was decided to merge NREP and RLEGP into one single Rural Employment Programme called Jawahar Rozgar Yojna with effect from 1989. We will discuss this in detail in chapter 4.

Training for Rural Youth for Self-Employment [TRYSEM]:

According to the NPC in the Sixth Plan as against a target of 10.5 lakh youth, 9.4 lakhs were actually covered

27. Kaila, S., op.cit., p.37.

of which, 4.6 lakhs took to self-employment, and in the Seventh Plan 10 lakh youth were trained of which 47 per cent took to self employment, 12 per cent of wage coverings and remaining 41 per cent did not avail either of the two, and in 1991-92, 3.1 lakh youths were trained against a target of 4.3 lakh youths.²⁸ In 1992-93, 2.6 lakh were covered against a target of 3 lakh.²⁹ An independent evaluation³⁰ of TRYSEM has shown that 47.5 per cent of the rural youth remained unemployed after they received training. Employment generation also has shown a shortfall of 2.24 million per annum compared to the target of 6.26 million per annum.

Jawahar Rozgar Yojana (JRY):

In the year 1991-92 against a target of 73.54 lakh mandays 80.81 lakh mandays were created. Similarly in 1992-93 and 1993-94 against a target of 7538 and 10383 lakh mandays, 7821 and 10157 lakh mandays were created respectively.³¹

28. Ibid., p.36.

29. Economic Survey 1995-96. Government of India, p.183.

30. Sawhey, I., op.cit., p.11.

31. Basic Intelligence Survey, Basic Statistics relating to the states of India, Sept. 1994. Centre for Monitoring Indian Economy Pvt. Ltd. India, p.

Another study says that even as the amount for JRY was increased from Rs. 3,306 crore in 1993-94 to Rs. 3,855 crore in 1994-95, the mandays generated declined from 10,236 in 1993-94 to 9,515 in 1994-95.³² Though in the creation of employment JRY has had a moderate performance only, on the community asset creation front it is considered to be quite a success (in the case of Indira Awas Yojana and Million Wells Scheme). Over 1 million houses and 3,20,000 irrigation wells have been constructed for the poor.³³ Under JRY about 50 per cent employment generation during 1994-95 came from the SC, ST group.³⁴

The Programme Evaluation Organisation (PEO) of NPC³⁵ found implementation of JRY as unsatisfactory. Its weaknesses according to the PEO are:

- i. Absence of technical staff at village panchayat levels make it very difficult to develop blueprints of schemes according to cost benefit analysis;

32. Sawhey, I., op. cit., p.11.

33. Report of Independent South Asian Commission on Poverty Alleviation, 1992, p.39.

34. Economic Survey, India 1995-96, op.cit., p.183.

35. The Hindu, March 3, 1993, New Delhi, p.16.

- ii. possibility of leakages and appropriation by middlemen;
- iii. JRY wage rates are low as compared to locally prevailing rates.
- iv. food grain distribution to workers as part of wage is difficult due to irregular supplies, lack of storage facilities, low quality etc.

According, to the latest below the poverty line survey, conducted by the Ministry of Rural Areas and Employment, a 210 million strong rural population is still living below the poverty line. The scenario should prove to be all the more disappointing if one considers the fact that dozens of poverty alleviation programmes are in operation.

Infact the biggest problem is the population explosion. considering the rate of growth of the population (2.11 per cent per annum) it is no wonder that the impact of the poverty alleviation programmes is not felt and if at all very less. According to the 'Demographic Transition Theory' we are still in the early industrial stage of high birth rate. Serious research into population control is the need of the hour.

Poverty Alleviation Programme of India at the Micro Level:

Through out the past fifty years of development

response, policy makers assumed that the state would provide the lead role in formulating and implementing, enabling policies for poverty alleviation. As experience accumulated about the working of the administrative machinery and the constraints within the state, a new understanding began to emerge. The focus then shifted to development activities of locally rooted participatory micro-development organisations. At the formal level, this shift is evident in the increasing attention being paid to voluntary organisation and non-governmental organisations, in asserting the positive values of participation of the poor in development and bring about social change within a democratic political framework. Infact the all pervading presence of government and its control over means of production and distribution in economy is diminishing. But while the state retains its hold and power on predominant sectors of economy in India as well as in may other developing countries, Non-government organisation (NGO's - this UN terminology, encompasses all types of voluntary organisations) have become prominent actors in the field of development all over the world.

In India, a voluntary organisation, is generally

registered as a Society or Trust and acquires its legal status under Societies Registration Act or Indian Trust Act. It funds in the form of contributions and subscription from members but is not averse to receiving grants from governments and international agencies as well. The voluntarism of an NGO may be inspired by philanthropy, social service or developmental activities. With this conceptual framework, we briefly discuss the scenario in India.

Following are some of the programmes at the micro level in India:

1. **Ahmedabad Study Action Group's (ASAG) Poverty Programme**
Dholka:

"ASAG is an Ahmadabad (Gujarat) based voluntary, non-profit, multi-disciplinary group of professionals committed to work for the poorest of the poor. What started as a small agency in 1969 to build low cost houses for poverty stricken people, has now grown into an organisation having full time workers strength of 95 individuals.³⁶

36. Bhat, Rajesh, 'Lessons from in a poverty alleviation programme the ASAG experience' Rural cooperatives in Asia edited by KK. Taimini, Oxford: + IBM 1994, p.89.

ASAG's Poverty Alleviation Programme, known as poverty programme Dholka (PPD, is named after the name of the Block called Dholka in the Ahmadabad District of Gujrat).

Poverty Programme Dholka (PPD) was conceived as a multisectoral development project in 60 out of the 118 villages of Dholka block.³⁷

The basic objective of PPD, include training of lowest income Decile' (LID) individuals/groups for employment creating economically productive assets, building up of area level economic systems to support LID. efforts of income supplementation, maintenance of assets and training of a cadre of locals to equip them with technical and management skills required for economic activities.³⁸

The project is divided into two principal components. viz, the 'Study component' and the 'Action component'. The former is directed towards an indepth understanding of the poverty phenomenon by active association and involvement in the lives of the poor.

37. *ibid.*, p.92.

38. *ibid.*, p.92.

The second part of the programme involves, initiating supporting and directing those income activities which would generate new employment opportunities and augment incomes of the poor.

The activities under PPD

- i. Asset Creation: PPD aims to create assets at family, village and area levels. At the individual level PPD helps in acquiring milch animals, sewing machines etc for income generation. A pucca house is the second important asset PPD aims to provide for the poor. The financial help in all the above mentioned programmes is according to the economic status of the beneficiary. At the community level, the creation of assets like food processing equipment, etc are what it aims at.

Resources are pooled in by the people at the community level for such assets and ASAG gives rest of the help material or financial as well as guidance or organisational help. ASAG gets most of its funds from the government though foreign agencies also help now and then.

- ii. Skill Development and Training: A wide range of skills ranging from stitching to carpet weaving are tried out. All this skill development aims to increase the employment potential of LID families.
- iii. Awareness Generation: ASAG members go to each and every village to generate awareness among people. They make people aware of their legal, political and cultural rights.

2. **Self - Employed Woman's Association (SEWA):-**

"SEWA was formed in 1972 and is located in Ahmadabad in Gujarat. It evolved from a trade union of textile workers. The cooperative structure is member based, the strength of the organisation comes from its own members.³⁹

SEWA recognised that it was not enough to merely organise poor women. It was equally important to ensure that they had opportunities to employment.⁴⁰ SEWA has organised a bank for women so that financial self reliance would lead to full employment. The SEWA cooperative bank set up in 1974, now runs a self-financed comprehensive group

39. Poverty Commission Report 1992, op.cit., p.76.

40. Rose, Kalima, 'Where Women are Leaders' the SEWA Movement is India, Vistar Publication N. Delhi, 1992.

insurance scheme as a work security scheme for members that cover their life, widow-hood, accidents etc.⁴¹

The SEWA bank runs rural saving groups in 96 villages chiefly aimed at asset building including the redemption of mortgaged lands. SEWA has integrated its work with the IRDP programme of the government particularly in the Development of Women and Children in rural areas (DWCRA).

In linkages with institutions like the Housing and Urban Development Corporation, SEWA provides security of shelter to its members.

3. The Thally Model of Poverty Alleviation (Tamil Nadu):

The Thally project was launched in Jan. 1989, initially for a period of 3 years and on the basis of evaluations carried out by joint mission of Government of Tamil Nadu, ILO and Danish International Development Agency (DANIDA) was subsequently extended till June 1998.⁴² Thally is one of the two completed pilot projects, sponsored by ILO and financed by DANIDA and executed by the government of

41. Poverty Commission Report 1992 op.cit., p.78.

42. Singla, PP. 'Rural Poverty Alleviation' The Thally Model, Tamil Nadu India 1995 ILO, N. Delhi, p.10.

Tamil Nadu, during the current decade the other being Bundwan in West Bengal.

The objectives⁴³ of the programme are the following:

- i. to strengthen the capacity of the state government in general and the administration of Dharma Puri District in particular, to design, plan, improvement and evaluate employment programmes; and
- ii. to improving the income and living conditions of the small poor through employment creation.

The project has a integrated multi-sectoral approaches to poverty alleviation. The project is concentrating its activities in poverty pockets mainly in five water-sheds. A cluster of projects which are complimentary to each other is planned and implemented in an integrated way. The idea is that different schemes, will reinforce one another. Construction of roads open up accessibility, irrigation work increases agricultural production, and crop diversification and it because a supplementary source of income to the small farmers and also brings employment benefit to local poor.

43. Ibid., p.8.

The project and its Multi Dimensional Activities:

- i. Irrigation works: In Thally there are about 258 tanks.⁴⁴ Most of the tanks are low and poorly maintained. Large portions of the canal in most tanks are silted up which resulted in tail-end farmers not receiving water. The rehabilitation work on the tanks include repair work, construction of cross masonry work etc.
- ii. Agriculture: The objective was to introduce modern technology and high yeilding variety seeds particularly paddy. The base work for agricultural development was the irrigation work. This is how one project reinforces another's development.
- iii. Roads and Culverts: The project area is very defficient in village level roads. Four roads works of varying size were carried out. (We look at the impact at the end of the chapter). Obviously the open access to markets nearby further reinforces development in agriculture and other aspects of the life of the communities.

44. *ibid.*, p.20.

iv. Sericulture: Establishment of mulberry plantation, provision of equipment for rearing Silkworm and training activities are included in the project.

v. Training and Production Centre (TCPC): - A few TCPCs as complimentary activities were started with a view to imparting training in skills of a higher order in aloe fibre rope making and incense sticks making in order to provide employment for the poor.

4. Working Women's Forum [WWF, Tamil Nadu]:-

"The WWF was started in Tamil Nadu initially as a response to the problems of poor women in urban areas. In 1978 the WWF started organising these women both for political action as well as for assertion of their economic - social rights. Slowly the movements spread to rural areas also. The organisation concentrated its activities on petty home based crafts, dairy farming etc. For purposes of solidarity the women were organised by locality rather than by trade."⁴⁵

45. Poverty, Commission Report, op. cit., p.83.

The objectives⁴⁶ of WWF are:-

- i. to provide organisational support to women workers in the informal sector;
- ii. to devise an innovative organisational support structure to reach out to women workers at grass roots level;
- iii. to struggle against caste, classes and gender oppression; and
- iv. to carry on an intensive health and family planning programme to strengthen women's productive roles.

At the beginning, WWF acted as an intermediary between the nationalised banking system and the poor women's group. The WWF organised women into groups, helped negotiate loan repayment. However in 1981, WWF established its own bank. Apparently the banking system (national) did not respond positively.

Now the WWF's bank engages in both mobilising savings by its members and providing credit to them.

"Each person in WWF pays a membership fee of Rs. 6 towards a group savings and loan fund. The forum's smallest

46. Ibid., p.84.

organisational unit is the loan group comprising of 20 to 30 poor women. Each group elects its leader and functions in a participatory manner. Projects are designed to respond to their needs."⁴⁷ The group leaders are supervised by area leaders, competent group leaders become paid organisers and link the groups and areas with the central WWF organisation. The cooperative are totally managed by the poor women workers themselves, who are its shareholders.

5. Asian Institute of Rural Developments (AIRD)
Sericulture Project:

"AIRD, located in Kanakapura Taluk in Karnataka is a non-profit voluntary organisation, focussing on poverty alleviation. Apart from its rural development goals in India it believes in activities at the international level also. For instance it believes in South-South Cooperation which includes, techno-economic cooperation with other developing countries of Asia and Africa through cooperation with the NGO's in those countries."⁴⁸

47. *ibid.*, p.84.

48. Rajasekharan, M.V., 'Activities for Poverty Alleviation - AIRO's Experience' in Rural Cooperatives in Asia edited by K.K. Taimini Oxford + IBM, 1994, p.100.

The AIRD has three main objectives.⁴⁹ They are:

- i. development of human resources for poverty alleviation;
- ii. transfer of technology in Sericulture; and
- ii. Field action and research and publications.

Since 1984, AIRD's focus has been on the villages of Kanakapura Taluk which is by and large a rainfed area and with its tradition of silkworm rearing came in handy for AIRD's sericulture project.

The AIRD believes that the rationale of sericulture for rural development is that:

- i. it keeps the rural poor employed in villages and prevents migration;
- ii. sericultural needs low land investment and has a short gestation period; and
- ii. the raw material provided by sericulture at the rural level has a ready market in the shape of ever increasing demand for the products of textile industry.

AIRD's sericulture division has three distinct wings with specific tasks. They are: (i) silk worm seed

49. Ibid., 100.

production centre, (ii) sericulture extension and service centres; and (iii) sericulture training. Lets take up one by one.

- i. Silk worm Seed Production Centre: This centre produces quality Disease Free layings (DFLs) and make them available to silk worm rearers.
- ii. Sericulture Extension and Service Centres: AIRD keeps all the necessary inputs at all its sericulture extension service centres so that all supplies of inputs would be available to reasons. The personal of the centers in villages visit sericulture farmers and supervise the rearing process.
- iii. Sericulture Training: The sericulture training wing conducts a number of training programmes every year at local, national and international level in order to keep farmers engaged in propagating and promoting sericulture. The training programme include integrated training programme in tropical sericulture, training in seed technology, training in reeling and training in mulberry cultivation.

The role of NGOs in developmental activities has been recognised and considered vital because of the following

reasons:

1. Government alone cannot mobilise resources needed for meeting people's needs;
2. The quality and efficiency of government sponsored programmes increase when people are involved in programme planning and implementation;
3. They have first hand experience and knowledge of local needs, problems and resources at local level
4. Commitment and zeal of voluntary action; and
6. Voluntary sector is more responsive and can operate with greater flexibility.

In the following section we will examine as to what extent these micro level interventions have been successful.

The sequence of discussion of the impact would be the same as of the discussion of the programmes earlier. Following is the impact study.

