

Bangladesh Experience in Rural Development: The Success and Failure of the Various Models Used

KAZI ALI TOUFIQUE*

This paper describes the experience of rural development in Bangladesh by (i) highlighting the key stylized facts about the dynamics of the rural economy, (ii) summarising the key approaches, policies and programmes adopted for rural development, and (iii) making recommendations for improvement of rural development strategies. The rural economy has become more complex due to the growth of the non-farm sector, migration, commercialisation, development of infrastructure and appearance of new actors such as the NGOs. Farming still plays a critical role but not the central one and rural development strategy has to be more cross-sectoral and multi-occupational in approach.

Keywords: Bangladesh, Agriculture, Non-farm Sector, Rural Development

I. INTRODUCTION

Bangladesh government puts a high priority on agriculture and rural development for reducing rural poverty and improving the food security of the poor. The importance of rural development is recognized in the constitution of Bangladesh:¹

The State shall adopt effective measures to bring about a radical transformation in the rural areas through the promotion of an agricultural revolution, the provision of rural electrification, the development of cottage and other industries, and the improvement of education, communications and public health, in those areas, so as progressively to remove the disparity in the standards of living between the urban and the rural areas.

Though the relative size of agriculture in terms of output has shrunk substantially, its importance in employment generation, food security and poverty alleviation has not been diminished. Bangladesh has to produce more from less, particularly with a dwindling natural resource base, to feed a growing population. Between 1973 and 2011, the net cropped area in Bangladesh has

* Research Director, Bangladesh Institute of Development Studies (BIDS), Dhaka, Bangladesh.

¹http://bdlaws.minlaw.gov.bd/print_sections_all.php?id=367.

fallen by an average annual rate of 0.2 per cent, while the gross cropped area has increased by 0.6 per cent per annum.²

The rural landscape also changed in many ways. The non-farm sector has grown rapidly and the livelihoods of the rural population have been heavily diversified. Migration has become an important source of household support, local shops sell seeds and other agricultural inputs produced by the private sector and the village bazaar has become more vibrant.

Note that the constitutional obligation to promote rural development rightly addresses important strategies such as rural electrification, education, health and removing the disparity between rural and urban areas of Bangladesh. These fit very well with the context of current rural change, as highlighted by Toufique and Turton (2002:22):

The livelihood strategies of many of the rural poor continue to straddle both agricultural and non-agricultural activities. The critical conclusion to be drawn is that rural development cannot be confined to a sectoral box, but has to adopt a holistic view of the local economy and its changing mix of livelihood opportunities.

Given this context, the main purpose of this paper is to describe the experience of Bangladesh in rural development. In particular, the paper aims to:

- highlight the key stylized facts about the dynamics of the rural economy of Bangladesh (Section II).
- summarise the key approaches, policies and programmes adopted and followed for rural development, and how they have contributed to the current status of the rural economy and people's life in Bangladesh (Section III).
- make recommendations for improving present rural development strategy (Section VI).

II. DYNAMICS OF RURAL ECONOMY OF BANGLADESH

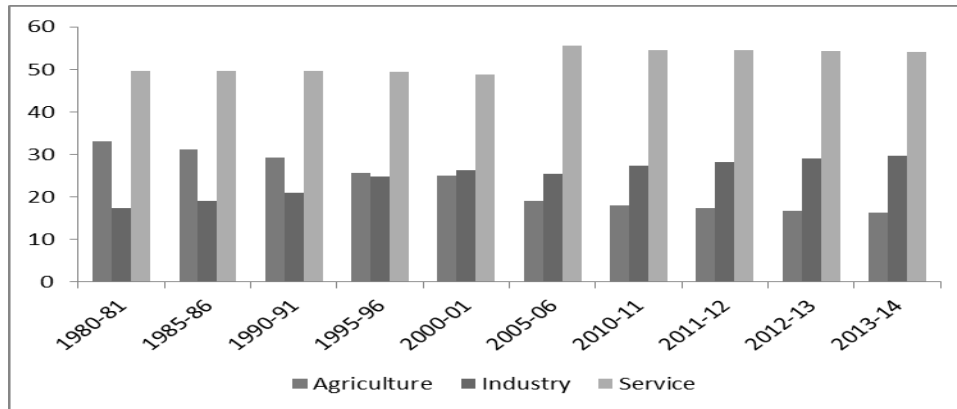
2.1 Structural Transformation of the Bangladesh Economy

Over the last thirty-five years, the economy of Bangladesh has gone through a substantial sectoral shift (Figure 1). While in 1981 the agriculture sector contributed to about a third of GDP, this share came down sharply to 17 per cent

²Taslim, M A, "Food grain production and self-sufficiency," *Financial Express*, December 30, 2012.

in 2014. The share of industry has increased from 17 per cent to 30 per cent during the same period. The service sector, the largest component of Bangladesh GDP, increased from half of GDP in 1981 to 54 per cent in 2014.

