

# Structural transformation of agriculture

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One of the dominant aspects of the Bangladeshi economy is its structural change featuring a declining share of agriculture in GDP over the last four decades. The share of agriculture has declined from about half of total GDP during the 1970s to about one-third during the 1980s. The share of agriculture declined further – from about 30% in 1989/90 to 25% in 1999/00 and 20% in 2009/10. Despite such declines, the economy is still predominantly agrarian. The sector still provides employment to more than 45% of the country's labour force. Moreover, agricultural production provides critical linkages for development of rest of the economy. The performance of agriculture thus has an important bearing on employment generation, food security and poverty alleviation in the country.

**Changes in resource base**  
Bangladesh has carried out agriculture censuses from time to time, e.g. 1983-84, 1996 and more recently in 2008. A comparison of data generated by national Agriculture Censuses indicates, among others, the changes in resource base and organisation of production in Bangladesh agriculture. The structural transformation, as reflected in these changes, is discussed below.

The resource base for agriculture has been shrinking. The land area operated by rural households has declined from 9.2 million hectares in 1983-84 to 8.2 million hectares in 1996, indicating that, on average,



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nearly 82,000 hectares of land are going out of agriculture due to increased non-agricultural uses such as growth of physical area under municipalities and cities (607,000 hectares), increase in homestead land within

rural areas (142,000 hectares) and development of rural roads and other infrastructure (252,000 hectares). As a result, the average size of a farm holding has declined from 1.70 hectares in 1960 to 0.91 hectare in 1983-84 to

0.68 hectare in 1996 and 0.40 hectare in 2008.

The labour engaged in agriculture has also been declining. The number of farming households increased from 10.0 million in 1983-84 to 11.8 million

in 1996 and 14.9 million in 2008. Non-farming households constituted 34% of all rural household in 1996, compared to 27% in

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