1. **Ahmadabad Study Action Groups (ASAG): Poverty Programme Dholka: An Evaluation cum Planning Report⁵⁰ (1989) of ACAG** has suggested inter alia the following points;

50. Bhat, op. cit., p.96.

- i. PPD is an important programme because of the opportunity it provides to understand the nature of rural poverty;
- ii. PPD should continue, but in a modified form, with a changed approach. The new approach should be of being more an enabler and less a doer.

The impact of PPD according to the same evaluation study on various fronts are the following:

- i. Economic: Under the scheme for supplementation for LID (Lowest Income Decile) families, PPD did deliver economic benefits to some 1,600 families. In some cases though either because of the character of the occupation or because of the inadequate participation, the percapita benefits delivered were quite low;
- ii. Skill Development and Upgration: About eleven skills training were tried out ranging from stiching and embroidery to carpet weaving. The activity basket of PPD has a mix of traditional and newly introduced product in skills. The success rate of the latter is very encouraging. Development of skills has led to the economic reliance of the poor.

iii. Asset Creation: PPD has been able to create assets at family village and area levels. At the individual level, probably the most productive asset for LID families was mild animals. At the community level food processing equipments and rooms are noteworthy.

At the area level, two major assets have been established. One is a leather tanning centre and the other one is an area level marketing body with its shops catering to the needs of the various cooperative engaged in production.

In sum, the evaluation study concludes that PPD made positive impact in the area but at the same time fell short of expectations.

2. **Self Employed Women's Association (SEWA)**: The SEWA experiment has shown that when women are organised as producers it makes their self-esteem grow in the recognition that they are significant contributors to society's wealth.⁵¹

51. Poverty Commission Report, 1992, op. cit., p.77.

Since SEWA is organised into cooperative, discussions between members take place as equals, thereby giving them the power of making their own decisions within the organisations.⁵² Thus SEWA has a participatory approach. SEWA has been very active in safeguarding the rights of its members and has been able to go right upto the Supreme Court of India in pursuance of assertion of its members rights.⁵³

SEWA's central concern for self reliance led it to organising a bank for women. It is self financed (by its members) and the rate of return of loans is 93 per cent.⁵⁴ The SEWA bank runs rural savings groups in 96 villages chiefly aimed at asset building. The self-financed comprehensive group insurance scheme covers 50, 103 women of whom 19,340 are homebased workers and about 9000 each are in the brick making and dairy sector.⁵⁵ SEWA has integrated its work with the IRDP of the government and has helped the government organise several women's programmes.

52. Ibid., p.77.

53. Ibid., p.77.

54. Rose, Kalima op.cit., p. 199.

55. Poverty Commission Report, op.cit., p.77.

3. **Thally Project in Tamil Nadu:** The Thally project replicability study undertaken by the government of Tamil Nadu/DANIDA/ILO 1994 says that the multisectoral approach to poverty alleviation at Thally has been a success. "Each project (like irrigation, roads, agriculture etc.) at Thally worked in a complimentary manner to one another and contributed to the overall development by reducing poverty from 70 per cent (according to the project survey 1985-86) to 53 per cent in 1994.⁵⁶

The study presents statistics to prove that the Thally intervention has enhanced the income levels of farmers. The increase in net farm income for different categories of farmers is presented in the table (1) below.

Table 1

Category	Rs. Annum		Increase in	
	Before	After	Rs	%
Marginal Farmers	1,500	2,800	1,300	87
Small Farmers	3,100	5,700	2,600	84
Big Farmers	7,500	13,000	5,500	74

Source: Thally Replicability Study 1994. para 3.3.2. Taken from, Singla, PP, Rural Poverty Alleviation, Thally Model Tamil Nadu, India. ILO, New Delhi Nov. 1995.

56. Singhla, PP. 'Rural Poverty Alleviation Thally Model' op.cit., p.31.

All categories of farmers, as we see in the table experienced a net increase in farm income. The increase is the biggest for the marginal farmers which the study says is a reflection of their over representation in the tail-end of the irrigation scheme. The tail-enders are the main beneficiaries because the area left fallow earlier now receive water and can be calculated.

The success of the project is also confirmed by the project evaluation study of the ILO (1993). As the previous study, this study also argues that Thally project model must be tried in other parts of the country. This study remarks that the government of the Tamil Nadu has not as yet tried the model in any other part of the state though it had, shown interest in doing so.

4. **Working Women's Forum Tamil Nadu [WWF]:** There is no doubt that the WWF participatory process gives women a new sense of dignity and confidence. Group action also gives them a sense of solidarity and brings them out of isolation. It permits women to throw up their own leaders in a natural process of solution.⁵⁷

57. Poverty Commission Report, 1992, op.cit., p.85.

"Poor women achieve a measure of economic independence, women who used to earn between Rs. 60 to 70 per month working for an average 8 to 10 houses a day, now earn three to four times as much, enabling them to save which increasing the food intake of their family. The WWF women have been able to establish and manage their own bank with financial discipline."⁵⁸

Unlike some other NGOs the WWF has had very limited external funding and has yet been able to sustain its activities.⁵⁹

WWF has also provided some assistance to other organisations. For instance, some donors have used WWF to provide technical assistance to the Tamil Nadu Government and to a few non-governmental organisations in developing specific poverty alleviation programme.

5. **Asian Institute of Rural Development's [AIRD] Sericulture Project:** As regards AIRD's sericulture project

58. Ibid., p.85.

59. Ibid., p.86.

in Kanakapura (Karnataka) an average traditional sericulture farmers is in a position to earn as much as Rs. 21,445 in a matter of 6 months with only half an acre of land.⁶⁰ This is no mean achievement interms of poverty alleviation. Another aspect relates to the role of women in sericulture. Out of 3,781 total days of work, work days of women labour amount to 1,981. This means that more than 50 per cent covers women.⁶¹ Thus the emphasis in AIRD's sericulture activities is on the provision of employment to women and income generation in their hands. In nearly a decade of AIRD's sericulture work in the villages, the living standard of sericulture families has improved to a considerable extent. The following table I giving case studies relating to some of the AIRD farmers who are able to produce very high yield of silk cocoons and earn high incomes indicate success achieved by AIRD with regard to transfer of technology in sericulture.

60. Rajasekharan, M.V. op.cit., p.105.

61. Ibid., p.105.

Table 2

Names	No. of laying brushes	Cocoons harvested (kg)	Yield of Cocoon per kg.	Rat/kg (Rs)	Gross Profit Rs.	Net Profit Rs.
Krishnappa	800	555.000	69,375	90.00	49,950.00	40,000
Medegowda P.R.V.	885	594.250	72,000	72.00	42,786.00	32,000
Tramanappa	401	293.500	73,000	79.00	29,085.00	22,000
Hamachanda	177	135.500	76.500	100.00	13,550.00	6,500

Note Figures relate to one rearing season

Source: M.V. Rajashekhara, 'Activities for Poverty Alleviation - AIRD's Experience' Rural Cooperatives in Asia, ed. by K.K. Taimini, Oxford & IBM, 1994.

AIRD's sericulture project is a success. If we look at the table (2), with 800 laying brushes, (LBs) for instance Krishnappa's net profit's Rs. 40,000, Medegowda's net profit for 885 (LBs) 32,000. This much of profit in just one rearing season is commendable. Probably with more investment in Research and Development in the production the benefits may be significantly enhanced.

Chapter - 3

POVERTY ALLEVIATION MEASURES IN BANGLADESH

As in the second chapter, in this chapter too, we first discuss the poverty alleviation programmes (of Bangladesh) at the macro level and then at the micro level. As in the case of India, in this case also the macro level programmes are the ones undertaken by the government and micro level are the ones usually taken up by the Non-Governmental Organisations (NGOs).

Approaches to Poverty Alleviation at the Macro level

Right after independence in 1971, the Government of Bangladesh had two major challenges, viz., i).reconstruction of the shattered economy due to the disturbances caused by the struggle for independence; and ii). other was the daunting poverty. Poverty was acute in the 68,000 villages, where about 90 per cent of her people lived. The economic disparities were very wide and the living standard of the poor was very low. The crude death rate was as high as 19.4 per cent in 1974 and life expectancy was only 46 years, (Bangladesh Bureau Statistics (BBS) estimates).

The Government of Bangladesh started the development process by launching its First Five Year Plan in 1973. As food scarcity was considered to be the most urgent problem, this plan was mostly production oriented. In the next five to six years, the poverty situation became more acute. The government then decided to take on serious measures to alleviate poverty and raise living standards. Bangladesh started off with concrete poverty alleviation programmes under the Rural Development Programmes in the 1970s.

The concerns and strategies of Rural Development for Poverty Alleviation in Bangladesh have changed over the years, making amends for the past mistakes and taking note of the constraints and aspiration of the people. Until a decade and a half back, most of the official development planners emphasised solely on agricultural production for lifting the poor. Probably the idea behind this suggestion was the glaring fact of huge rural population and the predominance of agrarian sector in the Bangladesh Economy.

But the problem of poverty alleviation in Bangladesh is not simply one of increasing agricultural production. Almost 30 per cent of rural households have no land at all and another 30 per cent own less than 0.4 hectares

(Bangladesh Bureau of Statistics). So from a production oriented strategy most of the poor are not going to gain. As a matter of fact, because of population explosion and of marginal farmers having to sell out to surplus farmers, the number of landless households is growing faster.

At present underemployment among the landless and marginal farmers is estimated to be 30 to 40 per cent, unless poverty alleviation programmes are designed to create employment opportunities for the increasing number of rural people, the figures will increase dramatically.¹

To deal with this problem and for promoting productive activities among the youth, special skill and vocational training programmes have been initiated. Another important measure has been the cooperatives. The unemployed are encouraged to form themselves into cooperative to carry on productive activities. In Bangladesh, there are two cooperative system now², three different sources of institutional agricultural credit for farmers, two

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1. De vylder, S. Asplund, D L, Contradictions and Distortions in a Rural Economy: The case of Bangladesh, Policy Development and Evaluation Division Stockhom SIDA, 1979.
 2. Hossan, M: "Land Tenure and Agriculture Development in Bangladesh", Tokyo, Institute of Developing Economics, 1981.

agricultural extension system as well as specialised services for individual crops such as jute and sugar, three different organisation for rural public works and backing private or cooperative sector as the main vehicle for rural development. Nevertheless despite this confusion the dominant thrust of the different programmes has been and continues to be the promotion of agriculture development.³ Needlessly the maximum use of science and technology has always been emphasised.

Poverty Alleviation in the Five Year Plans

The first Five Year Plan, (1973-78) mainly focussed on the rehabilitation of the shattered economy. In this plan, the need to create a sound institutional base of cooperatives for protecting the interest of the small, the landless and the rural poor was visualised. But most of the objectives remained unrealised due to resource constraints and other adverse circumstances.⁴

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3. Hossain, M." Mahamood, R.A. and Ahmed, Q.K., Participatory Development Efforts in Rural Bangladesh a study of Experiences in Three Areas; in Bhaduri, A Rahman, A. (eds) studies in rural participation, N. Delhi, oup, pp.90-120.
 4. Rahman, PK, MD Motiur, Poverty Issues in Rural Bangladesh, University Press, Dhaka, 1994, p.136.

The basic objective of the First-Five Year Plan (1973-78) was to reduce poverty. "To achieve this foremost objective the Plan adopted a strategy for expansion of employment opportunities for the poor and acceleration in the growth rate of national income, as well as effective fiscal and pricing policies for equitable distribution. The Plan fixed the target of increasing full time jobs by 4.1 million, just in excess of the projected increase labour force (3.93 million). To attain the estimated increase in employment, the Plan laid emphasis on concentrating investment in sectors which required a relatively small amount of capital per unit of employment and output. According to this strategy a large proportion of investment was to be in agriculture expected to generate 2.6 million labour years of employment over the plan period (1973-78). On the supply side, the plan's strategy for poverty alleviation was to expand output of essential consumption goods with a view to providing minimum consumption requirements of the common people."⁵

The Two-Year Plan (1978-80) in respect of rural development continued with more or less the same strategy.

5. Hye, A.H., Below the Line, Rural Poverty in Bangladesh, 1996, University Press Dhaka 1996, pp. 53-54.

This plan could not implement all envisaged measures of rural development to reduce poverty and generate desired level of employment opportunities. It appears from resource allocation that in these two plans, economic growth in terms of GDP was given more priority than poverty alleviating rural development programmes.

But the Second Five Year Plan, (1980-85) highlighted the need for serious Rural Development programmes with a view to improve the living standard of the poor. The major thrust of the Second Five Year Plan was on significant reduction of poverty. Poverty was so endemic and ubiquitous in Bangladesh that over three-fourth of the population could not afford to meet the minimum dietary requirements. As the economy grew slowly, the unemployment situation further deteriorated. An estimated one-third of the population was unemployed and underemployed. Along with the general emphasis on accelerating the pace of economic development to attain a growth rate of 7.2 per cent per annum, the Second Plan had the following objectives with direct bearing on poverty reduction;

- i. to bring about a noticeable improvement in the standard of living by ensuring adequate supplies of the basic needs;

- ii. to expand employment opportunities beyond the growth of the labour force;
- iii. to accelerate food production; and
- iv. to move towards a more equitable of income, resources and opportunities for better social justice.

In the third Five Year Plan (1985-90) emphasis on comprehensive rural development was given as in the case of the earlier Five Year Plan. The plan document pointed out that the ultimate goal of planned development was alleviation of poverty and all planned objectives derived directly or indirectly from this goal. Keeping poverty alleviation as the primary objective, the third plan set a target of bringing up atleast 10 per cent of the rural poor above the poverty line.

The general strategy of the plan for poverty alleviation was to provide productive employment. Noting that modern technology covered only one-fourth of the agriculture sector, emphasis was given on its diffusion for further employment generation.

As far as the Fourth Five Year Plan is concerned, it is very important for rural development in general and poverty

alleviation in particular in Bangladesh. The Fourth Five Year Plan (1990-95) visualised greatly the need for rural development plan to reduce poverty and to promote more opportunities for the poor for productive employment in both farm and non-farm sectors of the economy. The main objectives⁶ of the rural development plan as mentioned in the Fourth Five Year Plan (1990-95) are to:

- i. reduce poverty by means of increasing gainful employment and income opportunities on a sustained basis through expansion of productive sources;
- ii. develop rural institutions;
- iii. improve technology and skills for productive activities and ensure better access to the rural poor to the means of production;
- iv. facilitate agricultural development through institutional supports and expansion of agriculture and irrigation;
- v. improve physical infrastructure (roads, markets etc.) in the rural areas.

6. Rahman, PH. MO, Motiw, op.cit., p.138.

Poverty Alleviation Programmes at the Macro level

Integrated Rural Development Programme

The government took up various programmes aiming to improve the living standard of people in general and alleviate poverty in particular. The government undertook massive rural development programmes aimed at improving the productivity, income and reducing incidence of poverty in the rural areas. Consequently, in the last two decades, development planners adopted and experimented a number of both general development and target oriented programmes. Such programmes were classified into the following two categories.

- i. programmes for wage employment; and
- ii. programmes for self-employment for the rural poor.