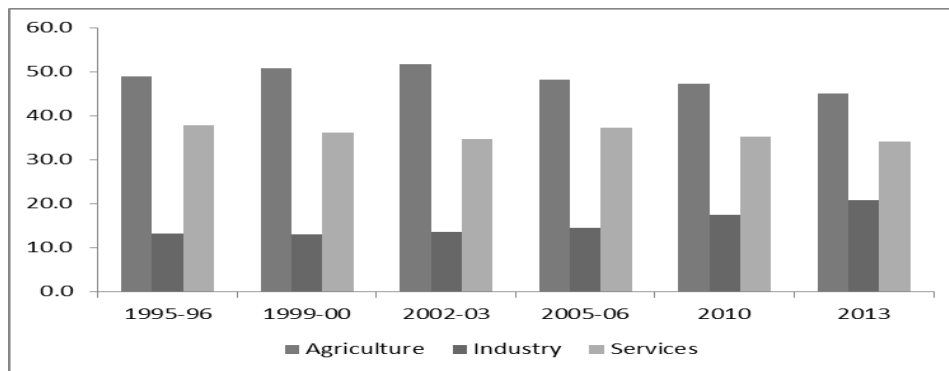
FIGURE 1: Structural Transformation of the Bangladesh Economy (1981-2014)



Source: MoF (2014).

Though the share of agriculture to GDP has been steadily declining, it continues to employ most of the labour force of Bangladesh (Figure 2). During the second half of the 1990s, it provided about half of the total employment, but from 2005 onwards, its share has been slightly declining and that of industry increasing. Employment in the service sector has also been declining from 2005. Industrial employment is, therefore, now compensating for this relative decline in employment in agriculture and service sectors.

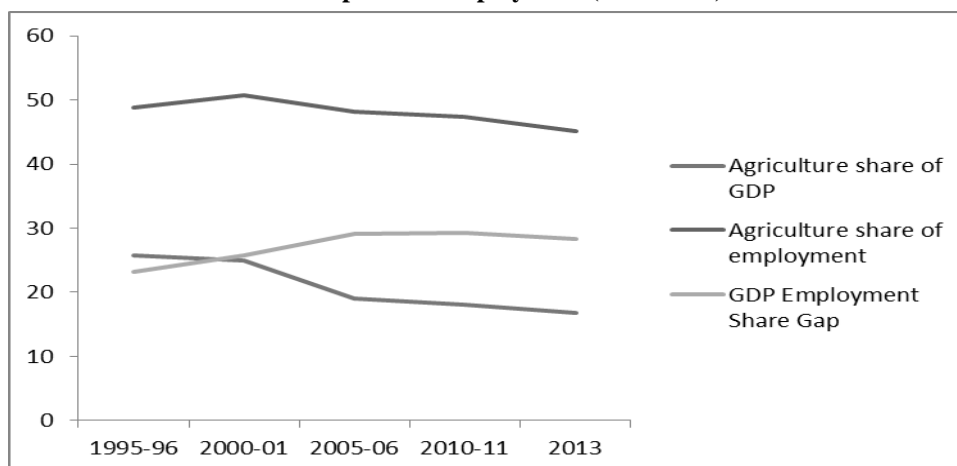
FIGURE 2: Structure of Employment in Bangladesh 1996-2013



Source: Compiled from various reports.

Only 16 per cent of GDP was produced by the agricultural sector by employing most of the labour force (to be precise, 45.1 per cent in 2014), which indicates that average productivity of labour in this sector is low and a large part of the rural population is still impoverished. Figure 3 plots contribution of agriculture to GDP and to employment and the gap between them. It shows that this gap has hardly reduced between 2005 and 2013.

FIGURE 3: Comparison of Contribution of Agriculture to Output and Employment (1996-2013)



Source: MoF (2014).

Though the extent of poverty has been steadily declining in Bangladesh, most of the poor still live in the poor area (Table I). Rural poverty has always been higher than urban poverty, and extreme poverty is heavily concentrated in the rural areas.

