

Feature Development

Self-Employment Key to Poverty Alleviation

Local Government Should Work to Generate Resources for Investment

by Faruq Mayeenuddin

HAVING wasted two long decades since independence of the country, we should today realize that such an effortless passage of time has not only thrown us into deep stagnation, in cases it has even pushed us backward. A conscious soul must repent today for those two futile decades. We do not know how many of us repent, but one who has love for the people and for the land, must have guilty feelings within himself.

After so much jeering efforts, we have failed to start the process of economic development of the country. By economic development if we understand mere increase in per capita income, or setting-up of lawn tennis complex at Ramna or introduction of coloured television channel, we should discover ourselves at the fools' paradise.

Development must indicate positive change in the life style of the maximum number of people of the society and nothing else. That will only link economic effort with poverty eradication, was how Dr Muhammad Yunus, founder of the Grameen Bank, described development in an article in *Ajker Kagaj*, Jan 12, 1992.

Economists can debate on this issue for an indefinite period of time, but it is true that no effort can succeed without ensuring participation of the big army of poverty-stricken and hungry population in the development process.

Innumerable projects have been launched so far as mere stunts, plans have been formulated, green revolution, Swanivar, Canal digging, and etc etc have been put forward for oiling the haves depriving the have nots. But poverty could not be shaken off from the poor, hunger could not be eradicated, the landless did not get land — rather the small and marginal farmers have become landless inflating the volume of landlessness.

Fifty-three per cent of our total population is landless and 34 per cent lives below poverty line, 90 per cent family own land below one acre. We have reached this figure during the previous years.

Then how do we account for 28 thousand crore of foreign debt (as per Govt estimation as of June 30, 1991)? The reply is not that difficult. The total amount has been distributed among the donors, their local agents and the middlemen. Same is the picture of allocation from national exchequer.

According to economist Atiur Rahman writing in *Ajker Kagaj* of Dec 4, 1991, during 1986 a family below poverty line received only Tk 190 for human development and those above the poverty line had been allocated Tk 783. During the same year a family, having monthly income below Tk 1500, received Tk 12 only from government allocation on education, while an affluent family received Tk 671, wrote Rahman.

Rural poor are even left out of the government food distribution network, in addition to their deprivation in terms of human development and/or educational facilities. Subsidized rationing system was only for the urban and privileged population, and the rural poor were deprived of such governmental blessings.

The new subsidy-free marketing of agricultural inputs will again go in favour of rural elites and landlords at the cost of increased rate of deprivation on the part of the small and marginal farmers.

Similarly the unplanned canal digging programme will only build up irrigational infrastructure for the large landlords at government cost while the small farmers and the day-labourers will have to remain satisfied with a few kilograms of wheat.

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omy, any attempt to improve fate of the deprived section of the rural population will just become a misnomer.

It must be admitted today that no effort has ever been made to alleviate the condition of the big army of rural poor, whatever has been shown to have been done, has only been eaten up by the pressure groups, keeping the target group hungry and poor.

All past attempts have been proven to be futile due to non-participation of the target groups. The so called attempts have some time been made as a political stunt and sometimes for cheap popularity.

This craze for political gain and popularity could never have been turned into people's welfare. Absence of any commitment and the class character of the ruling elite does not create any hope for a positive change in the existing situation of development scenario.

Self-employment should therefore be made the main driving force for development strategy.

The main factor for self-employment is capital, which will not be gifted by anybody to the poor. It can only be created by loan on easy terms. Dr Muhammad Yunus has termed this loan as the "basic right for food, shelter, clothing, health, education and employment can be established".

With a view to establishing this newly discovered right, Grameen Bank, the surprisingly successful organisation of Dr Yunus for giving unsecured or collateral free loan, has so far disbursed loans to over a million landless families for self-employment. But how long it will take to reach every one

of the target group by the lone effort of the Grameen Bank?

One thing that should be kept in mind is that the main objective of giving loan for self-employment is to create a reinvestible surplus in the hands of the recipients of this loan.

However, if the pressure of the increased rate of population on the rural poor can not be reduced, the surplus generated thus in the rural sector will be eaten up by the additional population of the unplanned families and the surplus will not get the scope of being reinvested.

If the rural poor can be made conscious about his vital implication of population growth vis-a-vis self-employment, the objective of the income generation can only be materialised.

One thing that should not be forgotten is that all the

machinery, but can not ensure participation of the rural mass in the process of development. A strong and effective local government, developed through decentralisation can ensure the desired participation. For successful implementation of this programme, the government must refrain from the tendency to look after political interest.

A recent report of the United Nations Development Programme (UNDP) has rightly pointed out that ineffective local government, that it calls the highly-centralised structure of the government, is the main bottleneck of human development process (The Daily Star: April 4, 1992). Present structure of our local government has been termed as the "extended arms for the centre to implement programmes designed at the higher level".