In Bangladesh, the institutional model designed to achieve the objectives of poverty alleviation has been the Integrated Rural Development Programme (IRDP). "The IRDP has been developed over a long period of trial and experimentation starting at the East Pakistan Academy for Rural Development in Kotwari Thana of Comilla district in 1960. This academy after independence was called Bangladesh Academy for Rural Development. It was extended to three

other thanas in 1963 and later was officially adopted as a national programme in East Pakistan in 1970 and Bangladesh began to implement it as IRDP as it then became known in other parts of the country after liberation. Since the experiment was done at Comilla, this model came to be known as, "Comilla Model".⁷

The "Comilla Model" or the IRDP originally had four strategies. They were:

- i. The two tier cooperatives: Under this the farmers were to be organised into a two tier cooperative structure with primary societies (Krishi Samabay Samiti, or KSS) at the village level with a federation at the Thana (now, upazillah) level called the Thana Central Cooperative Association or the TCCA (now UCCA). The village groups were to have their own representative managers and model farmers who would act as the link with the TCCA. The groups were to be supported with credit extension and input needs for modernizing cultivation. No size group limitation was put on membership.

7. Steve Jones, A critical Evaluation of Rural Development Policy in Bangladesh in Rural Poverty and Agrarian Reforms Ed by Jones, Joshi and Murmis, Allied Publishers, 1982, p.85.

The KSS are normally organised for joint use of a low-lift pump (LLP) or deep tube well (DTW) and it is through KSS that individual farmers receive government credit and sometimes other inputs such as fertiliser. Farmers can borrow in proportion to the number of shares they have purchased in the cooperative and are encouraged to make regular savings with the society in order to build up its capital.

This type of cooperative capitalism was chosen as the vehicle for agricultural development for three main reasons.⁸ First, the structure of landownership in Bangladesh, with more than 7 million farm families owning two-thirds of the agricultural land, precludes the administratively more tractable strategy of backing large farmers since farmers owning more than 10 acres (very large by local standards) control less than 30 per cent of agricultural land. Supporting this group would not increase agricultural production sufficiently to meet the ambitious government target such as 'food autarky'. Instead an institutional organisation had to

8. *ibid.*, p.85.

be developed to diffuse modern inputs, credit and knowledge to the very large number of individual farmers throughout the country.

The second reason for the original decision to choose the 'Comilla cooperatives' is that at the time the Comilla experiment was started in the early sixties and again when IRDP was adopted as a nationwide programme, both government and international development agencies saw the greatest hope for increasing agricultural production in 2-cusec LLPs and DTWs that are technically very efficient and can irrigate upto 60 acres of rice in the dry season. However, since landholding in Bangladesh are small and fragmented a way of bringing together farmers living within the catchment area of the pump was needed to jointly manage the new technology.

And Thirdly, it was hoped on the assumption that HYV seed-fertiliser-irrigation technology is scale neutral, that small farmers would benefit as much as large farmers and therefore that the cooperative approach would satisfy some equity considerations too..

ii. Thana Training and Development Centre: The concept of the centre emphasised the need for coordination between departmental officials and leaders of local government. Officials of technical departments were mobilised as teachers for a continuous programme of practical training of groups of farm leaders drawn from the KSS. The key function was that of extension and dissemination of the seed fertilizer technology for the third world agricultures being developed in Mexico and Philippines under US guidance.⁹ All services and supplies were located in the same building and a demonstration farm and a workshop for equipments also setup at the centre. The TCCA was also located in the same premises making the centre the heart of an administrative infrastructure for the programme of agricultural modernisation.

iii. Rural Works Programme [RWP] : This combined the Nurksian Solution of mobilising rural unemployed labour for infrastructural development and in the process provide a major source of off-peak employment for the

9. Rahman, HZ, "Not Quite Not Enough: Institutional Approaches at Rural Development in Bangladesh" Journal of Social Studies, no.97, Jan 1990, p.8.

landless poor. The programme was to be executed through the various tiers of local government i.e. the union, thana and district councils.

The concept of surplus farm labour has attracted increasing attention in the underdeveloped countries, especially in Asia. The simplest definition of it (Nurks's Theory of Surplus Labour) implies that some labour could be withdrawn from subsistence farming without reducing the volume of farm output. In technical terms, the marginal productivity of labour is believed to be zero.

The theory is based on the assumption that nothing changes except the number of people and, in response there to the volume of the total product. It holds all other things constant.

- iv. The Thana Irrigation Programme: This programme, acknowledged the critical importance of irrigation for the success of programmes of agricultural modernisation. Farmers were to organise themselves to receive irrigation equipments; pumps and tubewells. The

primary cooperative society i.e, KSS was linked up to the irrigation programme as its institutional base. The TTDC was to train KSS members as pump drivers and mechanics and also store irrigation equipments and other accessories.

The institution building of IRDP for the development of the two of their cooperatives was done on the basis of the IRDP main scheme for first (1970-73), second (1973-78) and third (1980-85) phase. The Main Scheme is the core of the IRDP (now called Bangladesh Rural Development Board, BRDB). Its objectives¹⁰ are:

- i. to organise Comilla type cooperative for optimum utilisation of human as well as material resources;
- ii. to help accumulate farmers own capital through thrift deposits and share purchase;
- iii. to promote adoption of suitable agricultural innovations through diffusion of men ideas and knowledge;
- iv. to boost agricultural production through group action;

10. Integrated Rural Development Programme, II Five Year Plan, Govt. of Bangladesh 1978.

- v. to irrigate all supplies and services for effective utilisation of resources for cooperative purposes;
- vi. to ensure proper utilisation of institutional credit and with inputs arranged and supervised by the federation of primary cooperatives;
- vii. to help develop local leadership through continuous training and group action;
- viii. to initiate programme for equitable distribution of income among the members; and
- ix. to study, except and plan for comprehensive rural development.

Infact most of the objectives confer on IRDP the characteristics of the production oriented IRDP model, the last two objectives have led to the formulation of the programmes that conform to the target group oriented and area based IRDP models.

Important Rural Development Programmes and Projects: The Bangladesh Rural Development Board (BRDB) launched experimental pilot projects during the second phase and these projects included the following:

1. **Project on Rural Women's Cooperative and Population Control:** This project has two components viz, the rural women's cooperatives and population planning through the cooperatives. Under the first component it was envisaged that 10 women cooperative societies would be organised in each Thana. The members would be provided with production loans for various income generating activities. It was expected that the members of the cooperatives through training skill development and employment would become more conscious about and adopt family planning measures. The project was financed by the Bangladesh Government, Ford Foundation and International Development Association (IDA). The project was extended to 60 more upazillas (Thana) during 1985-90.

2. **Thana Workshop cum Training Centre:** This scheme was launched in 1976 for setting up 6 workshops in different Thanas of the country to provide facilities for repair and fabrication of simple agricultural tools and training of rural youth in its maintenance and operation. At present 6 workshops are being managed directly by the BRBD HQ¹¹ and

11. Bangladesh Rural Development Head Quarters. .

the plan for the expansion of the programme has been cancelled.

3. **Storage and Godown:** Bangladesh Rural Development Board introduced a pilot project of storage and godowns to facilitate marketing of agricultural products. This scheme was approved in 1977 for construction of the facilities in 25 Thanas. The aim was to facilitate the growth of agricultural production.

4. **Youth Employment Programme:** To mobilise the rural unemployed youth for productive purposes, BRDB launched a pilot project in 10 Thana¹² in 1977 for organising youth cooperatives. Theoretical as well as practical training was given to the youth in cooperative management and income generating activities. From 1979, the youth complexes were set up at the Union level (earlier it was at the Thana level only). Till 1981-82 youth complexes centering around youth cooperatives were set up in 4,553 unions with 1,69,662 members. But the youth complexes were closed down after 1982 and youth cooperatives were declared as defunct.

12. In Bangladesh, an average Thana covers an area of about 300 sq. kms and has a population of nearly 2,00,000. (Rehman, Motiur Pk. Md. op.cit., p.85.

5. **Fertiliser Distribution in Credit:-** This project started in 1979-80, it had scheme of four fertiliser godown of 200 tons capacity to be constructed in 4 Thana, financed by Food and Agricultural Organisation, and Norwegian Assistance for Development. The scheme envisaged distribution of fertiliser among the small farmers on credit and training for the cooperative members and the project staff.

On completion of the second plan of the project in 1984, the project got extension. In addition to the nine Thanas of the second phase, another 13 upazillas were to be covered in the third phase.

6. **Distribution of irrigation equipment among the landless:-** With the objective of distributing irrigation equipment to the landless through their cooperatives the BRDB started this project in 1983-84 with financial assistance from the Ford Foundation. In this project 69 landless cooperatives were supplied with irrigation equipments. Intensive training was also given to the landless members UCCA¹³ staff and pump operators. Sonali

13. Upazilla Central Cooperative Association (Federation of Primary Cooperatives at the Upazillah level).

bank provided loan to the landless groups to bear the expenses of operating the irrigation equipments.

7. **Special Project:-** BRDB participated in some integrated rural development projects implemented by the Bangladesh Water Development Board (BWDB) whose main emphasis was on increasing agricultural production. Some of the important irrigation projects having several component activities requiring involvement of more than one sectoral agency are Barsilal irrigation project, Karnafully irrigation project and Hand Tube well programme. Other important Rural Development Programmes in Bangladesh included;

- i. Planning for development of rural infrastructure and mobilisation of idle and unemployed rural manpower under Rural Works Programme (RWP).
- ii. Food For Works Programme (FFWP) : In addition to the Rural Works Programme which was a part of the original commilla model, after independence (1974) another relief oriented scheme called Food For Programme (FFWP) Works was added. These two programmes i.e. RWP and FFWP, were the most significant activities for rural development in the second 5-year plan.. These

programmes are mainly designed to build up (i) infrastructure and (ii) augment the employment and income for rural labour during lean agricultural seasons. The most important feature of the programmes was that the payment was made in terms of wheat, most of which was received from outside the country as aid.

iii. Area Development Programmes (ADP): These programmes were launched in some upazillas (three in Mymensingh district and four in Bogra district) in the late 1970's. The concept of area development has geographical, cultural, physical, economic and administrative dimensions. Under this programme multi-sectoral activities such as agriculture, irrigation, cooperatives, family planning, flood control, livestock etc. were taken. Concerned Ministries and agencies were responsible for implementation of their respective programmes. While BRDB took the lead role for providing the institutional support for the implementation of the programmes. The main aim of this project is to improve agricultural supporting services to ensure supply of inputs to create employment at the local level. The first Area Development project was undertaken in 1976-77 and continued upto 1983-84 in Mymensingh and Bogra

districts. The second area development project known as Sirajgonj Integrated Rural Development (SIRD) was undertaken in 1977-78 and continued upto 1985. That project included the activities viz, agriculture, irrigation, flood, control, health, education etc. The third one-of this kind was the Noakhali Integrated Rural Development Project (NIRD) which was started in 1978-79 in three upazillas of Noakhali district. The components of this project were similar to those of SIRD. Besides these three projects to new projects namely South West Rural Development Projects (SWRDP) and Intensive Rural Works Programme (IRWP) were undertaken with wider coverage and activities. The main components of these projects were infrastructure development, irrigated agriculture, and employment generation programmes.

Impact of the Poverty Alleviation Programmes of Bangladesh at the Macro Level

Policy formulation, strategizing and aiming at targets is easy as compared to its implementation. The practical aspect is complex. Each country in its socio-economic and political context tries its best to achieve various goals.

This context actually is made up of certain favourable and unfavourable factors. And within this context the policies of the government actually function and accordingly, they are either a success or a failure. In the case of Bangladesh, it is the unfavourable factors which dominate and makes the alleviation of poverty a difficult task. The most important of these unfavourable (for development) factors are, an inegalitarian agrarian structure, the sheer terrifying magnitude of poverty, the perennial flood problems etc. These problems take a complex shape in Bangladesh with its massive poverty stricken population.

Generally in the third world countries poverty alleviation programmes tend to be dispersed and fragmented because it is physically impossible to exactly assess the overall size of the problem, the location, density and economic character of the specific target groups or the developmental potential in the areas where poverty is concentrated. All this is due to the lack of a scientifically organised information system. And Bangladesh being one of the least developed countries, is no exception to all these problems. Generally, the more developed the society, the more rational are its organisations.

Bangladesh being an underdeveloped country is pathetically poor in organisational efficiency. Lack of coordination of the activities of the government is one of the major problems. The various departments of the government work at cross purposes.

While on the one hand governmental inefficiency is a major problem, on the other hand, lack of awareness of people of their rights is another serious problem. Locally elected leaders are generally unmindful or insensitive to the needs of the society. The whole administrative machinery is a centralised one. All these combine to stunt the progress of the implementation of the poverty alleviation programmes.

Gibert Etienne¹⁴ considered poor working level of district administration, the relative low level of services and the weak channel of private trade as serious problems in rural areas. Even if efforts is made to train personnel at every level, the numerous shortcomings in these spheres cannot be rectified in such span of time.

14. In Etienne Gilbert, "Rural Development in Asia" - Meetings with the Peasants, Sage Publication, Delhi, 1985, p.188.

Another major problem responsible for slow results in rural development programmes is the rapidly rising population which contributes to the division of land holding. Many small landowners lose their land either due to excessive fragmentation or under pressure from the wealthy farmers who acquire plots from them as the former becomes their debtors. A survey conducted by the Bangladesh Institute of Development Studies in 1979 throws light about this fact and clearly states that the basis of the society continues to be authoritarian and conflict over land and scarce resource is endemic and often explicitly or implicitly violent.¹⁵

In Bangladesh, the improvement in the growth rate has not induced any results or change in the rural areas. Infact, the wages of the farm labourers in general are declining in real terms.¹⁶

The impact of the Poverty Alleviation Programmes

1. Overtime, the Rural Works Programme (RWP) has become

15. S.Adnan et.al.; The Preliminary Findings of Social and Economic Study of four Bangladesh Villages, (BIDS, DHAKA, 1975) Local Self Reliance Implies Involvement.

16. From Gilbert Etienne, "Bangladesh, Developments in Perspective", New Delhi, 1985, p.191.

the singlemost important poverty alleviation programme in Bangladesh. After independence as mentioned before another relief oriented scheme called Food For Work (FFWP) programme was added. During the second 5-year plan period, a total of 1,156 million mandays of employment were created under the FWP and another 34 million under the RWP.¹⁷ (In the Plan formulation, the adoption of a production target and an investment blue-print from the available alternatives was overwhelmingly decided by consideration of obtaining the maximum increment in employment). These programmes have provided a significant source of sustenance for the landless during the off-peak period. However, the impact of works programme on the original objective of infrastructural development and the concomitant contribution to growth is a much more debatable issue.¹⁸ While RWP has provided a crucial foci to local government activities by their involvement in its implementation and there by greatly strengthening local government presence within the overall structure of administration, it has also opened up major

17. Rahman, H.Z., op.cit., p.9.

18. Alamgir, M., "A Review of the Public Works Programme of Bangladesh 1960 - 78", Bangladesh Development Studies, vol.II, no. 1 & 2, 1983.

avenues of patronage and corruption of local elites. Even as the local government presence has expanded, this very expansion has strengthened the negative power of local elites and thereby further disenfranchise the rural poor from decision making processes.¹⁹

2. The Thana Irrigation Programme has formed the core of an input delivery system which has contributed significantly to raising the agricultural output. With the advent of the tube well irrigation, since the late 1970s, area under modern irrigation grow to cover one fifth of the cultivated land in 1984/85.²⁰ Success in the production sphere needs however to be put in perspective.²¹ The 2.5 per cent growth in agricultural production registered for the 1973-86 period came from an extremely narrow base. Growth in output was wholly confined to cereal output and within that to wheat and winter season rice and this growth was achieved partly at the expense of non-cereal crops. Output of pulses, a major item in the diet of poor households, declined in

19. Rahman, HZ., op.cit., p.10

20. Hossain, M., "Irrigation and Agricultural Performance in Bangladesh" Bangladesh Development Studies, vol.14, no.4, 1986.

