

STATE INTERVENTION IN RURAL DEVELOPMENT:
A CASE STUDY OF BANGLADESH

By

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Submitted for the degree of Doctor in Philosophy
in the Faculty of the Social and Environmental
Studies in the University of Liverpool

November 1990

I declare that no part of this thesis has
been previously submitted at this or any
other University for any degree, diploma or
qualification.

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Abstract

In spite of decades of development intervention, increasing poverty, inequality and unemployment are the stark realities of rural Bangladesh. This thesis argues that the actual beneficiaries of state-led rural development programmes are the rural elites, not the rural poor. The nature of the state, the administration of programmes and the rural class structure are identified as critical variables in the process of rural development. They serve a dual purpose: the maintenance of state authority and private accumulation by the rural elites.

Part I develops a theoretical framework for examining some aspects of state intervention in rural development. Conventional modernization theory conceptualizes the problems of rural development in terms of the 'traditional' isolation' of the rural society from the wider system. This study identifies the inadequacies of modernization theory and recognizes that there is a positive relationship, in the past and the present, between planned actions by the state and local processes. The nature of the state, the rural class structure and clientelist politics are identified as alternative explanations of state intervention in rural development.

Part II looks at the history of state intervention in rural development in Bangladesh. The outcomes of state-led rural development efforts coincide fairly well with changes in the socio-economic and political arenas. Part III examines the empirical evidence on two local development organisations, the Upazila Parishad and the Upazila Central Co-operative Association in Bangladesh.

The research findings indicate, firstly, that development intervention through these two local organisations has generated new sets of relationships; secondly, that these relationships serve to channel development resources in such a way that they strengthen the hold of the rural elite upon the rural base through new avenues of patronage and graft; thirdly, that along with land-based traditional elites, new actors have emerged in the countryside and proved their skill in taking a share of the cake; fourthly, that government officers are also systematically engaged in misappropriation; and fifthly, that the very nature of the organisations, the people involved in these and their dynamic social relations constrain access of the rural poor to state development resources.

The thesis thus reveals a coalition of interests between the central state and the rural elites. That the rural elites reap the benefit of state-led rural development programmes does not imply their ability to wrench rural development policy in their favour. Rather they are allowed to do so for the services they render to the larger centre of power by helping to exert social control, to create a political support base and to maintain state authority in the countryside.

Dedicated to:

- the memory of my father,
- my mother and
- my teacher, Mr. Atower Rahman.

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Acknowledgements

I have incurred a variety of debts in completing this thesis. My intellectual debts are many. First I would like to thank my supervisor, Dr. Colin Murray. His constant guidance, encouragement, intellectual insights, speciality in the subject, incisive criticisms, impeccable manner and friendliness have been of great value in the course of doing research and completing the thesis. I owe a great deal to him.

Thanks are due to Drs. Bola Dauda, S. M. Hashemi, G. D. Wood and Mushtaq Khan for their generosity in imparting their knowledge to me at various stages of the study. Dr. Dauda read all the chapters and gave valuable suggestions in regard to developing the arguments. Most gratefully I acknowledge the moral support he extended during my stay in Liverpool. Dr. Hashemi read the first six chapters. His help in structuring the arguments and thesis was enormous. Dr. Wood helped me in designing the field work.

I am thankful to my teachers, Professor L. H. Choudhury, Professor M. M. Khan, Dr. (Mrs.) N. N. Mahtab and Mr. Quamrul Alam of the Department of Public Administration, Dhaka University, for their encouragement and help at various stages of the study.

Mr. Morton Davies, Director of LIPAM, made himself available for every possible help. Two secretaries of

LIPAM, Joyce and Pamela, repeatedly assisted to me. I express my gratitude to all of them.

I thank all those who extended their helping hand in the field. I would especially like to mention the names of Mr. Manir and Mr. Bhutto, my research assistants in Belpur and Ranipur respectively. Their co-operation was instrumental in gathering a mass of information. I owe thanks and debts to a lot of respondents and informants, who volunteered information sincerely.

I am indebted to my friends, Hasan Mahmud, Habibur Rahman, Masud Hassan, Nayon, Mr. and Mrs. A. Goel and Drs. S. M Jahangir and K. Z. Mamun, for their help and encouragement - intellectual or otherwise.

I am grateful to the Association of Commonwealth Universities for providing me with a scholarship to pursue my research. Thanks are also due to Dhaka University authority for granting me an extended period of study leave.

I express my deepest gratitude to my mother, sisters and brothers for sustaining me emotionally under trying circumstances far from Liverpool.