TABLE I
POVERTY TREND IN BANGLADESH 2000-2010

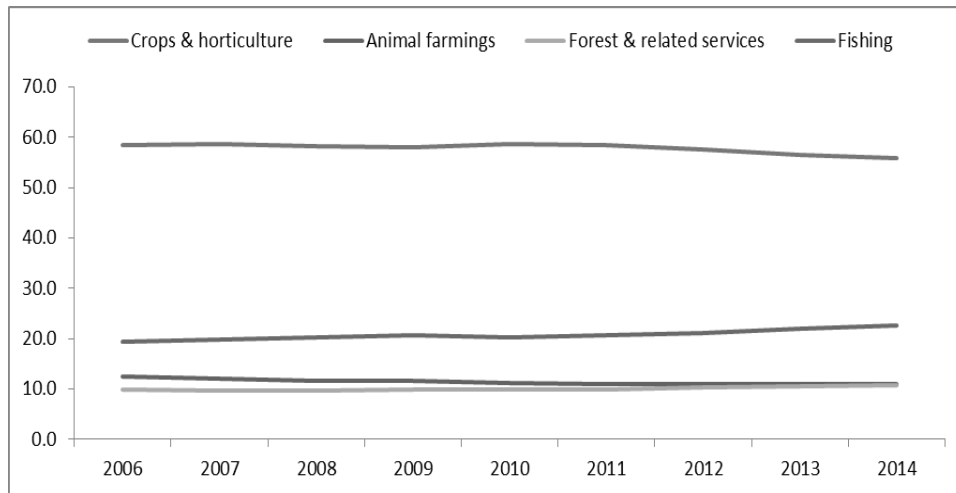
Poverty group	2000			2005			2010		
	Rural	Urban	National	Rural	Urban	National	Rural	Urban	National
Extreme poor (%)	37.9	20.0	34.3	28.6	14.6	25.1	21.1	7.7	17.6
Moderate poor (%)	14.4	15.2	14.6	15.2	13.8	14.9	14.1	13.6	13.9
Non-poor (%)	47.7	64.8	51.1	56.2	71.6	60.0	64.8	78.7	68.5

Source: HIES survey reports.

2.2 Transformation of the Rural Economy of Bangladesh

The production structure of the agricultural sectors in Bangladesh (Figure 4) has not experienced noteworthy changes between 2006 and 2014. Crop and horticulture sub-sector dominates more than half of total agricultural product (55.8 per cent in 2014). The second largest component comprises the fisheries sector, contributing 27 per cent. This sector has the highest rate of growth: 6.32 per cent as against 3.7 per cent in the crop sub-sector during 2006 to 2014. Crop and livestock sub-sectors have a declining relative share, while fisheries sub-sector is increasing.

FIGURE 4: Agricultural Production in Bangladesh 2006-2014



Source: MoF (2014).

Though agriculture has not seen any drastic change in terms of composition, noteworthy changes have taken place in technology (spread of irrigation, use of power tillers, etc.), in agrarian contracts (a move from share-tenancy to fixed rental contracts) and in the integration of the village economy with markets.

Toufique and Turton (2002) undertook an exploratory study to understand the changes in rural livelihoods in Bangladesh. The study was based on field level observations, involving several visits randomly made to various parts of Bangladesh, and it gathered information from discussions with farmers, male and

female workers, shop-keepers, input dealers, etc. The following excerpt summarises the key conclusions made from the study:

The phrase “rural Bangladesh” no longer means what it once did. We believe it to be out of date as the distinction between urban and rural life is no longer clear cut. Powerful external economic forces, including those of globalisation and the expansion of physical infrastructure – especially roads and bridges, rural electrification and the growth of marketing outlets – are creating a rural landscape that is increasingly “urban” in character, and have radically transformed village life. New livelihood opportunities are emerging – often in the non-farm sector. The numbers of small shops, tailoring and other craft enterprises, rickshaw pullers, petty traders in villages and local bazaar centres have grown substantially. Remittances now form a critical part of the rural economy.... The traditional image of the peasant farmer sitting at the centre of the rural economy has long disappeared from much of rural Bangladesh. The reality is that rural households are as likely to be involved in non-agricultural livelihoods as they are in farming and, increasingly, they derive incomes from multiple sources (22).

Figures of rural employment show that though farming and agricultural labour comprise the bulk of rural employment, their share has declined from 53.8 per cent in 2000 to 48.8 per cent in 2013 (Table II). On the other hand, the share of non-agricultural labour and business has increased.

TABLE II
SHARE OF RURAL EMPLOYMENT (%)