21. Rahman, HZ, op.cit. p.10.

absolute terms from the pre independence levels. The programme of increasing production in general has shown little sensitivity or innovation in stimulating production mixes catering to broader social needs.

3. The critical failure of the committee-type approach lies paradoxically in the very area which was touted as its own distinctive hallmark, namely in the sphere of peasant cooperation. This failure is not certainly in terms of coverage: upto the end of 1985, there were about 62,000 KSS i.e. the primary cooperative societies (averaging to almost one per village) with about 2.3 million members and an accumulated capital of 320 million Taka.²² The failure lay in two distinct aspects. Firstly, the comilla type cooperatives built on non-limitation on membership failed to ensure adequate and effective participation by the small holder households in the flow of benefits.²³ There is a large and convincing body of literature which shows that the rich and surplus farmers dominate these cooperatives and

22. Rahman, A., "Development Perspectives for the Most Disadvantaged in Bangladesh Agriculture", Voices from the culture of Silence: APDC; Kuala Lumpur.

23. Jones, stev; op.cit., p.93.

monopolise the flow of benefits. It is indeed no surprise that with no restriction on membership, the dominant power structures will permeate the working of such organisations. The problem of explicitly targeting small holders remains an unsolved problem. Bangladesh Rural Development Board has however, widened its constituency to landless non-farm households through special cooperatives for the destitute men and women. The objectives are to provide destitute males and females with support services such as skill development, credit and input supplies to initiate some income generating activities. There are recent initiatives and their impact is yet to be evaluated. Dissatisfaction with the failure to assist small-landholders has also led to new types of multi-sectoral area specific IRD programmes combining an area and target groups approach. These two remain to be evaluated.²⁴

It Comilla type cooperatives have failed to assist the small land holders, neither have they emerged as dynamic peasant organisation led by the rich peasantry. This is the second aspect of the failure in achieving effective peasant cooperation. As Blair notes.²⁵ "massive and seemingly

24. Rahman, HZ., op.cit., p.11.

25. Blair, H., The Elusiveness of Equity: Institutional Approaches to Rural Development, Cornell, 1973.

unremovable subsidies have been at the very heart of the original Comilla programme and after the first few years have become more and more a drain rather than a channel for agricultural development in Bangladesh."²⁶ Figures for 1984/85 show the index of self reliance to work out at 36 per cent.²⁷ Another indicator of poor performance is the low recovery rate of loans. In 1984-85, the rate of recovery was shown to be only 46.86 per cent.²⁸

4. In the sphere of local government, the Comilla approach achieved an important success in serving to create an administrative and service infrastructure built around the Thana Training and Development centre. This has been significant in giving focuss to local government activities and thereby strengthening local government presence within the overall structure of administrative. These service and administrative infrastructures important assets for any people oriented local government leadership.

26. *ibid.*

27. Hye, H.A., Bangladesh Country Report on State of the Art. Integrated Rural Development in Asia and Pacific, CIRDAP, 1987, p.

28. Rahman, H.A., *op.cit.*, p.11.

5. On employment there is comprehensive figure for all the IRD programmes. But most important finding is that the income generating activities of the IRD programmes for the landless and disadvantaged women have created self-employment but this has not yet been quantified. Similarly the physical infrastructure component of the IRDP programmes have also generated wage employment.

6. The IRD Programmes have developed facilities in the rural areas including storage godowns, marketing centres, small industries, training institutes, etc all of which can be presumed to have prompted production, employment and income distribution and contribute to the improvement of the environment for work and living.

7. As for nutrition, the situation in the country remains dismal regarding food intake percapita, thereby resulting in widespread malnutrition a typical characteristic of underdeveloped countries. As against the required percapita caloric intake of 2273 it was 1954 in 1980-81 which further fell to 1900 during 1984-85. For about 20 per cent of the population, it was even less than 1600. (BBS data)

7. As for impact on population control, the contraceptive prevalence survey conducted by the government indicated the percentage of currently married women under 50 using contraceptives to have risen from 12.7 million 1980 to 18.6 million in 1981. This increased to 19.1 million in 1983 and 23.4 million in 1991. The survey also indicated that use of oral pills and condoms as well as undergoing tubectomy and to less extent vasectomy by eligible persons were more popular than other methods of birth control. According to UN-ESCAP population divisions projections, the population in Bangladesh would ordinarily reach 145.8 million by the year 2000. In view of limited resources and slow economic growth till now this appears to be an alarming figure.

**How much of Poverty has been reduced by
the Poverty Alleviation Programmes**

There are two streams of opinion about the impact of the poverty alleviation programmes. One group thinks that there has been a slight decline in the incidence of rural poverty. Where as the other group thinks that there has been a worsening of rural poverty incidence.

The former which is the World Bank study team hold the view that assuming no change in income distribution during

1982-86, "the incidence of poverty has slightly declined. With growing pace of use of modern technologies in agriculture, productivity of even small land holders far increased. Also the demand for higher labour at middle and large farms has increased, thereby improving rural employment atleast seasonally. Another reason is that as a result of expanding FFWP and RWP and provision of institutional credit by financial institutions and cooperations, both wage employment and self-employment have expanded thereby improving the incomes of rural workers. However, the absolute numbers of poor has increased with the increase in population. It has increased from 67 million in 1982 to 73 million by 1986."²⁹ Moreover it notes, some improvement in real wages has not been matched by any improvement in quality of nutrition among the family of the wage earners as the extra income seems to have been utilised for urgent purposes other than qualitative improvement in food intake.

The latter group attributes worsening of rural poverty incidence to two main reasons, "one is that the agricultural

29. World Bank, World Development Report (1988), p.132 & pp.140.43.

growth has not been adequate enough to make an impact upon economic conditions of the small marginal farmers whose number is on the increase due to heavy pressure of growing population and land resulting in subdivision of farms. Moreover the existence of inflationary trend has adversely affected real value of any increase in nominal wages. The general fall out on economic growth on rural households is also very asymmetrical due to uneven possession of productive assets among rural people."³⁰

Essentially the group attributes poverty to the problem of inflation and the inegalitarian agrarian structure of Bangladesh.

Poverty Alleviation Programmes of Bangladesh at the Micro-level

In Bangladesh, the NGO has been defined as an association of persons formed through the personal initiatives of a few committed persons dedicated to the design, study, and implementation of development projects at

30. (a) Q.K. et.al., Ahmad, "An Evaluation of selected Policies and Programmes for Alleviation of Poverty in Bangladesh" in Rizwan ul Islam (ed.) Strategies for Alleviating Rural Poverty in Rural Asia (ILO, Bangkok, 1985), p.74. (b) Kamal Siddiqui, *ibid.*, pp.147-50. (c) Rizwanul Islam et.al., *ibid.*, p.3.

the grass-roots level. They work outside government structure, but operate within the legal framework of the country. They are involved in direct action-oriented projects some times combined with study and research. Their target population are primarily the rural poor.

Although the voluntary work and the voluntary organisations have a long history and tradition in Bangladesh, the NGOs, as known today, have a recent origin. The NGO movement started only after the War of Liberation in 1972. A number of NGOs, national and international, became active in the post-liberation period being mostly involved in humanitarian relief and rehabilitation of the war affected population, particularly in rural areas. The flood and the famine in 1974 were a watershed that made them realise that improvement in the socio-economic conditions of the rural poor was not possible through relief alone. Thus, by the end of 1974, most of the NGOs shifted from relief and rehabilitation to development assistance. However, not all NGOs adopted the integrated development approach based on the community development model. The thrust of their programmes varied according to their assumptions and perceptions of the problems. Thus, while some confined themselves to health and family planning, others

concentrated on raising consciousness and human resource development to attain self-reliance "Swanirvar". Increasing food production through the introduction of new technology also became the concern of quite a few NGOs. But from the beginning of 1976, many NGOs changed their strategy and directed their programmes and services for the benefit of the poor. They followed the target-group strategy where the poor, particularly in rural areas, with similar socio-economic interests were grouped together. But beyond this common denominator there are significant differences in details. Some of the NGOs involved in rural poverty alleviation in Bangladesh are discussed here.

1. PROSHIKA'S Landless Irrigation Scheme

PROSHIKA, an NGO, was established in 1976 with the objective to increase the level of socio-economic self sufficiency of landless poor and marginal peasants in rural Bangladesh by group formation to build up their unity and organisation; the provision of knowledge, skills, and training and assisting the groups through loans and technical support to develop employment and income generating activities.³¹ It started its small scale

31. Report of the Task Forces on the Development of Bangladesh Economy 1995, vol.I, p.77.

irrigation schemes - Deep Tube Wells (DTW), Shallow Tube Wells (STW) and Low Lift Pumps (LLP) managed and owned by landless groups providing irrigation services to landowning farmers for a fee (either in cash or kind) in 1980-81. By collectively purchasing an irrigation pump, the landless group members can sell water to the land owners and thus earn their income.

In 1989-90 irrigation season, a total of 401 irrigation schemes were operated.³² For smooth functioning of the schemes, PROSHIKA deployed irrigation technical workers in the field equipped with necessary training. They are directly involved in studying the feasibility and viability of a scheme and assisting groups for better implementation of the project.

Several steps are required to establish the group irrigation service. "Once a group is selected the group begins to negotiate with landowners and share cropping farmers cultivating land in the command area. These negotiations lead to formal agreements between the group and the farmers who have accepted to buy water. The rate of

32. *ibid.*, p.77.

water fee is usually predetermined and paid in kind."³³

The finance for the scheme is arranged mainly through credit from Proskika's Revolving loan Fund. For collective projects the average loan is Taka 7500.³⁴ To receive a loan, a group appoints a chairman, a scheme manager, a pump driver and a lineman. The chairman and manager together with three other members have joint power of attorney and together they sign the document for the loan and undertake the legal responsibility for it. Day to day accounts are maintained by the group. After harvest, water fee in the form of crop is collected by the groups. And when the irrigation season has finally ended the pump unit is removed from the site and is reinstalled in the next season.

2. Income Generation for Vulnerable Group Development Programme (IGVGD)

The programme is a collaboration between the World Food Programme (WFP), Directorate of Relief and Rehabilitation (DRR) Bangladesh and Department of livestock (DOL) Bangladesh government to improve the income earning

33. *ibid.*, p.77.

34. Hye, AH, 1996, *op.cit.*, p.198.

potentials of poor women who are Vulnerable Group Development card holders for the monthly ration of 31.35 kg. of wheat.³⁵ The programme provides training on poultry rearing during the 24 month period in which they are supported by the wheat ration.

The project selects the poultry workers, key rearers and chic rearers from the VGD card holders from the covered upazillas. The poultry training is given to VGD card holders to enable them to earn at least an equivalent amount of the monthly take home ration in cash during the two year entitlement period. Presently the programme has been extended to 32 upazillas.

The programme components are:

- i. Selection of VGD beneficiaries for training;
- ii) training for poultry workers;
- iii) vaccination on a regular basis to reduce bird mortality;
- iv) develop by rearers;
- v) establishment of units of rear day-old chicks;
- vi) distribution of high yielding variety eggs, chicks and cocks;
- vii) free range feed supplemented by balanced feed

35. Report of the Task Forces, ^{1995 (Bangladesh)} op.cit., p.81.

viii) credit support, and; ix) follow up on a regular basis. We discuss the impact of the programme leader.

3. Bangladesh Rural Advancement Committee (BRAC)

BRAC is an NGO in Bangladesh. It emerged 1972 as a relief organisation.³⁶ BRAC now has developed into full-fledged multidisciplinary integrated rural development oriented organisation.³⁷ Years of intensive experience led BRAC to target its efforts towards the poor. With nearly 6000 full time and 8000 parttime workers and support staff, it is now one of the largest NGO's in Bangladesh.³⁸

The two primary goals of BRAC are empowerment of the rural poor and alleviation of the poverty. Building institutions of the poor at the village level is thus the major thrust of BRAC activities.

Each village where BRAC works has two village organisation (VOs) one each for men and women, only members of landless households, those owning less than half an acre

36. Report of the Independent South Asian Commission on Poverty Alleviation, 1992, p.66.

37. Hye, AH. op.cit., p.171.

38. Poverty Commission Report, op.cit., p.66.

of land and poor labourers can become members. Each VO consists of 50 members divided into groups of five. These members participate in a weekly savings programme and a 40 lesson functional education course.

Collateral - free credit, at 20 per cent interest is provided to the VO members for income generating activities.³⁹ Small loans are given for activities such as petty trading food processing poultry development etc.; larger loans are given for collective activities such as tubewells irrigation, brick manufacturing etc. large cooperative enterprises are undertaken jointly by several VOs. BRAC's sericulture programme is one of its prominent programmes.

At another level, village women trained by BRAC earn their livelihood by inoculating poultry and livestock with vaccines provided free by the government. In this activity BRAC plays the role of an intermediary, linking poor women with the public support system.

39. Hye, AH, op.cit., p.172.

BRAC has made sustained efforts in the field of health promotion in rural Bangladesh. BRAC has a programme against the major killer disease - diarrhoea. New areas of BRAC activity include maternal health and tuberculosis control.

BRAC's educational programme for children is relatively new. Children from poor families participate in its education programme. BRAC has attempted a holistic approach to poverty alleviation.

4. **PALLIKARMA SAHAYAK FOUNDATION OR (Rural Employment Assistance Foundation)**

"The Foundation was set up in May 1990 for alleviation of poverty of the poor in rural areas in Bangladesh. The foundation has been registered as a private non-profit association and is operating under the guidance of experienced professionals on rural banking and exports in rural development. The organisation is the first of its kind in the country. In the sense that for the first time that a private organisation has been established in the country for that purpose through government initiative."⁴⁰

40. Rahman, Baduir, "Poverty Alleviation in Bangladesh an Innovative Approach", Rural Cooperatives in Asia, (ed) by K.K. Taimini, 1994, Oxford + IBM, p.61.

The Foundation has been organised and established primarily for helping the poor, the landless and the assetless in the rural areas in order to enable them to gain access to resources for productive undertakings and or self employment and for enhancing the quality of their life.