Acronyms

ADB	Asian Development Bank
ADC	Additional Deputy Commissioner
ADP	Annual Development Programme
AL	Awami League
AO	Agricultural Officer
ARDO	Assistant Rural Development Officer
AUDP	Annual Upazila Development Plan
BADC	Bangladesh Agricultural Development Corporation
BD	Basic Democracy
BNP	Bangladesh Nationalist Party
BRDB	Bangladesh Rural Development Board
BS	Block Supervisor
BSS	Bittahin Samabaya Samity (Assetless Co-operative Society)
CI	Circle Inspector
CIDA	Canadian International Development Agency
CO	Circle Officer
CPB	Communist Party of Bangladesh
DC	Deputy Commissioner
DPD	Deputy Project Director
DTW	Deep Tube Well
FFWP	Food for Works Programme
FO	Field Organizer
GOB	Government of Bangladesh
HYV	High Yield Variety
IFAD	International Fund for Agricultural Development
IRDP	Integrated Rural Development Programme
IRWP	Intensive Rural Works Programme
JP	Jatya Party
KSS	Krishok Samabaya Samity (Peasant Co-operative Society)
LGEB	Local Government Engineering Bureau
MC	Managing Committee
ML	Muslim League
MBSS	Mahila Bittahin Samabaya Samity (Women Assetless Cooperative Society)
MSS	Mahila Samabaya Samity (Women Cooperative Society)
NGO	Non Government Organization
NWRDP	North-West Rural Development Programme
PIO	Project Implementation Officer
PD	Project Director
RDO	Rural Development Officer
RWP	Rural Works Programme
SAE	Sub Assistant Engineer
SIDA	Swedish International Development Agency
SO	Sectional Officer
STW	Shallow Tube Well
TCCA	Thana Central Cooperative Association
TTDC	Thana Training and Development Centre
TIP	Thana Irrigation Programme
UCCA	Upazila Central Cooperative Society
UO	Unit Officer

UZ	Upazila
UZIC	Upazila Irrigation Committee
UZIT	Upazila Implementation Team
UZC	Upazila Chairmen
UZP	Upazila Parshad
UNO	Upazila Nirbahi (Executive) Officer
UP	Union Parishad
UPC	Union Parishad chairman
USAID	United States Agency for International Development
XEN	Executive Engineer

INTRODUCTION

What is the Study about?

This study offers an analysis of the changing relationship between rural development and the state in Bangladesh. The central theme is that state intervention in rural development which is normally intended to benefit the poor actually strengthens the positions of the rural elites and reinforces existing inequalities in the rural areas. In support of this central theme, the following propositions are investigated.

1. The larger centre of power depends on the rural elites for establishing legitimacy and exerting social control. Rural development programmes act as a binding force in this respect.

2. Decentralization as a development policy instrument can play a vital role in rural development. While its role is recognized, the macro-political aspirations and rural class structure pose constraints on the implementation of programmes of decentralization. The state initiates decentralization policy in order to develop rural clientelism as a political force to counter urban clientelist coalitions, to create a support base and to extend state control to the rural areas. The rural elites, assuming practical responsibility for the management of government resources, make the rural delivery system an

instrument of their private accumulation and patronage distribution. Given the dominance of the agrarian and political structure by the rural elites in the rural areas, decentralization of development programmes has meant a decentralization of power into their hands. This has generated new avenues of politics, patronage and graft. Decentralization thus serves as a bridge between the state and the rural elites.

3. The bureaucratic mode of administration cannot accommodate the needs of the rural poor. On the one hand, the involvement of the bureaucracy in rural development is necessary to ensure access of the poor to government development resources. On the other hand, the style of bureaucratic administration precludes successful intervention in the complexities of peasant life, particularly at the poorer level. Further, the rural class structure makes it possible for the dominant rural classes to control access to development resources. Decentralization accentuates their advantage in this respect.

4. A new form of social and economic relationship seems to be emerging in the rural areas as a result of development intervention. Firstly, economic and political diversification has only consolidated the socio-economic and political position of rural elites. State patronage in this respect is an important factor. Secondly, along with land-based traditional elites, new actors - contractors

and rural touts, have emerged in the rural area and proved their skill in taking a share of the cake.

Selection of Programmes

Two local organisations were selected for an empirical investigation: the Upazila Parishad (UZP) and the Upazila Central Co-operative Association (UCCA). The selection of these two organizations suits the analytical purpose of the study. The Upazila lies at the juncture between the state and civil society. Under the reorganization scheme of the government, the Upazila has become the basic unit of rural development administration. While the 'democratic' Managing Committee of the UCCA has been functioning since 1972, the 'democratic' character of the UZP is a recent innovation. Different sets of relationships have evolved. The technical capability of government administration has been strengthened. The government has been placing enormous development resources at the disposal of the UZP. The system has strengthened the hands of representative members in general and the Upazila chairman in particular in the local development decision-making structure. Both the UCCA and the UZP provide ample opportunities of direct interaction between government officials and local elites; they illuminate the linkages between the state and wider society and show how state resources are used for personal accumulation and patronage distribution. The continuing debate on the relationship between politics, administration and rural development and their interaction with rural class

structure under the changing environment can only be grasped by looking at what is happening in practice at the grass-roots level.