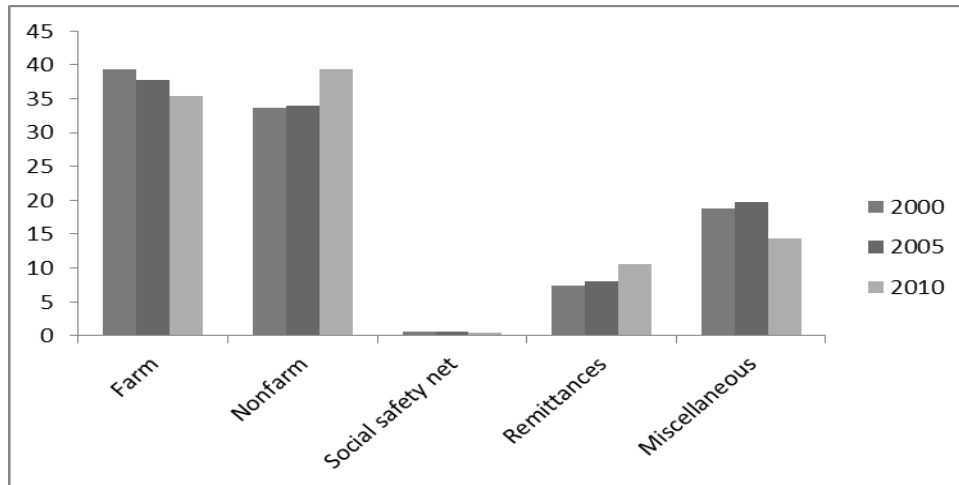
	2000	2004	2008	2013
Farming	42.1	46.3	43	39.6
Agricultural labour	11.7	10.1	11.8	9.2
Non-agricultural labour	3.9	2.8	3.3	6.3
Business	15.8	14.5	14.4	18.4
Transportation	7.0	6.2	6.9	6.5
Low-skilled service	8.1	7.6	8.5	8.0
High-skilled service	11.4	12.6	12.1	12.0

Source: Mahbub Hossain Panel Data from Gautam and Faruquee (2016:24).

A similar trend can be observed in the composition of rural income (Figure 5). While the proportion of farm income has continuously declined, that of non-farm income has increased significantly. The increase is particularly significant

in the second half of the decade. It is observed that remittances increased substantially again during the second half of the period. Zhang, Rashid, Ahmed and Ahmed (2014) have shown that agricultural real wages in rural Bangladesh have increased during this period due to an increase in non-farm income and increasing inflow of remittances. This confirms the pattern of changes of rural livelihoods taking place in Bangladesh, as emphasised by Toufique and Turton (2002) from their field observations.

FIGURE 5: Share of Rural Income from Different Sources (%)



Source: Zhang *et al.* (2014).

However, recent data from the Bangladesh Bureau of Statistics (BBS) show that real wages in agriculture have been declining. Considering 2010-2011 as the base year value of 100, we notice that real wages have declined to 92.3 in 2014-2015 (Taslim 2007).

III. KEY APPROACHES, POLICIES AND PROGRAMMES

The rural development approaches, policies and programmes undertaken in Bangladesh followed the path of global thinking on rural development (Table III). Agriculture took the central position in the 1950s and 1960s and the state realised that existing institutions and technology would not help develop the rural economy. Local formal institutions were weak and lacked a development focus

and, hence, it took an active role in promoting community-led development strategies. In Bangladesh, this period is ushered by the development of V-AID or Village Agriculture and Industrial Development programme. In the 1960s and 1970s, the debate concerning the possibility of agricultural growth with small farms gained currency. It was widely believed that the small farms were more productive than the large farms. Bangladesh represented a typical country where one has to devise a mechanism for growth, based on small farms, as large farms were few in number. Again, agriculture held the key position and the Comilla Model became popular. The integrated rural development strategy dominated rural development thinking in the 1970s and 1980s. In Bangladesh, this took the form of extending the Comilla model to the rest of the country and Bangladesh Rural Development Board (BRDB) was formed. From the 1980s, markets were liberalised as a part of the structural adjustment programme and the role of the state was curtailed. The main strategy pursued by the Government since the 1980s involved the development of physical infrastructure, including roads, storage and markets, irrigation, minor drainage and flood control works and employment of the rural poor (Mandal and Das 2010). At the same time, from the 1990s, participation became a buzzword and the NGOs started to expand their presence in the rural areas, particularly with microcredit operations. The involvement of the NGOs in the rural areas spread to health, education, water, sanitation and so on.

TABLE III
RURAL DEVELOPMENT APPROACHES, POLICIES
AND PROGRAMMES IN BANGLADESH

Approaches	Period	Agents and focus	Rural dev. projects
Community development	1950s-1960s	State-led, productive sectors (agriculture)	V-AID
Small-farm growth (small farm efficiency debate)	1960s-1970s	State-led, productive sectors (agriculture)	Comilla Model, RWP
Integrated rural development (basic needs)	1970s-1980s	State but slowly addressing social sectors	IRDP, <i>Swanirvar</i> (self-reliance)

(Contd. Table III)

Approaches	Period	Agents and focus	Rural dev. projects
Market liberalisation	1980s-1990s	State role trimmed and markets increased, small government interventions, NGOs dominate, more focus on social sectors	Government projects becoming smaller, NGO projects spreading, GO-NGO projects coming up
Participation	1980s-1990s	NGOs key agent in rural development and main focus on social sectors	Many small government projects, NGO projects, GO-NGO projects
Poverty and inequality	1990s-now	Poverty, employment, water, sanitation, financial inclusion	Many small government and donor-supported projects, NGO projects, GO-NGO projects. <i>Ektee Bari Ektee Khamar</i> project, Char Livelihood Programme (CLP), Comprehensive Village Development Programme (CVDP), Making Markets Works for the Jamuna, Padma and Teesta Chars (M4C), etc.