For this purpose its objectives are:

- i. to provide assistance in various forms and manners, including financial institutional, advisory and training to non-governmental, semi-governmental and governmental organisations, etc. as partner organisations;
- ii. expanding the existing institutional capacity for poverty alleviation;

"As an initial step, resources in excess of the 200 million out of a total committed fund of Taka 400 million, have been provided to the Foundation by the government. In due course and with expansion of its operations, the Foundation will have access to resources both within and outside the country for loans and grants."⁴¹

41. *ibid.*, p.65.

"The Foundation is presently carrying out its operations through various partner organisations, whose aims are consistent with those of the foundation. Financial assistance is given to the partner-organisations for on-lending them to the assetless people for generating their income and employment opportunities."⁴² We will discuss the impact later."

5. **Grameen Bank (GB)**

"The Word 'Grameen' means a village, so Grameen Bank is a village Bank. GB was initiated in 1976 in a village near Chittagong University by a Professor of Economics who is currently the banks Managing Director. After an experimental period of 3 years the project was replicated in five districts of Bangladesh during 1979-82. The project was transformed into a specialised credit institution by a government ordinance in 1983. Since then it has expanded and encompasses 78,214 villages in 52 districts of the country."⁴³

42. *ibid.*, p.67.

43. Hussain, Mahbub, "Credit for Alleviation of Rural Poverty: The Grammen Bank is Bangladesh", Research Report. International Food Poverty Research Institue in Collaboration with BIDs, 1988., p.12.

GB was initiated as an action research project to test the hypothesis that if financial resources are made available to the targets group at reasonable terms and conditions, they can generate productive self employment.⁴⁴

The bank's five major objectives⁴⁵ are to, (i) extend banking facilities to poor of rural Bangladesh. (ii) eliminate the exploitation of money lenders; (iii) create opportunities for self-employment and (iv) bring the disadvantaged people within the fold of an organised format which they can understand and operate for self reliant socio-economic development and (v) break the age old vicious circle of poverty.

Landless men and women must form themselves into groups of five in order to receive loans, for which no collateral is required. The target group for the bank's operation is the rural poor owing less than 0.5 acre of cultivable land or other assets worth not more than the market value of one acre of land.⁴⁶ The loan pattern of the bank covers four

44. Rahman, P.K, MD, Motuir, op.cit., p.143.

45. Poverty Commission Report 1992, p.80.

46. *ibid.*, p.80.

broad fields livestock and fisheries; processing and manufacture; trading and house loans. Within these broad fields, there are about 400 purposes for which loans are granted. The average loan size is about Taka 2000. The Bank currently disburses about Taka 210 million or US \$5 million end month under its credit programme.

Impact of the Poverty Alleviation Programmes at the Micro Level

1. PROSHIKA Landless Irrigation Scheme:- PROSHIKA'S landless irrigation scheme for supply of water to farmers at payment has been considered quite a success. By collectively purchasing an irrigation pump the landless group members can sell water to the landowners and these earn their income. This not only provides them with a source of income but also raises their social status as they are now the owner an important means of production.⁴⁷

As in the case of BRAC's irrigation scheme, the most significant aspect of the landless irrigation scheme of Proshika has been the creation of a process for effecting

47. Task Forces Report (Bangladesh) 1995. op.cit., p.77.

changes in the existing resource distribution pattern and power structure through ownership of means of production. Consequently the landholders (who take water from the irrigation projects) are increasingly becoming dependent on the landless (who control the irrigation project) and are coming to terms with them to make use of the irrigation facilities.

"The irrigation programme forms a cycle of beneficiaries, starting with the landless who earn an income through selling water to the landowners who in turn profit by raising productivity of the crops which in turn benefits the larger economy of the country. In 1989 irrigation season, a total of 401 irrigation schemes were operated irrigating a total command area (CA) of 11,285 acres, spread over 35 Area Development Centre (ADCs) benefiting a total of 8020 households."⁴⁸

2. Income Generation for Vulnerable Group Development (IGVGD) Programme

The IGVGD programme, to improve the income earning potential of destitute women-vulnerable group development (VGD) cardholders, for the monthly ration of 31.35 kgs of

48. *ibid.*, p.77.

wheat, has been quite successful in employment creation and income generation. Presently the programme has been extended to 32 upzillas and 34,034 card holders have been trained in poultry rearing as key rearers and 6,310 as poultry workers.⁴⁹

"The poultry workers who are provided with the necessary equipment required for vaccination charges a token fee of Taka 0.25 per bird. The average monthly income of a poultry worker is about Taka 275.00 out of vaccination and poultry rearings and the chick rearers income (average) is about Taka 750.00 (with 200 Chics).⁵⁰

3. Bangladesh Rural Advancement Committee (BRAC)

Carefully conducted studies have reported increases in the level of income and employment of participants by 30 to 150 per cent.⁵¹ There have been improvements in asset possession and nutritional status and a marked decrease in dependence on village money leaders. In most places the landless have been able to gain control over new assets such

49. Task Forces Report (Bangladesh) 1995, op.cit., p.81.

50. *ibid.*, p.82.

51. Poverty Commission Report 1992, op.cit., p.67.

as deep tube wells (DTWs) purchased through BRAC loans. These sell irrigation water to the landowners. It is the same as PROSHIKA'S irrigation schemes. The age old exploitation relationship between landowners and the landless is undergoing a positive change and a greater mutuality of interest is being created.⁵²

"BRAC's sericulture programme which is considered a success is a profitable income earner especially for women. BRAC is a major silk producer of the country producing around 15,000 k.g. of cocoons annually."⁵³

One of the most important impact of the programmes has been on the landless women of BRAC groups who live near the roadside and are selected for roadside cultivation of mulberry. In return for their services each one receives 3 kgs of wheat daily. This is no mean achievement, considering the abject poverty in the village. Apart from this the homestead plantation of mulberry for sericulture has resulted into utilisation of the previously unutilised homestead land. And also the supply of saplings made the work of the growers all the more easy.

52. *ibid.*, p.67.

53. Task Forces Report (Bangladesh) 1995, p.80.

At another level village women, trained by BRAC in nearly 13,000 villages earn a portion of their livelihood by inoculating poultry and livestock with vaccines provided free by the government. In this activity as mentioned before BRAC plays the role of an intermediary, linking poor women with the public support system with new cash incomes and the prestige attained, the women are becoming increasingly influential and are asserting their rights.⁵⁴ BRAC has made sustained efforts in the field of health promotion. It has successfully implemented a nationwide programme against the major killer disease - diarrhoea. BRAC workers visit over 13 million mothers in each of the 68,000 villages of Bangladesh to teach and advice on nutrition and hygienic practices. The results is that 90 per cent of women are now capable of treating diarrhoea of home.⁵⁵

The impact of BRAC's education for children is quite good. 70 per cent of the children are girls in its primary education programme. Over 8000 single teacher schools were operating in 1992.⁵⁶

54. Poverty Commission Report, op.cit., p.67.

55. Poverty Commission Report, 1992., p.67.

56. ibid., p.67-68.

Thus, we see that BRAC has attempted a holistic approach to poverty alleviation.

4. Palli Karma Sahayak Foundationa

Since this programme is relatively a new one (1990) as compared to the other ones, there is no sufficient evaluation study based statistics. We could nevertheless discuss the findings of the Palli Karma Sahayak's Foundation's own performance study which is the only source.

The study⁵⁷ says, that as of 1992, the Foundation had initial contacts with 1,167 organisations and out of them 232 organisations formally submitted the applications along with the necessary information to the Foundation in order to work as the Foundations partner organisations are at different stages of providing information for processing their loan proposals. The Foundation sanctioned loans of Taka 61.55 laks to partner organisations in 1990-91, and Taka 2.50 crore had been disbursed in 1991-92 as loans to

57. Rahman, baduir, "Poverty Alleviation in Bangladesh - An Innovative Approach", Rural Cooperatives in Asia ed. by KK Taimini, Oxford + IBM, p.66.

the partner organisations.⁵⁸

5. **Grameen Bank (GB)**

The GB can be considered a major innovation in poverty alleviation, employment income generating activities and asset creation for poor women. Now banking norms and new organisational arrangement have been established. Apart from credit without collateral for the poor, there has been a parallel emphasis on social aspects resulting in improved nutrition, health care and education.

The GB has been able to initiate small but significant changes in the patterns of social ownership of means of production and relations of production in rural areas. These changes are significant not simply because they were able to move the poor above the poverty line but also because with sensitive support they realised a great deal of creativity in villagers.

By focussing on those who have been considered the greatest credit risks the bank has established the fact that the poor (in particular) women are credit worthy. In this way the bank addresses both the double burden of gender and poverty which poor women face.

The GB is the largest credit programme. By 1993, the GB's cumulative loan disbursement was Taka 30,790 million.⁵⁹ It is not a conventional banking organisation though it is also a legal entity under the banking and cooperative act. The default rate is less than 3 per cent, compares favourably with other credit programmes where 60 per cent default rates are common. 100 per cent of the women have no overdue repayments compared to 98 per cent for men.⁶⁰

Under the housing loan scheme more than 136,000 such houses have already been constructed.⁶¹ "The GB has progressed at a very fast pace. In 1985, it has 226 branches covering 3666 villages. In 1993, branches totalled 1048, and villages covered were 33,667."⁶² The bank's recovery ratio is 98 per cent.⁶³

58. *ibid.*, p.67.

59. Hye, AH, *op.cit.*, p.176.

60. Poverty Commission Report, *op.cit.*, p.81.

61. *ibid.*, p.81.

62. Hye, AH, *op.cit.*, p.176.

63. Poverty Commission Report, *op.cit.*, p.82.

In the fight against poverty GB has undoubtedly been a success story. But from a macro perspective, impact of the programme, yet remains however, relatively small. In the decade since its creation, the bank has covered only 6 per cent of the target population Bangladesh and has thus dealt with only a small portion of the resource needs of the poor.⁶⁴ This is but unavoidable because the bank is as much a delivery system as an institution building.

64. Rahman, H.H., *op.cit.*, p.12.

Chapter - IV

A COMPARATIVE STUDY

This chapter is a comparative analysis of the Poverty Alleviation Programmes of India and Bangladesh. Since it is not possible to compare all the programmes of the two countries, we select two programmes at the macro level, one each from India and Bangladesh and similarly two programmes at the micro level one each from the two countries.

Before picking up the programmes from the two countries for a comparative study, we must ensure that they are compatible, in the sense that it would make more sense to pick up programmes which have similar orientation and objectives. It is only then that we can make the comparative study meaningful.

Keeping the aforementioned point in mind, we have chosen Jawahar Rozgar Yojna (JRY) from India and Food For Works Programme (FFWP) from Bangladesh, at the macro level. Both the programmes aim at (i) generation of employment for rural areas during slack agricultural season and (ii) the creation of durable community assets.

At the micro level, we have taken SEWA Bank from India and Grameen Bank from Bangladesh. Both SEWA Bank and the Grameen Bank aim at providing credit facilities to the poor for economically productive activities for income generation.

Macro Level

Jawahar Rozgar Yojna (JRY); of India and Food For Works Programme (FFWP) of Bangladesh

In order to be able to compare the two programmes properly lets first discuss them thoroughly one by one.

Jawahar Rozgar Yojna (JRY): JRY was started in 1989 merging National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Scheme (RLEGP).¹ As we noted earlier the objective of the programme is to generate additional employment during slack agricultural season for the poor and the secondary objective is the creation of viable rural economic infrastructure. The main thrust of the programme is placing funds in the hands of the Panchayats so that they are able to evolve their own programme which will benefit the entire village, especially the poor.

1. Devi, AKR, 'Poverty Alleviation Programmes in Rural India', Journal of Rural Development., vol. 9 (3), pp.595-623., 1990, NIRD, Hyderabad.

It must be mentioned here before we go into further details that JRY was the result of a lot of experiences in launching such employment generating and asset creating programmes. JRY was the culmination of all those trials and errors. Considering this back ground of the programme we need to trace its origin.

Supplementary wage employment programmes, in India date back to the 1960s when rural manpower programme was introduced in areas where seasonal unemployment and under-employment prevailed.² The aim was to provide 100 days of employment per person to a targeted number. It was later replaced by the Cash Scheme for Rural Employment (CSRE, 1971) which aimed at providing employment to 1000 persons in 350 districts, each on works which created durable assets. However, the benefits were too scattered to make the desirable impact.³ In April 1977, the Food For Works Programme (FWP) was started for the maintenance of the public works on which investments were made in past and also

2. Report of the Independent South Asian Commission on Poverty Alleviation, 1992, p.38.

3. *ibid.*, p.38.

to provide opportunities of work for the rural poor, and at the same time creating community assets.⁴ This programme was started as a non plan scheme to augment the funds of the state governments by utilizing stocks of food grains. But because of its adhocism the programme didnot make much headway. So the FWP was replaced by the NREP. NREP was implemented as a centrally sponsored programme on 50:50 sharing basis between the centre and the states with the objective of generating additional gainful employment for rural poor and simultaneously creating productive community assets. The programme was to be implemented through the District Rural Development Agency (DRDA). Workers were to be paid minimum wages and part of the wages were paid in the form of food grains. However this programme also did not work effectively. Malcom Adiseshiah, as mentioned before in chapter 3, pointed out that (i) the guidelines of the NREP were not specific in ensuring in filling the infrastructural gap, (ii) NREP generated inflationary pressure and (iii) much of the assets created were not permanent particularly in the case of rural roads which were washed away.

4. *ibid.*, p.38.

The Comptroller and Auditor General Report of 1995 also had noted the failure of this programme. As a result in 1983, Rural landless Employment Guarantee Scheme was introduced with the same objectives of creating rural employment during slack agricultural season and creating community assets to provide 100 days employment atleast to one member of every landless household. This programme was centrally sponsored.

RLEGP in the last two years of the Sixth Plan created 260.18 million mandays of work against the target of 360 million mandays. And did moderately in the first half of the Seventh Plan also.⁵ However the experience of implementation of NREP and RLEGP showed that the type of assets created needed to be made economically more productive and that the people's involvement in identifying work needed to be strengthened.⁶ And also that the funds did not go invariably to the poor. An evaluation study showed that there were atleast 53 per cent of villages which had not got the benefit of the work programmes at all. In the light of

5. Devi, AKR, op.cit., p.607.

6. Poverty Commission Report (1992) op.cit., p.38.

this background it was decided to merge NREP and RLEGP into one single Rural Employment Programme called Jawahar Rozgar Yojna (JRY with effect from 1.4.1989 with its fund flowing directly to the village level.⁷

Just to recapitulate while the primary objective of the JRY is the generation of employment in rural areas, the secondary objective is the creation of community assets which would strengthen the rural economic infrastructure.

The expenditure under this programmes shared between the centre and the states on a 80:20 basis. People below the poverty line are the target groups under JRY and preference is given to SCs and STs for employment 30 per cent of employment opportunities is reserved for women. Funds under the Yojna are provided to all the rural Districts and village Panchayats in the country.⁸

Under the programme preference is given to works which have potential of maximum direct benefit to the poverty

7. Chauhan, S.P. 'Wage Employment Schemes' Yojna vol. 39, no.11, Sept. 1995, p.10.

8. *ibid.*, p.10.

groups like Indira Awas Yojna and Million Wells Scheme (we shall discuss the programmes in detail later). High priority is given to works for infrastructure development related to other poverty alleviation programmes like IRDP and DPAP, works related to land development and drainage construction are also to be undertaken.

