

Political Economy of Agrarian Futures in Bangladesh: Insights from Scoping Study

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A presentation at the ABCD Conference, BIDS, 7-9 December 2023, Lakeshore Hotel, Gulshan, Dhaka, Bangladesh. The field work contributions by Shah Alam Siddique and Dr. Md. Yousuf Ali are gratefully acknowledged.

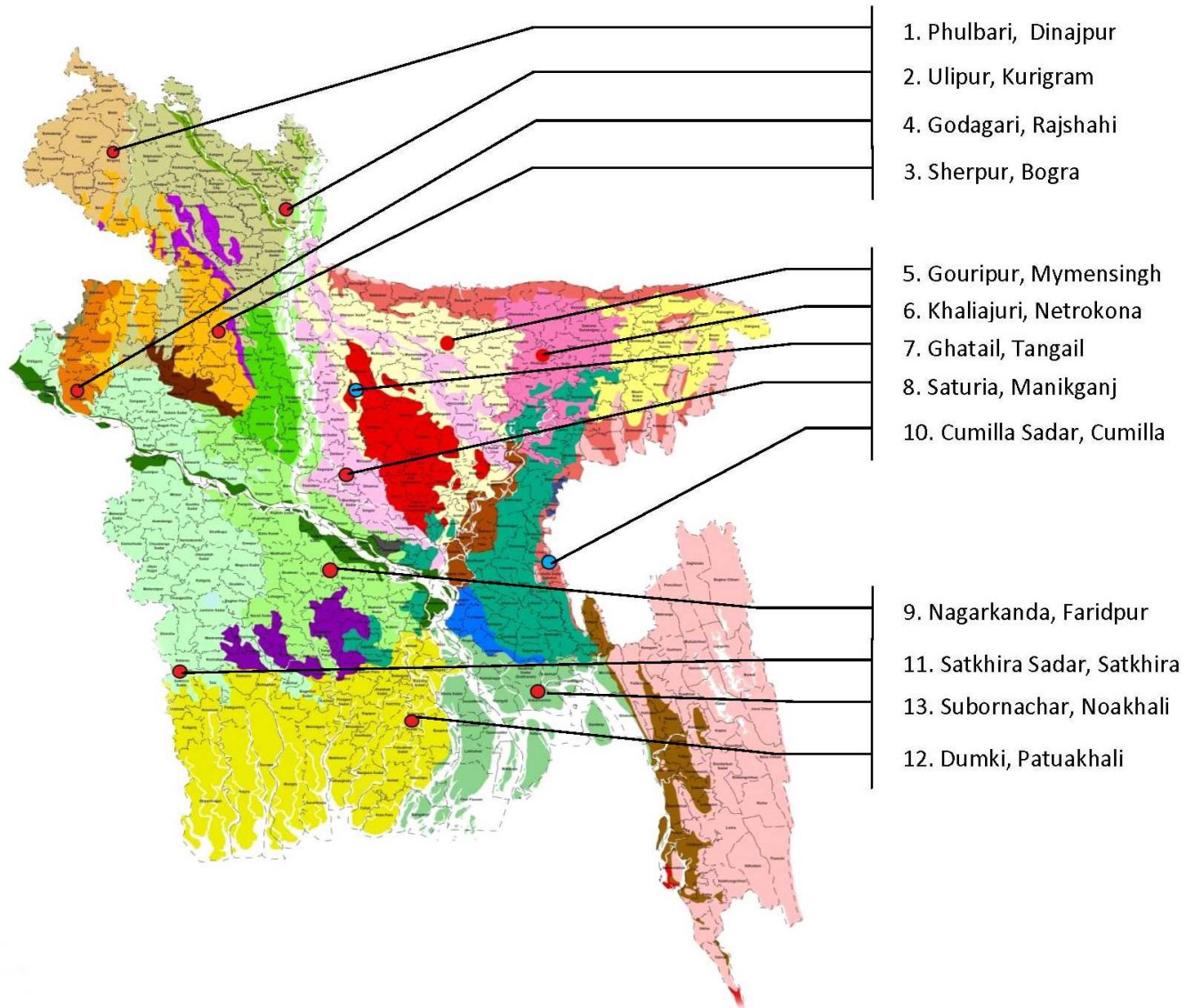
Outline

- Background of the study
- Methodology
- Key findings
- Preliminary insights

Background to the Study

- 2 Papers RAS; de-peasantisation (disarticulation/re-articulation); disappearance of family farm, operational consolidation; no longer self contained; other land tenure options.
- Proposal paper- 2 stages Jan 2023
- Presentations: BIDS. Jan 2023; Whiteboard article; grant submission to BIDS for scoping study.
- Field work in 9 locations in July- Nov 2023; 2 parallel teams.
- Team Review of qualitative Scoping field work (Oct- Dec 2023): Agrarian Change/Rural transformation, not agric productivity/ allocative efficiency alone, multi-disciplinary focus.