Source: Compilation by the author.

The Seventh Five Year Plan states that the goals and objectives of rural development strategy encompass activities that have poverty alleviation at its core through employment and income generating activities, use of co-operatives, and increasing access to finance for the rural poor, particularly women. Rural development strategies include employment generation and poverty reduction, training, agricultural development and enhancing employment opportunities for the marginal population. It also includes providing microcredit, increased access to safe water, sanitation, agriculture value chain development, marketing of agricultural produce, institutional development and capacity building (GoB 2015).

IV. A COMPARATIVE ANALYSIS OF VARIOUS RURAL DEVELOPMENT MODELS AND THEIR EXPERIENCES IN BANGLADESH

Community development has been the cornerstone of rural development in Bangladesh. Community-based rural development can be viewed as the participation of people, particularly of the poor, women and the excluded, in improving their livelihoods. On the other hand, community organisations are institutions and groups formed, either by the community itself or by development projects, for pursuing the goal of rural development. These institutions can be formal (that is they are registered or legally recognised) or informal (unregistered or having less legal status, etc.). It is widely believed that community development can change power relations and provide agency or voice to the poor by making development more inclusive, improving governance and channelling more resources to the poor.

The idea of “self-help” or “self-reliance” formed the basis of developing rural community organisations and dates back to the development of Gandhian philosophy. The well-known “Comilla Model,” introduced around the turn of the decade of the 1960s, was scaled up from the district of Comilla, where it was first implemented, to other districts of Bangladesh in the name of IRDP or Integrated Rural Development Programme. Subsidised inputs were delivered to farmers’ co-operatives along with extension services; the irrigated area was expanded along with the supply of agricultural implement and promotion of new seed. These co-operatives also developed a mechanism for generating group savings (Khan 1979). Group savings were thought as a mechanism for becoming self-reliance because of high costs of borrowing and domination of exploitative moneylenders who charged exorbitant interest rates. This co-operative-led rural development was accompanied by the expansion of public works programmes, where the poor were provided employment during the slack season to help them survive during the lean period when work was scarce (Alamgir 1983). After the independence of Bangladesh, community-based development was widely observed in a diverse range of areas, particularly in natural resource management (various forms of community-based fisheries management, social forestry and community forestry programmes) and in other sectors (livestock, water, health, electricity, etc.). A group-based community approach is also observed in microcredit groups formed by the microcredit institutions that have extended their reach to almost all corners of Bangladesh.

4.1 Village Agricultural and Industrial Development (V-AID) (1953-1961)

V-AID or Village Agricultural and Industrial Development programme was launched in 1953 with the technical assistance from the United States.

The principal object was to broaden the perspective of the small farmers as much as possible by instructing them in aspects of agriculture, irrigation, road construction, public health, basic education, cottage industry, co-operatives, and social recreation (Mellema 1961:12).

The V-AID programme was considered as a community development programme and was labelled “rural development from below” (Mellema 1961: 12). The entire country was divided into “Development Areas.” Twenty village workers (5-10 being women) were assigned to an area; they were trained in V-AID training institutes for a period of one year. The programme was later integrated with the Basic Democracy System initiated by Ayub Khan. Basic Democracy was a four-tier local government system launched by the military government of Mohammad Ayub Khan in 1959, consisting of Union, Thana, District and Divisional Councils. However, the programme largely failed to take roots, as little attention was given to institution-building and community organisations at the grassroots, and all supports were ultimately withdrawn from the project in 1961.

4.2 Rural Works Programme (RWP) (1962)

The Rural Works Programme (RWP) was launched in Bangladesh in 1962 with the idea that “if money is injected into rural areas, (it) will increase the purchasing power of the people and, thus, the demand for consumer goods will increase, which will lead to the development of local industry and hence jobs and employment.” The RWP was executed through the Basic Democracy System in the 1960s. The objectives of the RWP were to improve the quality of life of rural people through the utilisation of the local resources and local leadership and public participation and to provide small physical infrastructure. It also aimed at providing gainful employment by implementing projects of local importance, and it trained local people in planning and implementation of self-help projects.

After independence, the relief objective got priority, and emphasis was given on achieving food grain self-sufficiency by developing irrigation infrastructure and providing employment opportunities to the landless labourers. The RWP failed for many reasons. Projects were often selected with little regard to locally

felt needs and some of them were poorly formulated and implemented. There were delays in the release of funds and some contractors used heavy machinery to complete projects rather than providing more jobs to local people. The RWP did, however, contain elements of community development (Alamgir 1983). The leaders had to plan development projects and often show some results. Existing evidence shows that employment increased.