Allocation

Rs. 18,400 crores have been earmarked for JRY in the Eighth Plan.⁹

The Eighth Plan¹⁰ notes that "Elimination of Poverty continues to be a major concern of development planning. Expansion of Employment opportunities, augmentation of productivity and income levels of both the underemployed and unemployed poor would be the main instrument for achieving this objective during the Eighth Plan. However, even an employment oriented growth strategy will achieve this goal only at the medium and long term. In the meantime, short

9. Sawhey, I., 'Outlays are up so is poverty' Times of India, February 5, 1996, p.11.

10. Eight Five Year Plan, Government of India, Planning Commission, New Delhi, p.36.

term employment will have to be provided to the poor through the existing special employment programmes. like IRDP and JRY. However it must be recognised that while they meet the short term objective of providing temporary work to the poor they must contribute to the creation of productive capacity of areas and or individuals.

The plan further notes¹¹, "under the JRY a certain degree of flexibility with regard to the earmarking of funds must be introduced. Clearly priority should be given to soil and water conservation, waste land development and social forestry followed by rural roads and rural housing".

In the context of the stabilization programme under the New Economic Policy, the strategy was modified from 1993-94 to ensure better implementation of the Yojna during the Eighth Five Year Plan, especially in backward districts of the country.¹² It (JRY) has been divided into three streams.

11. *ibid.*, p.37.

12. Chauhan, S.P., *op.cit.*, p.10.

1. JRY Ist Stream

The first stream has 84 per cent of the total allocation.¹³ The resources under this are to be allocated to the states/Union Territories on the basis of proportion of rural poor as per the latest available estimates of the National Statistical Survey Organisation (NSSO). From states to the districts the allocation will be made on the index of backwardness formulated on the basis of SC, ST population in a district.

JRY has two important subschemes - Indira Awaz Yojna (IAY) and Million Wells Scheme (MWS). The funds earmarked for them are to be operated at the district level. Not less than 80 per cent of the funds allocated to each district have to be distributed to the village Panchayats.¹⁴

IAY, launched during 1985-86 as a subscheme of RLEGP continued as a part of the JRY from April 1989. Till 1992 the objective was to provide free dwelling units to members of SC and ST and freed bonded labourers below poverty line.

13. Economic Survey (1995-96), Government of India, New Delhi, p.183.

14. Chauhan, S.P., op.cit., p.10.

6 per cent of the total allocation of JRY was earmarked for IAY at the national level. It has been noticed that the utilisation of funds under IAY has been extremely satisfactory. From the year 1993-94, the sectoral earmarking for IAY has been raised from 6 per cent to 10 per cent and its scope was extended to cover non SC, ST rural poor subjective to the condition that the benefits of the SC, ST poor doesn't exceed 4 per cent of the total allocation.¹⁵ No contractors allowed in the construction of IAY houses nor any government department. Reliable NGOs are preferred.

The MWS was a subscheme of NREP/RLEGP during the year 1988-89 and is being continued under JRY. Till 1989-90, the objective of MWS was to provide open irrigation wells to small and marginal farmers amongst SC, ST and freed bonded labourers. However, from the year 1993-94, the scope has been expanded to cover non SC, ST and marginal farmers who are below the poverty line. The sectoral earmarking has also been raised from 20 to 30 per cent from 1993-94 subject to the condition that the benefit to non SC, ST shouldnot

15. *ibid.*, p.10.

exceed 10 per cent of the cost of the total allocation.¹⁶

2. JRY - The Second Stream

10 per cent of the total allocation for JRY has been earmarked for this stream.¹⁷ This stream focuses on 120 selected backward districts of which 12 are such where there is concentration of unemployment and under employment. The index of backwardness mentioned in the first stream of JRY above has been used for the selection of these backward districts in consultation with the National Planning Commission (NPC). Funds under this scheme are to be placed at the disposal of the concerned District Rural Development Agency (DRDA)/Zilla Purishad (ZP) who identify the pocket of unemployment within these districts and take up works which prescribed basket of schemes that may include construction of all weather roads, irrigation works, water harvesting structure, waste land development etc. They may also include schemes to strengthen rural infrastructure like schools, primary markets in backward tribal areas with appropriate supplementary funds from other sources/programmes. Districts

16. *ibid.*, p.11.

17. Economic Survey (1995-96), *op.cit.*, p.183.

will prepare a comprehensive action plan consisting of appropriate Schemes from the specified above which will be approved by the DRDA/ZPs for implementation in the districts. Keeping in view the tremendous demand for houses under IAY from the year 1994-95, 10 per cent of JRY allocations are allowed to be spent for construction of houses. From the year 1994-95, watershed based development has been emphasised under JRY to redouble efforts on drought proofing, treatments of dry lands and reclamation of wastelands.

3. JRY - Third Stream

It was also thought that special attention has to be given to areas from where migration of labour takes place and the areas which need drought proof. Accordingly, the remaining 5 per cent under JRY subject to a maximum of Rs 75 crore "will be kept apart for taking up special and innovative projects such as those aimed at prevention of migration of labour, enhancing womens employment, special programmes through vluntary organisations aimed at drought proofing as well as watershed development, waste lands development resulting in sustained employment."¹⁸

18. Chauhan, S.P., op.cit., p.12.

JRY is reviewed regularly by the central and state governments. The review is done through monthly, quarterly and annual progress reports received from the state governments. The Ministry of Rural Development has introduced a system of 'Area officer' during the year 1993 with a view to effectively monitor the various programmes of Rural Development including JRY.¹⁹ Under the scheme senior officials at the level of deputy secretary and above have been allocated one or two sector(s) for monitoring.

The impact study and analysis of the JRY would be done under the section on 'Comparative Analysis' after we finish discussing the FFWP of Bangladesh, with which we are comparing JRY of India.

II Food For Works Programme of Bangladesh (FFWP)

The FFWP in Bangladesh was launched in 1974.²⁰ As mentioned before, this programme is mainly designed to (i) augment the employment and income for rural labour during lean agricultural seasons and (ii) to build up infrastructure.

19. *ibid.*, p.12.

20. Jones, Steve, 'A critical Evaluation of Rural Development Policy in Bangladesh' Rural Poverty and Agrarian Reforms, 1983, ed., Jones, Joshi and Murmis, Allied Publishers, Bombay.

The most important feature of the programme is that the payment is made in terms of wheat, most of which was received from outside the country as aid. Before we go into further details, it is important to mention that before the FFWP there was the Rural Works Programme (RWP) which had roughly similar objectives as the FFWP.

The RWP has been in operation in Bangladesh since the 1960's after its successful experimentation in the Comilla Academy. The revised Second Five Year Plan (1960-65) of Pakistan had mentioned that the central idea of the RWP is to put underutilised human resources of Pakistan to work on nation building projects by the liberal provision of basic wage goods i.e. surplus agricultural commodities available under PL480 (Planning Commission, Pakistan 1960).²¹

In the post liberation Bangladesh until 1973, the relief objective of RWP became prominent.

The First-Five-Year Plan of Bangladesh (1973-78) recommended a restructuring of the programme in management finance and implementation. In terms of objectives the main

21. Hye, H.A., 'Below the Line Rural Poverty in Bangladesh', 1996, p.120, Uni Press, Dhaka.

emphasis was laid on making a contribution to the attainment of food grain self sufficiency by constructing irrigation and drainage structures and on providing employment to landless labourers.

Employment estimates derived from dividing the total wages figures by the annual average wage rates of agricultural labourers in Bangladesh suggest that the RWP accounted for an annual average of 34.04 million labour days during 1962-63 to 1970-71. The average figure, however declined to 14.03 million days during, the period 1971-72 to 1976-77. Assuming an average working period of 60 days in these periods, the above figures imply, respectively, an additional employment for 567,000 and 233,000 workers in the periods. Both the figures represent only a small fraction of the total labour force but they were not as insignificant.²²

From mid-seventies a number of RWP were in operation under different names which included, Intensive Rural Works Programme (IRWP), Special Public Works Programme (SPWP), Early Implementation Works Programme (EIP) and Food For Works Programme (FFWP) all of which were financed by foreign

22. Alamgir (1983), quoted by Hye, 1996, op.cit., p.121.

aid. After 1984, the FFWP prevailed and has emerged as a major Rural Works Programme generating employment as well as developing important infrastructure for development.²³ The FFWP began 20 years ago, following the flood and famines of 1974.²⁴ After that time providing relief to the poor was the primary objective with the realisation of flood aid being used for developmental and following the recommendation of the Task Forces on strengthening institution for Food Assisted Development (SIFAD) to this effect, the FFWP activities over the past few years have diversified from road building and water management to include fisheries and forestry. "The FFWP is now, a multi-sectoral, mutli-agency programme with emphasis both on targeting the poor and contributing to development in more than one sector. Five government line ministeries and more than 60 NGOs are now involved in the implementation of FFWP Scheme assisted by the world Food Programme and international donours and also receive contributions from the government."²⁵

23. *ibid.*, p.121.

24. Asaduzzaman, M and Haddleston, 'An Evaluation of Management of Food for Works Programme', The Bangladesh Development Studies, 1983, vol. XI, March-June No. 1&2.

25. Hye, (1998), *op.cit.*, p.121.

Design of the Programme (FFWP)

Design of the FFWP obviously is different from that of the self employment programmes. Moreover, within the FFWP there are different types with different objectives.²⁶ Therefore, no uniformity in the design of the programmes, atleast in detail exists. The design of the major programme currently under the FFWP are discussed below.

FFWP (Government)

This programmes is implemented by the Ministry of Disaster Management and Relief during the winter season for local initiative schemes. Wheat received under the programme is allotted to all Thanas based on population. Re-excavation of ponds and canals, construction of earthen road, raised land development for flood and cyclone shelter are eligible to be included in this programme. No land required for their schemes can be bought and has to be donated locally. "The Thana Committee²⁷ selects Schemes for 3-year rolling plan of the Thana after scrutinising and identifying the priority attached to them. The presence of

26. *ibid.*, p.122.

27. *ibid.*, p.123.

the local MP in the Thana Committee is to be ensured and must be consulted during selection. The Thana Committee is represented by all concerned Thana level officials. The committee not only selects the schemes and obtain approval from the district Committee headed by those incharge of the district, it is also responsible for implementation of the schemes, in time and with proper utilization of the wheat allotted. The Thana Committe however exercises supervision over the concerned Union Parishad. The project implementation office of the Ministry at the Thana level has the overall supervisory role. For implementation of each scheme the concerned Union Parishad appoints a Project Implementation Committee and is responsible to the Union Parishad through its chairman. The UP (Union Parishad) in turn is responsible to the Thana Committee."

FFWP of Bangladesh Water Development Board

The Bangladesh Water Development Board (BWDB) is the largest user of wheat under FFWP.²⁸ The Board selects the projects. The BWDB engineers and technical personnel are involved in the conception, design and implementation of

28. *ibid.*, p.124.

BWDB Projects.²⁹ These technical officials select the projects for the board and send them to the Ministry of Disaster Management and Relief through the BWDB head office. Members of Parliament are consulted before forwarding to the Ministry.

The BWDB follows the same procedure of constituting the project implementation committee for each project with the Union Parishad and local leaders.³⁰ When there is not enough wheat, BWDB project continues with either on a deferred payment basis or on a cash payment basis. As in the case of JRY we will deal with the impact and the analysis of the FFWP in the following passages under a comparative framework.

Comparative impact study and analysis of the two Poverty-Alleviation Programmes at macro level - JRY of India and

FFWP of Bangladesh:

First, we analyse the impact of the two programmes - short term impact of employment generation and then the long-term impact of asset creation and then we move on to other important issues in a comparative framework.

29. Nishat, A and Choudhry, MSK, 'Engineering Survey of WIP - Aided Food for Works Programme in Bangladesh. The Bangladesh Development Studies, 1983, vol. XI, March-June, No. 1&2, p.104.

30. Asaduzzaman, M and Huddleston, B, op.cit., p.55.

Short term Impact :

JRY - India

The Eighth Plan Document³¹ notes, "Experience indicates that while Poverty Alleviation Programmes have been successful in providing a certain quantum of employment to people and have led to the creation of durable assets in the village, there is a perception that the achievements have not been commensurate with the resources spent on them." It also notes³² that though "under the JRY some employments provided in the lean season and the supplementary incomes thus generated are critical for the survival of the poor families. But the wages earned under JRY are a very small proportion of the amount required to help them cross the poverty line."

"Quoting a study by the Programme Evaluation Organisation (PEO) of the Planning Commission, The Hindu stated that the JRY provided employment to a person for 15.68 days during the year 1990-91. The newspaper has opined that the JRY has to go a long way before it could

31. Eighth Five Year Plan (1992-97), Government of India, op.cit., pp. 36-77.

32. ibid., p.36.

even touch the fringe of the problem of rural unemployment and underemployment.³³

The Poverty Commission Report³⁴ notes that considerable success has been achieved under the JRY in the creation of employment of about 750 to 850 million mandays of work per year.

Another study³⁵ shows a decline in the employment generation under JRY from 10,236 lakh mandays of work in 1993-94 to 9,515 in 1994-95. (There is a discrepancy between the figures given by this study and the Economic Survey (Which we discuss below) as far the targets are concerned). Though there is a decline in his case, the decline is not much.

According to the Economic Survey³⁶ (1995-96), the short term impact of JRY is the following (table).

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33. Ramaswamy, A.S. 'Alleviating Rural Poverty' Kurukshetra, vol. XLI, No.11, Aug. 1993, p.15.
34. Poverty Commission Report, op.cit., p.39.
35. Sawley, I, op.cit., p.11.
36. Economic-Survey, op.cit., p.183.

Table 1

PERFORMANCE OF JRY

Programme	1992-93		1993-94		1994-95	
	Target	Achievement	Target	Achievement	Target	Achievement
JRY Mandays of work generated	7557.95	7821.02	10383.26	10258.40	9865.45	9517.07

Source: Economic Survey, 1995-96.

As the table (1) shows though in 1992-93, the JRY achieved its target in 1993-94 and 1994-95 it could not. Though there is a decline, the difference between the target and the achievement is not much in both the years.

The Survey notes that about 50 per cent of employment generation during 1994-95 came from the SC, ST groups. That is a good progress considering the aim of JRY to focus on poor and backward sections of the Society. On the whole, in terms of , the short term impact of JRY on employment generation, the impact looks moderate.

FFWP - Bangladesh

As for FFWP, the short term impact of employment creation is considered quite a success. Steve Jones³⁷ notes that, "The number of mandays of employment created by RWP in the 1970s was less than half that of the late 1960s but it has been substantially augmented recently by FFWP. In 1976/77, the two programmes together generated 100 million mandays of work. If it is assumed that the average RWP or FFWP worker works for 36 days (Institute of Nutrition, 1977b), 2.8 million households that are either landless or own less than one acre in rural Bangladesh would mean that 40 per cent of 'at risk' families were helped."