The report depicts that Bangladesh ranks 136th out of 160 countries in terms of Human Development and 146 when measured in terms of per capita income. To improve this condition, the report recommends delegation of authority and the legal frameworks to the local government for ensuring popular participation. Until and unless local bodies are delegated more authority and power, peoples' participation can not be ensured.

Dr Yunus says, regarding formation of Gram Sharker: "Before getting approval to form Gram Sharker the prospective village should prove that it possesses the capacity of forming and running the Gram Sharker ie it must acquire the right to form Gram Sharker through its activities. If it is distributed like relief materials the same will become a meaningless institution".

Prof Rahman Sobhan says in his *Bangladesh: Road to Self-reliant Development*, "local elected representatives should be motivated that their main job is to generate local resources for investment."

It implies on more effort on the part of the local government to generate resource through self-employment and rural employment. It setting up a Gram Sharker is made difficult on the basis of such basic factors of competence and abilities, the objectives of the programme may be fruitful. It is evident that "generation of income and employment at local level increase demand for rural industrial products and that ensures full utilisations of productive capacity at rural sector," says Rahman Sobhan.

We should therefore rejuvenate our efforts to make the neglected class a direct participant to our development process and this participation can only be ensured by setting up of a strong and effective local government. But it must be confirmed so that such development strategy does not turn into political stunt for cheap popularity and that will be the only key to bring forth the success of the program.

steps for poverty eradication must be started from the bottom. Any such step if imposed from the top, which is often done for the interest of bureaucracy and or the political elites, is bound to fail.

Each of the district governor system of BAKSAL of Sheikh Mujibur Rahman, Gram Sharker of Zia or Upazila System of Ershad was supportable if considered from the point of view of objectives, but simply due to the wrong concept of application, each system became an instance of grand failure.

There is no alternative to local government for ensuring participation of the people in the development process. But the participants should be given ample time to get prepared to participate in the development process, which was never allowed in the past.

The BAKSAL system eliminated with the brutal incidence of Aug 15, 1975. Had Mujib not been killed, the system would have failed eventually.

Gram Sharker too could not make any positive contribution. Dr Yunus, the propounder of the concept, has admitted that his brain child could not attain maturity because of wrong application.

The effort of decentralisation of power through the Upazila administration has met apparent failure as the same could never materialise the basic objectives of a local government.

Mere distribution of bureaucracy to smaller units can only increase government expenditure or can spread the scope to exploitation by state

Reports Calls for a Rich-Poor Pact of Reforms

by Charles English

DEVELOPING countries are losing 10 times as much money to rich countries as they received in aid because of unequal access to the world's financial, trade and labour markets. These restrictions cost poor countries \$500 billion a year, according to a new report by the United Nations Development Programme.

Furthermore, the gap between rich and poor has doubled during the last three decades. The richest fifth of the world's population now receives 150 times the income of the poorest fifth.

While the rich nations constitute only a quarter of the world's population, they consume 70 per cent of the world's energy, 75 per cent of its metals, 85 per cent of its wood and 60 per cent of its food.

These are just a few of the conclusions of the third Human Development Report, one of the largest surveys of its kind, which calls for dramatic

As hopes rise and fall almost daily of a break in the long deadlock in the world trade talks under the General Agreement on Tariffs and Trade (GATT), a flurry of reports on the world economic outlook have appeared. One says developing countries could be facing a decade of growth. Another, reports Gemini News Service, points out that the rich fifth of the world now gets 150 times the income of the poorest fifth.

The World Bank credits sweeping policy reforms in developing countries themselves for their projected increased growth.

Both organisations agree that industrialised nations must bring down trade barriers to encourage growth.

According to the World Bank, a halving of the trade barriers in the US, Japan and the European Community would raise developing countries' exports by more than \$50 billion — almost as much as development aid to the developing world.

"Global markets remain restricted," agrees William

badly distributed. Only one-quarter of it is earmarked for the 10 countries that contain three-quarters of the absolute poor of the developing world.

Less than seven per cent of total aid is spent on basic education, primary health care, safe drinking water, nutrition and family planning programmes.

The aid system, says the report, "has critical weaknesses, in quantity, equity, predictability and distribution."

South Asia, home to nearly half the world's poorest people, receives \$5 per person in aid. Aid-receiving countries in the Middle East, with three

dustrialised country. The average contribution is only half of that — 0.35 per cent.

This average covers a wide variance that shows Norway giving 1.17 per cent of its GNP, while the US gives just 0.19 per cent. Britain gives less aid per person of its population than any other country in the European Community.

Official aid is highly unpredictable. Seventy per cent of overseas aid is given directly by one country to another, and is therefore sensitive to political relations between the two nations.