4.3 Comilla Model (1959-)

In all of South Asia ... the Comilla programme has been the most successful of all the schemes and projects designed to further rural development (Blair 1978:77).

To simultaneously address problems caused by the inadequacy of both local infrastructure and local institutions, the Comilla Model integrated four distinct components in every Thana (sub-district) where it was implemented:

- a. establishment of a training and development centre TTDC (Thana Training and Development Centre),
- b. a road-drainage embankment works programme,
- c. a decentralised, small-scale irrigation programme, and
- d. a two-tiered cooperative system, with primary co-operatives operating in the villages, and federations operating at Thana level.

4.3.1 Co-operatives

The village was considered to be the centre of rural development activity. Small and medium farmers were organised with the hope that they will adopt new agricultural technology and will not be exploited by the moneylenders. A two-tier system was developed with the primary village level co-operative (KSS or Krishi Samabaya Samity or Agricultural Co-operative Association) tied to the federation at the Thana level co-operative called Thana Central Co-operative Association (TCCA). Each primary co-operative elected a management committee consisting of 6-12 members who, in turn, selected their representatives (a model farmer and a manager) who liaised with the TCCA. Trainings were imparted and savings mobilised from the members of the co-operatives; credit was also distributed among them. Many activities were heavily subsidised, but self-sustaining co-operatives were envisaged in a longer time.

This programme recognised that it could not exclude the large farmers from the benefits of the project and it also excluded those who did not own land.

4.3.2 Thana Training and Development Centre

The TTDC was located at the higher tier to impart training to the officials of the primary co-operatives in an advanced method of farming.

4.3.3 Road-drainage Embankment Works Programme

The purpose of the programme was to create employment for the poor, particularly during the slack seasons. The state financed the costs of this programme.

4.3.4 Irrigation Programme

The central agencies provided small-scale irrigation projects for irrigation water in the dry season for a fee paid by the irrigation groups as a rental for the use of irrigation equipment. They also provided credit to meet the costs of irrigation equipment.

The impact of the Comilla experiment on increasing crop production was clear. Yields of *aman* crop in the experimental area were found to be more than 200 per cent than those in adjacent areas (Blair 1978, Khan 1979). While Bangladesh was able to increase the yield of IR-8 by half, the Comilla Kotwali Thana was able to increase it by 250 per cent (Blair 1978). All types of farmers gained from participation in the co-operatives, but it was the middle and the large farmers who were able to increase the production most. The yield of crop of the members was found higher than those of the non-members (Khan 1979). The experiment had spillover effects, as non-members gradually started to use modern techniques and inputs and increased yield. Limited evidence supports that nominal wages increased, but there is no conclusive evidence on increase in real wages.

The success of the programme owed a large part to the role played by Akhter Hameed Khan. The programme was also extremely self-critical and published the results and finding of the studies without any censor. The role of the government was also positive (Khan 1979).

The Comilla Model was meant for small and middle farmers. The large farmers derived benefits from subsidised credit and material inputs. Nothing was directly offered to the landless, although some of them benefited from increased

employment in farms and from the works programme. Gradual elite capture of the community has also been found. The Comilla-type cooperative was infiltrated and turned into tools of domination by the relatively well-off farmers (Abdullah, Hossain and Nations 1976:230).

The pioneer of the model, Akhter Hameed Khan admitted this openly:

it was by no means a panacea for the misery of the landless. Nor was it, as I have recently heard, an attempt at redistribution of incomes. ..it could neither furnish full employment nor lessen the disparity between owners of land and hired hands. In fact, better drainage, link roads and irrigation substantially enhanced the value of land and its rent. The unearned increment of the landowners was a hundred times more than the wages earned by the labourers. Even an elementary student of economics should know that it would be so as long as ownership is not transformed. I did not tout the Works Programme as instant socialism.

The success of Comilla depended partly on the very fact that it was an isolated example. Research, money and administrative skills were concentrated in a small experimental area. Duplication was constrained by a steeply rising supply curves for these resources, particularly for extension workers, with the requisite amount of zeal and dedication. National level organisations were notoriously prone to bureaucratisation, with attendant red-tapism, hardening of controls and loss of local initiative (Abdullah, Hossain and Nations 1976: 225, Bose 1974).

After Khan's departure from Comilla, the cooperative's model failed in independent Bangladesh, because only a few occupational groups managed to achieve the desired success. By 1979, only 61 of the 400 co-operatives were functioning. The model actually fell prey to the ineffective internal and external controls, stagnation and diversion of funds.