An evaluation by Osmani and Choudhry³⁸ found that the FFWP had achieved considerable success in reaching the target groups. They conclude that about 48 per cent of the participants were drawn from the landless households and 64 per cent belonged to the functionary landless. Alamgir³⁹

37. Jones, Steve, op.cit., p.103.

38. Hye, A.H., op.cit., p.121.

39. Rahman, H.Z., 'Not Quite, Not Enough: Institutional Approaches at Rural Development in Bangladesh' The Journal of Social Studies, No.47, Jan. 1990, p.9.

notes that FFWP has provided a significant source of sustenance for the landless during the off-peak period.

The Task Forces Report⁴⁰ notes that FFWP despite many shortcomings, it helped contain the worst effects of unemployment in rural areas, especially in the slack season. It also notes that the further expansion of these programmes should certainly be considered as part of an all out assault on poverty.

A.H. Hye (1996)⁴¹ notes that the FFWP is the largest development project generating about 72 million workdays annually. He elaborates the statement with the help of the following tables (2 and 3).

The tables show the quantity of wheat allotted under FFWP and the employment generated for 1975-76 to 1983-84 and 1990-91 to 1994-95.

40. Report of the Task Forces on Bangladesh Economy 1995, p.35.

41. Hye, A.H., op.cit., p.121.

TABLE 2
 DISTRIBUTION OF WHEAT UNDER FFWP AND EMPLOYMENT,
 1975-76 TO 1983-84

Year	Wheat Million Metric Tonne	Employment created (/000 labour days)
1975-76	0.20	560
1976-77	0.20	6.00
1977-78	0.27	740
1978-79	0.23	620
1979-80	0.22	610
1980-81	0.35	960
1981-82	0.28	770
1982-83	0.37	1005
1983-84	0.69	1073
Total (9)	2.57	6978

Original Source: Ministry of Relief and Rehabilitation,
Annual Report.

TABLE 3
DISTRIBUTION OF WHEAT UNDER FFWP AND EMPLOYMENT

Year	Wheat ('000 Metric Tonne)	Employment credited ('000 Labour Days)
1990-91	0.34	663
1991-92	0.23	445
1992-93	0.13	257
1993-94	0.54	1054
1994-95	0.52	989
Total 5 Yrs	1.78	3408

Original Source: Ministry of Disaster Management and Relief 1995.

From these tables Hye, (1996) concludes that the FFWP is the largest Programme creating 72 million working annually.

On the basis of these studies we can say that the FFWP in Bangladesh is quite a success as far as its short term impact of employment generation is concerned. If we compare the performance of the two programmes (JRY and FFWP) it

looks like that while JRY has had a moderate performance, the FFWP's is a good performance.

Longterm Impact - Asset Creation

JRY-India

The Eighth Plan⁴² notes that, "while some productive assets are created, which add to the infrastructural facilities available in a village their quality could be improved. Also, they often do not reflect the priorities of the local people but of the Panchayat functionaries and their maintenance is lacking." The document does not deal with the impact on asset creation in detail. It does not specify for instance the assets (created) which needs to be improved according to it.

It further notes⁴³ that "given the paucity of resources, we would perhaps have to concentrate the resources under the JRY to more backward districts so as to reach the poorest."

42. Eighth Five Year Plan (Government of India) op.cit., p.37.

43. *ibid.*, p.37.

A.R. Ramaswamy⁴⁴ says that the "JRY requires building of inventory of manpower as also, physical/material resources available in village hamlets. He notes, "it refers to the quantification of the extent of unemployed/underemployed manpower resources and the unused/underused materials resources meeting proper and adequate use. The scope for building new community assets and improving the existing ones has to be explored and listed in advance. This has to be done through and by the village level people's institutions. In the absence of such an exercise, what was done amounted to taking up projects in an adhoc manner which became synonymous with rehabilitation measures and not development programmes. This is the sad commentary on JRY".

Though the Economic Survey (1995-96) deals with the employment generation aspects of JRY in detail it doesn't do so in the case of asset criticism. It just notes that "the implementation of JRY has led to the strengthening of the rural infrastructure through the creation⁴⁵ of durable

44. Ramaswamy, A.S., op.cit., p.16.

45. Economic Survey, op.cit., p.183.

community assets." What kinds of assets and in which part of the country it does not say anything.

While the Economic Survey is almost silent on the issue, the Poverty Commission Report⁴⁶ notes that under the JRY, over 1 million houses and 320,000 irrigation wells have been constructed/dug for the SC and ST under the Indira Awas Yojna (IAY) and Million Wells Scheme (MWS) respectively. However it does not mention other public works like construction of roads, canals etc under the programme.

Another study⁴⁷ notes that the utilization of funds under the IAY and MWS has been extremely satisfactory. This is the reason why sectoral earmarking for IAY and MWS has been raised from 6 per cent to 10 per cent and 20 to 30 per cent, respectively. On the basis of the above mentioned studies we can say that the asset creation under JRY has been successful specifically in the case of IAY and MWS and as far the other rural works the studies are silent.

46. Poverty Commission Report, op.cit., p.39.

47. Chauhan, S.P., op.cit., p.10-11.

FFWP - Bangladesh

As for asset creation (longterm impact) under FFWP in Bangladesh is concerned, it is not considered to be successful at all. Most of the studies confirm it.

"An indepth technical analysis was carried out for 17 of the 31 World Food Programme (WFP)- aided FFWP projects selected for overall evaluation during 1981/82 season. The rest of the projects were also visited and final conclusions drawn were based on observation on all projects."⁴⁸ The conclusions were, "In general, almost all projects were appropriate to the need of the area. Qualified technical personnel were involved in all the BWDB projects. However, many of the FFWP undertaken by BWDB were part of big schemes. Scheduling as to the order of implementation of the component parts or execution of apartment structures is often a physical requirement for the component and thus for the entire scheme to work properly. This requirement had not often been properly taken care of. Otherwise the planning and design aspect of BWDB projects had been of satisfactory nature... Though design, dimension of earthwork

48. Nishat, A., and Choudhry, MSK, op.cit., p.106.

were achieved in most of the schemes. The provisions for keeping term and dumping of spot was not correctly followed in many projects. In BWDB projects the pre-work and postwork survey were will recorded. Lack of interest in supervision was noticed in BWDB projects... Given the availabilities, the quality of work in the MRR (Ministry of Relief and Rehabilitation) Projects were fairly satisfactory.⁴⁹

Steve Jones⁵⁰ notes that "over 14,000 miles of canals, embankments and roads, and over 300 ponds have been reexcavated, constructed or repaired by FFWP alone during 1974-77 (Bangladesh Times, 6 Dec. 1977). However, while these achievements have been encouraging, the possibility of a combined High Yeilding Variety - public works rural development strategy meeting the future employment needs of the rural poor is slim." Alamgir⁵¹ notes that "though temporary works programmes have provided a significant source of substance for the landless during the off peak season. However the impact of the works programme on the

49. *ibid.*, p.109-110.

50. Jones, Steve, *op.cit.*, p.103.

51. Quoted by Rahman, HZ; *op.cit.*, p.9.

objective of infrastructural development is a much more debatable issue." A.H. Hye⁵² says that "criticism against FFWP is over its longterm impact on the poor, which is considered to be zero."

The Task Forces Report⁵³ notes that "in Bangladesh, considering the number of years for which FFWP has been in operation, it is equally doubtful if sufficiently large number of worthwhile simple infrastructure projects remain to be executed in many areas of the country. It further notes, to offer guarantee of employment in this situation is to give an open license to project - makers to cook up wholly useless earthwork projects (e.g., the same road laid and relaid year after year or even harmful project (e.g. roads that the normal channels of drainage)". Thus, it appears that interms of asset creation JRY of India has been more successful as compared to the FFWP.

In the following section we go into a few important issues related to JRY and FFWP in Bangladesh in a comparative framework.

52. Hye, AH; op.cit., p.126.

53. Report of the Task Forces (Bangladesh) op.cit., p.126.

i. Limit set to the expansion of work by the system of payment in food grain: In both the countries a major criticism against the two programmes (JRY and FFWP) is that the idea of payment in food has resulted in the setting of a limit to the expansion in these programmes. The problem is more acute in the case of Bangladesh. In Bangladesh the food availability depends mostly on foreign aid (the average volume of food aid mostly in wheat received annually by the country is about 1.4 million metric tonne).⁵⁴ Whenever the food aid is less, the works get neglected. In India the programme is mostly sponsored by sufficient domestic supply. However in both the countries during droughts and floods, availability of food becomes scarce and the work gets postponed. Lack of storage facilities (particularly in the case of India, is acute as the Programme Evaluation Organisation (PEO) of the NPC also notes it as a major problem with JRY)⁵⁵. Another related problems in both the countries is leakages in the food payment systems.

Therefore a conversion of food into counterpart funds to introduce cash payment system is better though in India

54. *ibid.*, p.39.

55. *The Hindu*, March 3, 1993, New Delhi, p.6.

cash is used to a great extent with the food payment). The Payment in cash has several advantages over payment in food.⁵⁶ First, the expansion of the programmes would not be constrained under the new arrangement by the size of the distributable food grains available. Second, the convenience of the administration is quite explicit in case of payment system since the direct and indirect (such as leakages) cost of administering the programme would be quite low compared to the extent of leakages in the food payment system. Third, the objection that payment in cash will only exacerbate inflationary pressure doesnot hold true in normal circumstances. When payment is made in cash; and at the same time food, which would otherwise have been distributed directly to the beneficiaries is released in the market, the logic of the market would dictate the private traders to take food to those whose relative purchasing power has been increased through cash payment.

ii Possibility of leakages

This problem is also common to both the countries. In the case of Bangladesh as Hye⁵⁷ notes that the possibility

56. The Task Forces Report (Bangladesh), op.cit., p.39.

57. Hye, A.H., 1996, op.cit., p.125.

of leakages and appropriation by middlemen is a major criticism. He says that even though wage rates are pasted at project sites on signboards, workers being illiterate donot know this and even when they have the information, the wage they receive is usually determined by the intermediaries (the gang leader, supervisor) through whom they get employed. In the case of India, the PEO of NPC identifies the probability of leakages and appropriation by middlemen as a problem with JRY. It also notes that works under JRY is given on contract basis though it is not legal.⁵⁸

iii. Lack of coordination between agencies involved with the programme implementation: This problem is more acute in the case of India. Panchayat are usually not efficient enough to deal with such developmental issues. Because of illiteracy and lack of information, they, cannot ensure coordination among agencies involved in the programme implementation of JRY. Along with problem the PEO of NPC (India) notes that absence of technical staff at village levels make it very difficult to develop blue prints of

58. The Hindu, op.cit., p.6.

schemes according to cost benefit analysis.⁵⁹ As mentioned earlier in the case of Bangladesh, five government line ministries with professionals and more than 60 NGOs (unlike in India's JRY) are now involved in the implementation of the FFWP Schemes. Involvement of NGOs on such a large scale is likely to increase coordination between the various ministries because they (NGOs) atleast demand accountability from the ministeries and make people aware of their rights. This probably is the reason why scholars on Bangladesh has not really identified it (lack of coordination) as a problem though this problem exists in all developing countries-organisations do not function rationally.

iv. Non-availability of workers and material during certain season causes delay in the completion of works: This problem seems to be more acute in the case of India, the studies in Bangladesh havenot really dealt with this aspect at all.

v. Low wage Rates: The PEO of NPC notes this issue also as a problem with JRY. The wages are paid on the basis of minimum wages Act. Considering the high inflation in the

59. *ibid.*, p.6.

economy during the early 1990's this is a genuine problem. The Eighth Plan also endorses the problem.

In Bangladesh it is apparently not a major issue as it is not dealt with in the literature.

Micro Level

Now we take up the programmes at the microlevel, for a comparative analysis. In this section as mentioned earlier, we have taken self Employed Women's Association (SEWA) from India and Grameen Bank (GB) from Bangladesh. Since we are comparing SEWA with GB we focus on the Bank aspect of SEWA. Though we have discussed these programmes in the second and the third chapters respectively to be able to compare the two properly we need to go into further details.

SEWA BANK

As mentioned earlier SEWA was formed in 1972 and is located in Ahmedabad in Gujrat.⁶⁰ It evolved from a trade Union of textile workers. In conceptual and organisational

60. Jhabvala, R; and Bali, N; 'My life, My World' A sociological study of SEWA's Urban Members, 1994; p.1, SEWA Academy Ahmadabad Gujrat,

terms the SEWA movement is a combination of the trade union and cooperative approach.⁶¹

But unlike conventional trade unions, SEWA organises women workers in the unorganised sector. All of SEWA's work is with the reality of the day-to-day lives of the poor self employed women and all efforts have been directed to make their lives better economically and socially. These experiences have taken different dimensions viz., Union organising, banking, cooperatives, artisan and home based production, vending and trading.⁶² While these are the various things SEWA deals with, we focus on the SEWA Bank.

SEWA recognised that it was not enough to merely organise poor women. It was equally important to ensure they had opportunities to employment and income. This realisation led SEWA to organise a bank of its own in 1974.⁶³

The objectives⁶⁴ of the bank are:

61. Poverty Commission Report, op.cit., p.76.

62. Jhabvala, and Bali, op.cit., p.1.

63. Poverty Commission Report, op.cit., p.77.

64. ibid., p.76.

- i. Providing facilities for savings and fixed deposit accounts thus inculcating thrift in the women;
- ii. Providing credit to further the productive, economic and income generating activities of the poor self-employed women;
- iii. Providing facilities to rescue their jewellery from Pawnbrokers and private money lenders and giving loans to women against jewellery and
- iv. Adopting procedures and designing schemes suitable to poor self-employed women like collecting daily savings from their homes or business.

From 1974 to 1977, SEWA Bank concentrated on mobilising self-employed women to save with it and acted as an intermediary to enable its depositors to get loans from the nationalised banks. In 1976, the bank began advancing money from its own funds, to its depositors and since then has developed into a viable financial unit.⁶⁵ The governing body is the Board of Directors which has representation of major trade union groups from SEWA's membership. Decisions are taken by the Board.⁶⁶

65. Jhabvala and Bali, op.cit., p.41.

66. *ibid.*, p.41.

Any women can open an account with the SEWA Bank. As the majority of the account holders are illiterate, the SEWA Bank has evolved a unique system of identification cards which have a photograph of women holding a state with her account written on it. Her name and account number are thus associated with her photograph and not her signature as is to usual banking custom.⁶⁷ The SEWA Bank runs rural saving groups in 96 villages chiefly aimed at asset building including the redemption of mortgaged lands.⁶⁸ It now runs a self-financed comprehensive Group Insurance Scheme as a work security Scheme that covers their life, widowhood, accidents etc. SEWA Bank gives housing loans also. We discuss the impact of the SEWA Bank later.

Grameen Bank of Bangladesh

The GB which started as a small village credit society in Jobra in 1976, now covers 28,214 villages.

The Bank drew its ethos from the Bangladesh war of liberation in which the poor masses were mobilised for the

67. *ibid.*, p.41.