Hence if a donor country withdraws aid because of human rights violations, poor people can suffer a double punishment: political oppression and a withdrawal of aid.

In 1960, the fifth of the world's population that lived in nations with the highest per capita incomes were 30 times better off than the poorest fifth. By 1989, that disparity had doubled to nearly 60 times richer.

But wide discrepancies exist within many countries. Comparing the billion richest individuals in the world with the billion poorest, that ratio would leap to at least 150 to one, according to the report.

"In developing countries, it is not the quality of life that is at risk, it is life itself," says the report. "Poverty is as great an enemy ... as misspent affluence."

The report proposes a global pact between rich and poor nations to lift the poor out of their poverty. Funding would, it is suggested, come from a reduction in military expenditure worldwide — giving a peace dividend of \$1.500 billion.

The pact would also lay plans for the opening up of global markets, a reform of foreign aid, and the striking of a new 'debt bargain' to halt the current net transfer of \$50 billion each year from developing countries to industrial countries.

Major changes in the functioning of the World Bank, the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT), Global Environment Facility and UN programmes are also recommended by the report, to ensure better management of the global economy.

As the UNDP report points out: "Poor nations cannot accept that the industrial countries are entitled forever to an 85 per cent share of the world's income and a perpetuation of their energy intensive patterns of consumption."

The great divide

North

- Life expectancy is 75 years
- Average income increased 3.5 times in the last 30 years
- Social security benefits average 11% of GDP annually
- One person in two has a television
- There is one doctor for every 480 people
- 60% of people are served by water treatment facilities

South

- Life expectancy is 63 years
- 750 million people per year suffer from acute diarrhoeal diseases, of which 4 million die
- 1.3 billion people have no access to safe drinking water
- 2.3 billion people lack access to sanitation services
- 135 million people live in areas affected by desertification

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changes to open up global markets. The alternative, it points out, is worsening poverty in the developing world and increased pressure for massive migration.

Despite these tragic findings, a new World Bank study projects per capita growth in developing countries this decade of 2.9 per cent each year. This represents a large increase over economic growth in the Eighties, which averaged a stagnant 1.2 per cent.

Draper, UNDP Administrator. "Where can developing nations sell their products unless global markets are also freed of protectionist restraints?"

The report warns that "it should never be forgotten that poverty needs no passport to travel across international frontiers ... in the form of migration, environmental degradation, drugs, disease and political instability."

Current aid levels are too low to help close the wealth gap. Moreover, existing aid is

times South Asia's per capita income, get \$55 per person.

The richest 40 per cent of the developing world population receives more than twice as much aid as the poorest 40 per cent.

Countries that spend heavily on arms — more than four per cent of their GNP — receive twice as much aid per head as more moderate military spenders.

The UN target for Official Development Assistance is 0.7 per cent of GNP from each in-

Govt. Land Reform Reviving Nepal's Farm Productivity

by Jan Sharma

IS a new land reform programme the magic wand that will fill Nepal's farm bins with fruit and grain?

The social democratic government of the ruling Nepali Congress seems to think so as it revives and restructures a programme believed to give agricultural productivity a tremendous boost.

Landowners, on the other, find no need to invest since they already get fixed rent.

Land reform calls for the transfer of ownership from landowners to tiller. But although theoretically ideal, it violates the right to own property guaranteed by the Constitution.

Unless the Constitution is amended, landowners have to be paid compensation for such transfer. This works out to be over 5.6 billion rupees which the present government could ill-afford to underwrite.

Furthermore, there is no guarantee that the new owners themselves will not sell their land to other tillers.

The Nepali Congress government, voted into power in the parliamentary elections of May 1991, has started afresh to hammer out a land reform programme that is both just and workable.

However, more important than imposing new ceilings on landholdings is finding out the actual situation on present landholding patterns, says Jagannath Acharya, former minister for land reform and management.

"One of the toughest challenges is lack of concrete data on landholdings and the amount of land in excess of the land ceiling," he said in an interview.

Cadastral surveys, which help determine land productivity, have been undertaken in only 51 of the 75 district so far.

Also, no effort seems to have been made to compile a list of those who actually qualified for and availed of tenancy rights.

Mr Acharya said he wants to introduce "a system of land ownership that will entitle tenants who have completed certain years as tenants to claim half of the land they had been tilling."

The agriculture, census of 1961 found that 40 per cent of farming families worked as tenants on 25 per cent of total agricultural land.

At present, some 87,500 hectares of prime agricultural land are not fully productive because of the system of "dual ownership" instituted by the Land Reform Act of 1964.

Under the setup, tenants were given control and use of the land they till but ownership is retained by the landlord.