4.4 Integrated Rural Development Programme (IRDP) (1972-)

In 1972, the government activated the Integrated Rural Development Programme (IRDP) to replicate and expand the Comilla Model in other parts of the country. The IRDP aimed at expanding agricultural co-operatives to a far broader area of the country and combine with elements of a number of other development programmes that included credit, irrigation, training, inputs, etc. Later, the programme was transformed into an institution called Bangladesh

Rural Development Board (BRDB). BRDB was assigned to develop the cooperative system and implement various rural development programmes.

The basic objectives of the IRDP were to create an institutional infrastructure to promote the effective utilisation of the resources available for development and to serve as a vehicle for carrying out development programmes and to organise peasants into permanent, cohesive, disciplined, voluntary cooperative groups at the village level and to federate village co-operatives at the thana level. It also purported to organise and develop the TCCA into a strong development agency which would promote technological and social innovation, provide supervised credit, help capital formation, arrange input supplies and services, and organise continuous training programmes for the Village Cooperative Society (VCS) representatives. It sought to develop local leadership through participation in the cooperative activities in TCCA and VCS, and to help TCCAs and VCSs attain self-sufficiency in management and finance (Haque 1975).

Empirical data generated by CIRDAP (Centre on Integrated Rural Development for Asia and the Pacific) reveal that introduction of IRDP had been very successful in boosting agricultural production, but social equity had not been addressed adequately. Powerful village groups, primarily large farmers, continued to maintain control over various resources. On the other hand, landlessness, unemployment, and level and incidence of poverty increased significantly (Aminuzzaman undated).

A similar view is expressed by Abdullah, Hossain and Nations (1976, 253):

This does not mean that the IRDP programme is irrelevant to the transformation of Bangladesh's agriculture, but that its two main goals-increased production and greater equality-remain mutually inconsistent in the context of the existing distribution of land: to the extent, the first is fulfilled, the second is subverted.

4.5 The *Swanirvar* (Self-reliance) Movement (1967-1978)

The *Swanirvar* movement was launched in 1967. It was initially an isolated, self-help programme geared at increasing agricultural production and reducing population growth. Like the Comilla Model, it was a model developed by an individual called Mahbub Ali Chashi but later sponsored by the State. District officials were involved in the running of the project and first *National Swanirvar Conference* was held in 1975. The second convention was held in 1976 and decided to continue the movement as a non-political way and wanted to establish a self-reliant village in each Thana. The idea of village government (*gram*

sarkar) was introduced. This approach was hindered by factionalism and disputes, elite capture and unequal distribution of benefits. The programme was officially cancelled in 1978.

4.6 Ektee Bari Ektee Khamar (2009)

The name of this project is One House One Farm (*Ektee Bari Ektee Khamar*) and it is implemented by the Rural Development and Co-operative Division, a Division under the Ministry of Local Government, Rural Development and Co-operatives. Under the project, 81,000 co-operatives are to be formed with the small and marginal farmers, Tk. 200 (US\$ 2.5) to be paid per month to each smallholder and a grant of Tk. 150,000 (US\$ 2,000) annually to each village cooperative. These activities would be carried through e-financial inclusion. The poor save Tk. 200 per month and the government provides an equal amount as matching the fund. The poor make investment plans, borrow from the village development organisation and repay the loan. The Seventh Five Year Plan document reports that:

In the last five years, the 22 lacs poor households saved Tk. 830 crore and the government provided Tk. 1,693 crore as grant to them. Thus, with government support a cumulative fund of Tk. 2,570 crore has already been developed for the poor. Out of Tk. 2,570 crore, Tk. 2,150 crore has been invested by the poor in 18.72 lacs small household farms. As a result of which, per capita income of those poor increased by Tk. 10,921, leading to a rapid reduction of the poor people in the project area. The government is planning to expand the programmes in all the villages of the country.

The beneficiaries are supported in many ways (credit, training, marketing support, etc.) so that they can make individual investment decisions. These investments are made in a wide range of activities such as in the crop, fisheries and livestock sectors.

V. RECENT TRENDS IN RURAL DEVELOPMENT PROJECTS IN BANGLADESH: A SMORGASBORD OF PROJECTS

Ektee Bari Ektee Khamar may be regarded as the key rural development project, currently in operation. Unfortunately, hardly any systematic evaluation of the project is available. This is true for many post-IRDP rural development projects implemented in Bangladesh. The Bangladesh Rural Development Board (BRDB), Rural Development Academy (RDA) in Bogra, Bangladesh Academy for Rural Development (BARD) and the Department of Co-operatives are

involved in implementing a large number of small projects, but they are not well documented. What follows from here is based on the author's experience from reviewing some rural development projects funded by donors and the government.