68. Rose, K., 'Where Women are leaders, The SEWA Movement in India', Vistaar Publications.

independence movement. The entirely new experience gained from these mass actions was the background and setting for an action - research project in 1976. The reasoning was that if financial resources could be made available to landless under terms and conditions suitable to them, "these millions of small people, with millions of small pursuits, can add up to create the biggest development wonder.⁶⁹

The GB attempts to mobilise the poor and move them forward primarily through local capital accumulation and asset creation. Its five major objectives⁷⁰ are: (i) to extend banking facilities to poor men and women of rural areas; (ii) elimination of exploitation by money lenders; (iii) create opportunities for self-employment for the vast unutilised and under utilised human resources; (iv) bring the disadvantaged people within, the fold of an organisational format which they can understand and operate, be self-reliant, socio-economic development through mutual support and (v) reverse the age old vicious circle of poverty into a circle of prosperity.

69. Poverty Commission Report, op.cit., p.80.

70. ibid., p.80.

Landless men and women must form themselves into groups of five members in order to receive loans, for which no collateral is required⁷¹ The members should be likeminded people and have a similar economic and social background. Any person whose family owns less than 0.5 acre of cultivable land or other assets worth not more than the market value of one acre of land.⁷² The loan pattern of the bank covers four broad fields; livestock and fisheries; processing and manufacture; trading; and house loans, within these broad fields there are about 400 purposes for which loans are granted.⁷³

Comparative Analysis

In the following passages, we first discuss the impact of SEWA Bank and the GB and then go into important issues in a comparative framework.

Impact of SEWA

SEWA is considered to be a success. It has received international acclaim for its innovations in extending

71. *ibid.*, p.80.

72. Credit for Alleviation of Rural Poverty: The Grameen Bank in Bangladesh, Mahbul, H; Feb, 1988, International Food Policy Research Institute in Collaboration with BIDS. Research Report 65, p.9.

73. Poverty Commission Report, *op.cit.*, pp.80-81.

credit to and organising savings among poor women. The women's World Banking (WWB, in New York) credited SEWA for serving as a model for the entire WWB global network which extends similar integrated services along with credit.⁷⁴ It is worth mentioning that SEWA has something like, 24,000 self employed women's savings. Women can deposit whatever amount they want to. There is no fixed upper or lower limit.⁷⁵ The Bank provides three year term loans for women for what they call productive purposes; buying tools of trade, for working capital, for capital investment like a house or storage or work place. In 1987 an average of five women received loans from SEWA bank everyday, the loans varied from Rs. 500 to Rs. 20,000.⁷⁶

SEWA has a high recovery rate on loans. It is an unusual 93 per cent.⁷⁷ The Bank has negotiated 139 landholdings back into family possession (of its members) by extending loans and titles to women.⁷⁸ It is one of the

74. Rose, K., op.cit., pp.198-199.

75. Jhabvala and Bali, op.cit., p.40.

76. Rose, K, op.cit., p.122.

77. ibid., p.191.

78. ibid., p.193.

only cooperative banks in the country which gives loans to lower income groups for housing purposes. In 1987-88, 40 per cent of SEWA's loan funds were given for housing.⁷⁹

Impact of Grameen Bank (GB) of Bangladesh

"The GB has become an almost household name in Bangladesh and a success story in rural poverty alleviation, admired the world over. It was established as a special financial institution by a government order in 1983 to provide credit to the rural poor. It has a paid up capital of Taka 200 million. More than 90 per cent of the shares are now owned by Grameen Bank borrower - shareholders and less than 10 per cent by government."⁸⁰ The major activities financed are milch cow, paddy husking, etc. With the increase in the number of women borrowers the amount disbursed for livestock and paddy husking has increased. "Since 1982, credit has been issued to groups consisting of a number of borrowers for collective enterprise like irrigation equipment, cooperative farming etc. The share of the collective enterprise loans increased briskly from 1.9

79. *ibid.*, p.194.

80. Hye, A H; *op.cit.*, p.176.

per cent in 1983 to 8.2 per cent in 1984 but sharply fell during 1985-86."⁸¹ The impact of the housing loan is that more than 126,000 houses (a simple house with a sanitary latrine) have been constructed.⁸² The GB has succeeded in reaching its target group. In 1988, only 4.2 per cent of the members belonged to the households that owned 0.5 acre or more of the cultivable land⁸³ (the GB membership criteria-that members should not hold more than 0.5 acre of land).

"The GB has progressed at a very fast pace. In 1985, it had 226 branches covering 3666, villages, and in 1993 it increased to 1098 branches covering 33,667 villages. Growth in memberships and borrowers indicate that during 1985-93, excepting, 1988, the number of borrowers was slightly lower than in other year. Women as a percentage of the total number of borrower far exceeded that of men and went on increasing from 65.15 in 1985 to 94.21 in 1993. By 1993,

81. *ibid.*, p.176.

82. Poverty Commission Report op.cit., p.81.

83. Hye, AH, *op.cit.*, p.176.

the GB's cumulative loans disbursement was the 30,740 million."⁸⁴

A Comparative Analysis of SEWA Bank (SB, India) and Grameen Bank (GB, Bangladesh)

1. As we noted in this chapter earlier , both SEWA of India and GB of Bangladesh are considered to be internationally renowned, NGOs.
2. SB and GB both have the distinction of focussing on women (at the micro level) and involving them in the process of development. SEWA, as the name suggests is fully women oriented, GB also has a lot of women members and interestingly they outnumber men. The GB has on its roster 12 million borrowers of which 93 per cent are women.⁸⁵
3. While SEWA Bank deals with both urban and rural women, GB deals only with rural women. SEWA's aim is to help the poor women in the informal sector anywhere - weather urban or rural. SEWA has a memberships based

84. *ibid.*, p.176.

85. Poverty Commission Report, *op.cit.*, p.82.

trade union of about 54,000 members (paid up membership - 1993) of self-employed women from both rural and urban areas.⁸⁶

AS for GB, as the name of the bank suggests, it is a village bank and it deals only with rural people covering 33,667 villages.⁸⁷ Considering the fact that almost 90 per cent of the people in Bangladesh live in rural areas, it seems it realised the need to concentrate, just on rural poor and particularly women.

4. SB gives to its members either secured loans or unsecured loans. Secured loans are given on the offer of some security by the member to the bank e.g. jewellery and unsecured loans are given on the reference of a relatively senior SEWA SB member. As discussed earlier GB has its target group as those people who own less than 0.5 acre of land or assets equal to the value of 0.5 acre of land.

Considering the fact that the SB deals with women

86. Jhabvala and Bali; *op.cit.*, p.1.

87. Hye, HA; p.176.

(both urban and rural) the loan condition in the case of secured loans suits the target group, as women in general whether urban or rural would have some jewellery. They can utilise it for income generation. SEWA functions truly out of experience.

As for GB's target group, it also is very suitable, as people owning less than 0.5 acre of land certainly needs to be the target group. Considering the inegalitarian agrarian structure (mentioned in chapter-3) this group does need some institutional support.

5. The SB as well as the GB, both are self-financed (from the savings of its members) although in the case of GB about 10 per cent of the share is owned by the government.⁸⁸

In case of both SB and GB there is no upper or lower limit for the members to deposit money. Any member can deposit any amount. In the case of SB, SEWA members like Tarabehn,⁸⁹ mobile savings organiser goes to the houses or work places of the bank members as and when

88. *ibid.*, p.176.

89. Rose, K; *op.cit.*, p.176.

she finds time and collects whatever amount one would like to deposit.

In the case of GB, there are no mobile savings organisers, members have to go to the bank.

6. Both SB and GB offer loans to its members for economic activities right from vegetable vending to other bigger economic activities. In the case of GB, apart from loans at the individual level, as mentioned earlier, since 1982, credit has been issued to groups consisting of a number of borrower for collective enterprise like irrigation equipment, oil mills and power rooms, leasing markets and leasing land for cooperative farming. While GB gives loans at the group levels, SEWA is yet to try it.

7. The Rate of Recovery of the loans for both SB and GB, are above 90 per cent. As mentioned earlier SB's is 93 per cent and GB's is 98 per cent. This compares favourably with other governmental banks in both countries where 40 to 50 per cent of default is normal. Though in the case SB since its members are all women, the rate of recovery mentioned earlier is from them

only, interestingly in the case of GB one hundred percent of the women have no over due payments as compared to the 98 per cent for men.⁹⁰

8. Both SEWA Bank and GB have housing loans as one of their important programmes. The houses financed are generally simple with a latrine. In the case of SB (as noted earlier in the chapter in 1987-88), 40 per cent of its loan funds were given for housing. They seek the cooperation of the housing and urban development. Cooperation (of India) also in this endeavour. And as for GB, as mentioned earlier more than 13,000 such houses have already been constructed. Till the end of June 1992 a total of Taka 1.33 billion had been disbursed by way of housing loans.

Apart from the activities mentioned before there are other activities also that they are involved in. For instance SB has negotiated 139 landholdings back into family possession (of its members) by extending loans and titles to women.⁹¹ GB makes available packets of vegetable seeds and

90. Poverty commission Report, op.cit., p.82.

91. Rose, K., op.cit., p.192.

alum to its group members costing one Taka each. By the end of June 1992, the GB had sold about four million vegetable seed packets. The GB has also distributed about one million saplings to its borrower at cost price. Approximately, 16,000 pre-primary feeder schools have been put up by the GB centres at the village levels."⁹²

92. Poverty commission Report, op.cit., p.81.

CONCLUSION

In chapter one, in the case of India, we noted from all studies that poverty has declined. The NPC claims a high reduction in poverty, from 25 per cent in 1987-88 to 19 per cent in 1993-94. But independent sources say that the decline was marginal. They say that rural poverty declined from 39.2 per cent in 1987-88 to only 37.5 in 1993-94.

In the case of Bangladesh also we noted that poverty has declined in the 1970s and 1980s. According to the BBS poverty in Bangladesh was 82.9 per cent in 1973-74, 73.3 percent in 1981-82, 51 per cent in 1985-86 and 48 per cent in 1988-89. As we noted, the difference between the official and independent estimate is narrow.

We also examined, a few methodological debates regarding poverty estimation in the two countries. We can conclude from the discussion that the estimates differ due to differences in variables regarding the methodology for determining the poverty line.

In chapter two and three we assessed the Poverty Alleviation Programmes of India and Bangladesh both at the macro and micro levels. At the macro level we found that the

main problem has been the question of involving people in the process of development . For instance in the case of IRDP we noted that^a considerable section of the target group is not affected by the programme at all. Similarly in the case of Bangladesh, we noted that the two tier cooperative approach, under the comilla model of development has not been successful. There is a large and convincing body of literature which shows that the rich and surplus farmers dominate these cooperatives and monopolise the benefits. Thus the small and the marginal farmers are completely marginalised from the development process.

On the contrary, NGOs have emerged as one of the most effective agencies in involving people in the development process. For instance in the case of Thally Project, (Tamil Nadu, India) we noted that the marginal farmers and small farmers who actually needed some institutional support were the most benefited and active participants of the programme. We also noted how BRAC in a participatory manner, involves people in the development process.

Thus, the core element which emerges from the success cases is participation. Participation here is seen not in

narrow terms pointing to formal activities effected through representatives as in the Government. Instead, it is a socially vibrant grassroots process, whereby people identify with the process of development as their own with the help from the NGOs. This process is inherently educative, leading progressively to a higher level of consciousness which evolves through newer experiences of facing reality. They are thus able to participate as active subject in the development process rather than as passive objects.

Also all the success cases like SEWA, Grameen Bank etc. have demonstrated that through the formation of homogeneous groups with similar socio-economic background, the poor can achieve human development and contribute to growth. Individually the members would not have been able to overcome the obstacles of their struggle for survival, security and self-respect. How the poor women who carry the double burden of being women and poor have gained positively from the approach is amply reflected in the programmes like SEWA, WWF and BRAC. We can conclude from our discussion that for all categories of the poor organisation is strength. Building organization of the poor requires awareness creation and sensitizing the poor to the causes of

poverty and the need for concrete action to overcome them.

While NGOs can involve people in the process of development, there are some other problems that hinder their work and where, the government looks better off. In spite of the availability of the grant in aid to a large number of NGOs, still a majority of them face an acute paucity of funds on continued basis from government and other funding agencies. At the macro level lack of funds is usually not a problem.

There is also inadequate technical personnel and trained people to work with NGOs. Due to low salary and less chances of promotion the NGOs face the problem of recruitment and retention of trained staff for different types of activities. This problem is not there with the government at all.

Another problem with the NGOs is the indifference on the part of bureaucracy and politicians who think that the voluntary movement will erode their authority.

Yet another problem is the lack of coordination among the NGOs themselves. At the macro level, the lack of coordination of the various agencies of the government is a

serious problem. The problem of leakage leading to corruption is identified more with the governmental programmes but still we cannot rule out that the NGOs do not have this problem.

Thus, we see that both at the macro level and at the micro level; they have their respective advantages and disadvantages. We need both the systems. The best solution is to work on their respective shortcomings. The government for instance can invest in Research and Development on people's participation in development programmes. The government should help NGOs in solving their problems and vice versa also.

If this is done, programmes both at the macro level and micro level can help alleviate poverty effectively and contribute to development.

From the comparative study of the programmes at the macro level and micro level in Chapter 4, we noted that at the macro level in India, in the case of JRY, the performance on the employment creation front has been moderate. For instance we noted that according to Economic Survey 1995-96 though in 1992-93, the JRY achieved its

target, it could not in 1993-94 and 1994-95, the difference between the target and the achievement is not much.

On the asset creation front or the long-term ^{impact}, it (JRY) is supposed to be a success in the case of IAY and MWS. As we noted, over 1 million houses and 320,000 irrigation wells have been constructed or dug for the SC and ST under the IAY and MWS, respectively. We also noted that as these two programmes, IAY and MWS, have been successful the sectoral earmarking for them has been increased from 6 to 10 percent and 20 to 30 per cent, respectively.

As for FFWP in Bangladesh with which we compared JRY of India we find that as for the short term impact of employment creation, FFWP is a real success generating about 72 million mandays of work every year as Hye, A.H., noted. But on the asset creation front or the long term impact, the programme is considered to be a major failure. We also came to the conclusion that on the whole if we compare JRY and FFWP, we find that JRY seems to have done better on the asset creation front (IAY and MWS) whereas FFWP has fared much better at employment creation.

As for GB and SEWA both are successful organisations. Both have the distinction of focusing on women by giving them credit for income generating activities, thus these organisations deal with the problems of both development and gender. Both are self-financed though in the case of GB 10 percent of its shares is owned by the government. Their recovery rate as we noted earlier is above 90 percent, SEWA's is 93 per cent and GB's is 98 per cent.

We also noted that their targetting strategy has been excellent. While Grameen Bank's target group is people owing less than 0.5 acres of land or other assets worth not more than the market value of one acre of land. SB's target group is poor women in the informal sector. These groups certainly need some institutional support to make both ends meet. SB and GB have tried to come to their rescue and they have been successful.

These banks have certainly proved that if resources for income generation activities are made available to the poor on terms and condition suitable to them, they can contribute to development.

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