Locations Map of the Scoping Study



Methodology

- **Probing questions**, semi- structured checklist, audio-video recording, snapshots
- **FGD** with farmers & market actors, individual informants, *in situ* interviews, stay in the country sites
- **Visiting local DAE**, BRRI, RDA, BMDA, BAU, RU, HSTU
- Collecting DAE, BRRI **reports**
- **Snowballing, triangulation, road side conversations & visiting crop fields**
- **Team review** of qualitative scoping field work (October-December 2023)

Research Issues

- **Problematic 1:** Capital intrusion into squared fragmentation leads to **operational consolidation & redistribution of returns** away from cultivator; proliferation of **farming actors** within reformed agric system.
- **Problematic 2: Impact of (1)** on rural transformation - relations, structure, political economy, penetration of capital, market and rurbanisation within context of: infrastructure, loss of arable land, remittances, NGO credit, changing land tenure/access, fluid migration, digitisation, inter-generational flight from agric, re-configuration of local power holders.

Headline Conclusions

- Small- scale farming persists with diverse non-farm occupations.
- Not just ‘operational consolidation’, land adapting to lumpy technology (divisible through operation), supported by expanding ag. service market; also technology adapting to land size
- Shift from dry season irrigation to year- round irrigation, extending rabi season further crop diversification (veg. & fruits), especially in growth pole hinter lands
- Complex land tenure arrangements- enable continuation of small-scale farming via leasing, rental & mortgage, chained lease system allowing long term mortgaged lands being re-rented on annual basis, changing sharecropping contracts (sharing of input cost, increased share of crops to tenants), between neighbour and relatives

Broad Agrarian Features

- **Rajshahi:** Rice to orchard, small-scale fruits processing, farmer's hub, controlled irrigation service in stressed conditions, tribal labour
- **Dinajpur:** Larger farm size, Aman rice, citrus fruits, vegetables, rice milling
- **Bogra:** High water table (HWT), diversification, veg. & machinery hub
- **Tangail:** HTW, intensive rice irrigation, mechanic services & rice processing
- **Manikganj:** Influence of urbanization, industrialization, more commercial cropping, scarce labour
- **Faridpur:** Year- round irrigation for jute, rabi crops & cropland fruits, non-farm work, remittance
- **Netrokona haor:** Boro, cultivation by seasonal migrants for trade, fishing, land mortgage & dadon, rice & fish trading, seasonality forces labour migration
- **Kurigram:** low investment vulnerable production, floods & river erosion, seasonal labour migration, linked marketing of paddy, maize and potato.

Key preliminary findings

1. Land use and cultivation management

- **Retention of family farm** (subsistence + pro- market focus)
- **Expanding space for new entrant farmer** (erstwhile landless wage labourers, meeting inputs & capital needs through service market, remittances, intra- household enterprises.
- **Landowning families meeting capital needs via leasing out and mortgaging out land** & thus facilitating absentee options- affinity with land reinforced by threats of legal rights (new laws), rising lease value)
- **Households dependent on only farming** income with no non-farm or remittance income face hard time- **restricted occupational mobility, propensity to lease out land.**

Key preliminary findings

2. Labour hybridity

- **Multi- functionality-** cash orientation, flexible work mode, seasonality internalized
- **Cross subsidization** for cultivation and family subsistence
- Substitution of labour, not only by machine but chemicals i.e. **weedicides/ pesticides**
- **Pressure on elderly male family labour increasing**, likely to **limit with age**, then what as **flight of labour** continues?, **machines/labour intensity** transformation increasing.
- **Older generation's dilemma-** happy **freeing the children from arduous farming job** but being left behind to take care of family cultivation in an **uncertain tight hired labour market**.

Key preliminary findings

2. Labour hybridity (Contd.)

- **Increasing feminization of cultivation**, homestead squeezing, visibility in fields & roads, school children supplement- lighter field work, helping male counterparts
- **Labour relations**: family + hired labour, **local + migrant labour**, **individual + organized group labour** under sardars, **time bound working hours**, **ready cash payment**, **meals disappearing-** increasing **commodification**, **advance booking** /precarity issues)
- **Next generations**: fractured **inter-generational bargains**, love for off-farm (outside locality), further **disarticulation/ rearticulation** of gender differentiated work.

Key preliminary findings

3. Rural finance

- Cash surplus from farming, remittances, labour wages, manual services
- Bank loans less significant, rare presence
- Micro-finance important for small- scale farming/ rural business, cushion for liquidity management
- NGO credit from multiple sources continues as a part of low income households 'Kisti' culture, enabling new investment, including mortgaging lands & buying animals (i.e. savings in bank)
- Decline of family draft livestock in favour of more income targeted specialist livestock investment, supplementing cash needs for farming.
- Outsider big business competing local businesses in rural towns, land price rising fast, enhancing shift of arable land to non-agricultural uses, rising mortgage values to the detriment of renter- farming.