The following trends in current rural development projects are observed:

- a. A shift in focus from "peasant farmer sitting at the centre of the rural economy" to poverty reduction and from co-operatives to informal groups
- b. More involvement of NGOs and donors
- c. Rural development becoming multi-dimensional and multi-sectoral
- d. Appearance of the Local Government Engineering Department (LGED) as a key player
- e. Region-specific or targeted projects

The shift in focus from farmers to poverty reduction, in general, is obvious as most poor live in rural areas and they are not only farmers or agricultural wage labourers. Some rural development programmes have taken a targeted approach. These include asset transfer-based poverty reduction projects that tried to reduce extreme poverty such as Char Livelihoods Programme, DFID funded EEP (Economic Empowerment of the Poorest in Bangladesh) and CFPR-TUP (Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor) of BRAC.

While the co-operative approach is still followed in many projects, increasingly these co-operatives are kept informal (not registered) or fragile (they break up in a very short period). Groups are frequently formed instead of co-operatives. Replacement of co-operatives by groups was popularised by the NGOs, particularly through the spread of microcredit operations. In several donor-funded rural development projects, water bodies management was given to Beel Users Groups; in road construction projects, labour was organised by LCS or Labour Contracting Societies, a market constructed by the LGED being managed by Market Management Committees, a tube-well was looked after by Tube-well Management Committees, irrigation structures were managed by Water Management Committees, social forestry was undertaken by Social Forestry Groups and technology was transferred through Common Interest Groups. These groups were short lived, weak in acting collectively and

independently, lacked long-term vision and lived only on project activities, although in many cases functioned well for the purpose they were created during the course of the project.

The LGED has spread its expertise outside the rural infrastructure sector. Some projects were multi-sectoral. For example, the North Rajshahi Integrated Rural Development Project funded by the Islamic Development Bank (IDB) intervened in the health sector (by supplying equipment), sanitation (providing hygienic toilets), besides promoting homestead gardening. On the other hand, some projects targeted the chars (Char Livelihoods Programme) or the Haor areas of Bangladesh (Haor Infrastructure and Livelihood Improvement Project or HILIP) where poverty is more concentrated in specific parts of Bangladesh (ADB's Chittagong Hill Tracts Rural Development Project, or IDB's Integrated Area Development in Gopalganj, Madaripur, Shariatpur, and Pirojpur).

VI. CONCLUSIONS AND RECOMMENDATIONS

Bangladesh now has more than half a century of experience in rural development. This was carried out in adverse conditions: a war in 1971, several natural calamities, not to mention the political instability faced every now and then. The rural scenario changed from the dominance of the peasant farmers to the more thriving rural non-farm sectors, involving many actors and institutions. The farming-based rural development projects such as the Comilla Model or the IRDB soon lost their relevance and were replaced by new projects that took a holistic approach to address the problems of the whole rural sector, from education to sanitation and recently to climate change. Although the government still follows a co-operative-based strategy, these projects are increasingly being replaced by informal groups. New actors have emerged, particularly the NGOs. We consider the end effect of these more decentralised rural development efforts as positive. The Bangladesh “development paradox” shows that impressive progress in various social development indicators is achieved at a low level of income (Asadullah, Savoia and Mahmud 2014). While the positive role of the government played a part, the presence of the NGOs did contribute substantially to this achievement.

Some recommendations may be considered for improving current rural development strategy of Bangladesh:

1. Rural areas continue to become heterogeneous and complex. In many areas, the division between rural and urban has been getting blurred.

Rural development strategy should take this as a premise. It has to be more cross-sectoral and multi-occupational in approach.

2. Agriculture will continue to play an important role in the economy for some time, particularly in providing employment and supplying food to the growing urban population. Thus, farming may still play a critical role in rural development policy but not the central role as it did in the 1960s and the 1970s. Thus, rural development policy should continue to aim at increasing farm productivity.
3. The non-farm sector is likely to grow. There is an apparent duality in this sector comprising a slow-growing, home-based, labour intensive part and a dynamic, relatively more skill and capital intensive section. Rural development strategy in the future should take this duality into consideration, as the two parts need different interventions. Rural development should focus more on developing the rural non-farm sector and spread into peri-urban areas.
4. The development of rural markets has, to some extent, reduced the role of community based development in farming. There are now better ways of channelling agricultural inputs and capital goods rather than through co-operatives. Co-operative approach can be improved more in the sphere of marketing, storage, etc., as shown by the success of *Milkvita* co-operatives. Recent rural development projects, aiming at linking farmers to the market, can consider using co-operatives rather than small informal groups. However, it has to be kept in mind that community organisations are frequently captured by elites. There is no simple known way to handle this. Many development projects have included the elites, formally or informally. Sustainability of community organisations is heavily contingent on the existence of an enabling institutional environment (Mansuri and Rao 2004).

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