"Dual ownership prevented efficient land use as neither landlords nor actual tillers want to invest for higher production," says Ram Saran Mahat, vice chairman of the National Planning Commission.

Thus a primary target of the Nepali Congress land reform plan is the abolition of dual ownership.

In doing so, "we will see to it that no one feels the democratic government has expropriated his land or perpetrated injustice," says Prime Minister Girija Prasad Koirala.

Land reform policy should aim to benefit tenants while not disregarding the interest of small landholders, he adds.

Another major objective is to further reduce the 18.4-hectre ceiling on land-holdings. The Eighth Plan (1992-1997) aims to revise the present land ceiling in the light of the highly skewed land distribution pattern in the Himalayan kingdom. At the same time, steps will be taken to avoid further land fragmentation as (this) has adversely affected productivity.

Land ownership in Nepal has traditionally been a symbol social status, a means of economic security and a source of political power. But although successive governments have talked of land reform, little was done to carry it out.

Almost 44 per cent of farmlands is under the control of six per cent of the population. Less than 12 per cent is

owned by the poor at an average per capita holding of 0.21 hectares, according to the Agriculture Ministry.

The last attempt at land reform was made in 1964 by King Mahendra, father of the present King Birendra, who used it as a political weapon to destroy the landed middle class opposed to his autocratic regime.

The 1964 programme focused mainly on reforming the tenurial system by helping tenants gradually become landowners. Tenants were given control of the land so long as they paid rent consisting of a fixed amount of agricultural produce.

Of the 1.8 million "landless" tillers identified by the government, 1.3 million received a provisional certificate of tenancy rights which could not be sold or transferred.

The arrangement, however, resulted in the "dual ownership" situation which has pitched tiller against owner and which is responsible for 75 per cent of litigation cases in Nepal courts.

A further anomaly was that land in excess of the ceiling was distributed to the King's relatives, loyal officers, friends and allies.

Dual ownership — a misnomer — continues to plague Nepal's agriculture, notes Mahesh Chandra Regmi, author of several studies on land tenure in Nepal and Nepal's lone recipient of the Ramon Magsaysay award of journalism, literature and creative communication arts.

Mr Regmi says the setup has reformed land into a liability rather than an asset. Tenant beneficiaries, apart from having no resources to invest in the land, find it burdensome to maintain a farm they do not rightly own.

How Poet Kishwar Inspires Women to Learn

New Skills

by Alys Faiz Ahmed

KISHWAR Naheed is one of Pakistan's most popular women poets, writing in Urdu and Punjabi. She draws the crowds at poetic symposia and her poetry has been translated into English and other languages. She is also a popular columnist in a Lahore English daily.

On top of that she does something quite different. She heads an organisation that has turned an unused building in a deprived area into a thriving women's work centre.

Yakki Gate is an inner city area where the sun hardly penetrates. Its narrow streets and overcrowded houses make it a daunting place to try out any kind of socio-economic reform.

Naheed found the building, did a deal with the owner, the Lahore Development Association, and her ideas took root.

It was a new experience for Naheed and her friends: to find women in the area who might have skills, or could develop skills — and, even more important, were prepared to leave the seclusion of their homes to work in this strong, high-walled old building.

A survey of 85 homes in the area was undertaken. How many home skills did the women already practice? Could existing skills be developed and marketed? To what extent could women without skills be encouraged to learn? Most surveyed households were very poor.

Bringing in extra income to such households would take them above subsistence level. Many women were con-

cerned about their "security." So the local shopkeepers came to a tacit understanding with

that they could be called on to ensure the safety of the women workers between home and

at least 100 women a year in two or three skills. The trainers were themselves trained at

One of Pakistan's leading women poets, Kishwar Naheed, has helped set up a working women's centre in an inner city area of Lahore. Poor women are taught income-generating skills, literacy classes are held and a family planning clinic operates. The centre has shown how self-help groups can give women financial independence. And the concept is spreading.

Naheed's organisation, the Lahore Business and Professional Women's Club (BPWC),

the Centre. The project envisaged a six-week course that would train

centres run by government agencies.

The objective was to make as many women as possible small entrepreneurs in basket-making, machine embroidery, crochetwork, applique skills, making stuffed toys, screen and block printing.

Gradually the women become confident enough to make their way to the wholesale market to buy their own raw materials — for them almost an adventure into the unknown. They have even learned to bargain to their advantage.

Once the women have trained at the Centre a follow-up period is supervised by two young women sent to train at a similar centre in Ahmedabad, India.

The Centre's products are of such superior quality that they have been exhibited at trade fairs. Local shopkeepers order from the Centre. The demand grows.

In some families the husband is jobless or grown-up sons have yet to find a job and the work is shared. They help with the distribution and



WOMEN'S SELF-HELP GROUPS ARE GROWING IN ASIA