Key preliminary findings

4. Penetration of new capital goods- articulation/ disarticulation

- **Shrinking of technology** in scale (pumps, tillers, threshers, CH) adapting to land fragmentation of small -scale farming.
- **New capital goods** i.e. plastic lay pipes, grass choppers and nylon sheets & nets, replacing use of jute for ropes)
- **Saw mills & carpentry, grain milling, leather machines, tapping** remittance & outside capital establishment creating local employment.
- **Unreliability of lumpy technology**, inadequate after sale services increases **dependency on distributors** (esp. subsidized machines and spareparts).

Key preliminary findings

5. Market linkages- supply chain

- In all locations, **supply chain backward linkages** (input & service delivery) appeared **better** than **forward linkages** (product marketing, processing etc.), **better for cereal than horticulture**.
- **Dependence on external actors** i.e. local input dealers and service providers **increases- first & last mileage**, affecting production and profit margins, inputs quality, esp. pesticides overuse.
- **Dealer's dilemma-** loser in own cultivation- gainer as commission agents, pushing unnecessary pesticides.
- **Product market-** although more integrated, captured by network of local aratders/ grain traders linked with upper end market players, fixing the price.
- **Small farmer's hopes and despair** is the rule of the game, **local traders & Faria/ Beparis** are themselves also farmers.

Key preliminary findings

6. New actors in rural space

- **New entrant farmers, wage labourers, transporters**, seed, fert & pesticides dealers, owners of tubewell, power tiller, threshers & combine harvesters, aratders, beparis, contract growers, nursery operators.
- **Big actors- small actors two way relations-** expansion of business through agency connections and price fixation and **marginalization of small new business through brand restriction and credit sales.**
- **Who gets how much? Re-distribution of returns-** about 30% of returns going to material inputs & machine services, 19% to fam labour & 22% to hired labour, about 3/4th to cash expenses, 1/4th to family labour.
- 40% for inputs/ machinery dealers, 60% to labour, including 32% for hired labour).

Input output shares

Sl. no	Cost items	% total cost	% gross return
1	Inputs (Seed, fertilizer, pesticides, weedicides)	18	13
2	Machine services	23	16
3	Family labour	27	19
4	Hired labour	32	22

Interim Insights from Field Evidence: Rentier-Contractor 'Dualism'

- Significant retention of diverse small- scale farming, consolidation to accommodate lumpy technology and raise productivity by operation rather than ownership.
- Allows new entrants (erstwhile landless wage labour) via leasing, mortgaging & sharecropping
- Alongside both increasing corporate forms of agriculture, through contracts and operational consolidation.
- The retention of small- scale farming embodies some evidence of technology adapting to land use and tenure via 'shrinking' or 'de-lumping' or disaggregation, alongside our original hypothesis of land use/tenure adapting to more lumpy technology and custom hire services.

Interim Insights from Field Evidence: Rentier-Contractor 'Dualism' (Contd.)

- **Landowner's decisions to leave cultivation** influenced by several factors: -
-inter-generational labour flight; constrained access to and management of wage labour; outmigration to other opportunities; risk aversion under new cropping conditions; easy receipt of total lease payments at a time.
- However, **wage labour constraints compel** some use of elderly family labour, and also feminization of family labour as an alternative to family quitting cultivation, .
- This 'hanging on' to family cultivation is driven by **subsistence objectives** and **retention of either some land under full control** (annual) or at least seasonal for subsistence cropping (lower input aman/rabi & labour intensive veg/ field fruits).
- This subsistence motivation can be attributed to an **affinity to land**, insurance and **household food security**, a hedge against inflation and other shocks/hazards.

Interim Insights from Field Evidence: Rentier-Contractor 'Dualism' (Contd.)

- Dualism of rentier options—either to larger scale operational consolidation, or to small- scale cultivation by the new entrants occur via forms of leasing and mortgaging which transfer land use de facto for operation but not de jure for ownership.
- Subject to further testing, two major explanations for the rentier-contractor aspect of the disarticulation-rearticulation thesis and disappearance of the family farm in traditional form are advanced:
- First- pressure of increasing land and labour productivity, through the principle of allocative efficiency (land, labour and capital) stimulated by the availability of 2nd phase green revolution technologies i.e. **land use adapting to technology.**

Interim Insights from Field Evidence: Rentier-Contractor 'Dualism' (Contd.)

- **Second-** the affinity to land drives **rentier solutions** for those who need to **quit cultivation per se**, without transferring their land titles. This second explanation is compatible with smaller scale, personally managed farming which, requires the technology to adapt (via shrinking or divisive use) to land size and new forms of land tenure and reasonably competitive ag service market.
- **Finally**, this study is aware of, but not yet examined, **corporate agribusiness** beginning larger consolidated cultivation of HVC either for export or processing (e.g. contract growing of potato, seeds, aromatic rice, spices, orchard).

Thank you