As regards the Upazila Parishad (UZP), the investigation focused on the background of representative members (UZC and Union Parishad chairmen) and various aspects of Upazila development intervention. The latter included development expenditure for decentralized development, the politics and implementation of development programmes, patterns of personal accumulation and patronage distribution, the positions of labourers and the relationship between government officials and people's representatives. The foci of inquiry in respect of the UCCA were: the background and relationships of the directors of the UCCA Managing Committee, the growth and development of the UCCA in two Upazilas, performance of the UCCA, operation of four Deep Tubewell Command areas under co-operative ownership, the relationship between government officials and elected directors, performance of co-operatives for the poor and patterns of corruption and patronage distribution.

Methods of Inquiry

Data and information for the research were gathered from both primary and secondary sources. Field research was carried out for 9 months between August 1988 and of April 1989. The method of inquiry involved both participant and non-participant observation, including a questionnaire

survey. A questionnaire survey was mainly carried out for collecting data and information on socio-economic and political background of local leaders.

The content and nature of the study required a comprehensive survey of some rural development schemes. Many of the people concerned with these schemes were interviewed intensively. For this purpose, open ended-questionnaires for different schemes were administered. The group discussion method was specifically used for understanding the role of BRDB Co-operatives for the poor. While some important data and information could be gathered by using formal interviews and a structured questionnaire, these methods did not illuminate patterns of patronage and corruption, social and political linkages and intricate power politics within and outside local organizations. Investigation of these required more informal methods of inquiry, which often revealed a significant discrepancies between what the people said and what they actually did. There are obvious difficulties in undertaking such research, particularly in rural settings. In order to ensure objectivity, I routinely sought to cross-check my findings. While rumours and tea stall gossip provided background information, these were later substantiated by formal and informal talks with persons intimately concerned with the schemes. This was all possible because of my prolonged stay in two Upazilas.

The most important challenge for me was how best to relate

to local people in the study areas. I took a few days to make it clear to my suspicious respondents that I was sent neither by the government nor by any foreign agency. I clearly explained the academic purpose of the study. While poor respondents proved their trustworthiness in providing with necessary information, rich respondents did not entirely disclaim suspicion. At some points they were quite explicit when the question of factional conflict arose. Likewise, official respondents were interested more in talking about formal rules and regulations than in responding to my queries about relations of different kinds within and outside local organizations. All these problems necessitated the adoption of informal means for gathering information. My two research assistants in two Upazilas did a splendid job for me. Both of them were working as local correspondents for District-level newspapers. Monetary benefits did not lure them to co-operate with me. They were young and struggling to keep themselves aloof from local patronage networks. They were dreaming of a new social order. My enquiries about various matters may have made them think that they had found someone to whom they could express their grievances of social injustice and inequality. In fact these two young chaps made it easier for me to understand various aspects of rural development such as intricate power politics, linkages, patronage network and corruption.

Salient Features of Research Areas

Data and information were gathered from two Upazilas in Bangladesh: Belpur of Sirajganj District and Ranipur of Jamalpur District. This section is based on my personal observation and data and information provided by the Agricultural and Statistical Officers of Belpur and Ranipur. Considering the contemporary political condition in Bangladesh, I have used pseudonyms for names of some individuals and research areas.

While there are distinctive regional variations in rural Bangladesh, these are not as pronounced as those in other South Asian countries. Both Upazilas have some common features in terms of language, culture and religion. Despite these similarities, there is one striking difference. Ranipur is predominantly an agricultural area, whereas in Belpur the handloom cottage industry plays an important role in the local economy.

The total area of Belpur Upazila is about 157 kilometres, including a river area of 28 kilometres. The total population is 203,115. Population densities average about 1,290 per square kilometre as compared with a national average figure of 699 persons per kilometre of total area and 1,062 persons per kilometre of cultivable land.

Data and information provided by the Agricultural Officer reveal that 53 per cent of the total households depend on

agriculture for their livelihood. Among farm households, small farms (up to 2.49 acres) account for 76.15 per cent, medium farms (2.49 - 7.49 acres) 20.96 per cent and large farms (7.50 acres and above) 2.89 per cent. In terms of landownership, large farms own 20.48 per cent, medium farms 43.62 per cent and small farms 35.90 per cent of the operated land. The percentage of rural households which do not own any land is 32.86 per cent and 14.24 per cent own only four decimals (one decimal is equal to 0.01 acre) or less. Households belonging to this category are also regarded as landless. However, the total landless households account for 47.10 per cent of all rural households. This percentage of landlessness can be compared with that of the Land Occupancy Survey of 1977 (see Chapter 4), according to which households having less than 0.5 acre of land are functionally landless and constitute 50 per cent of the total rural households.

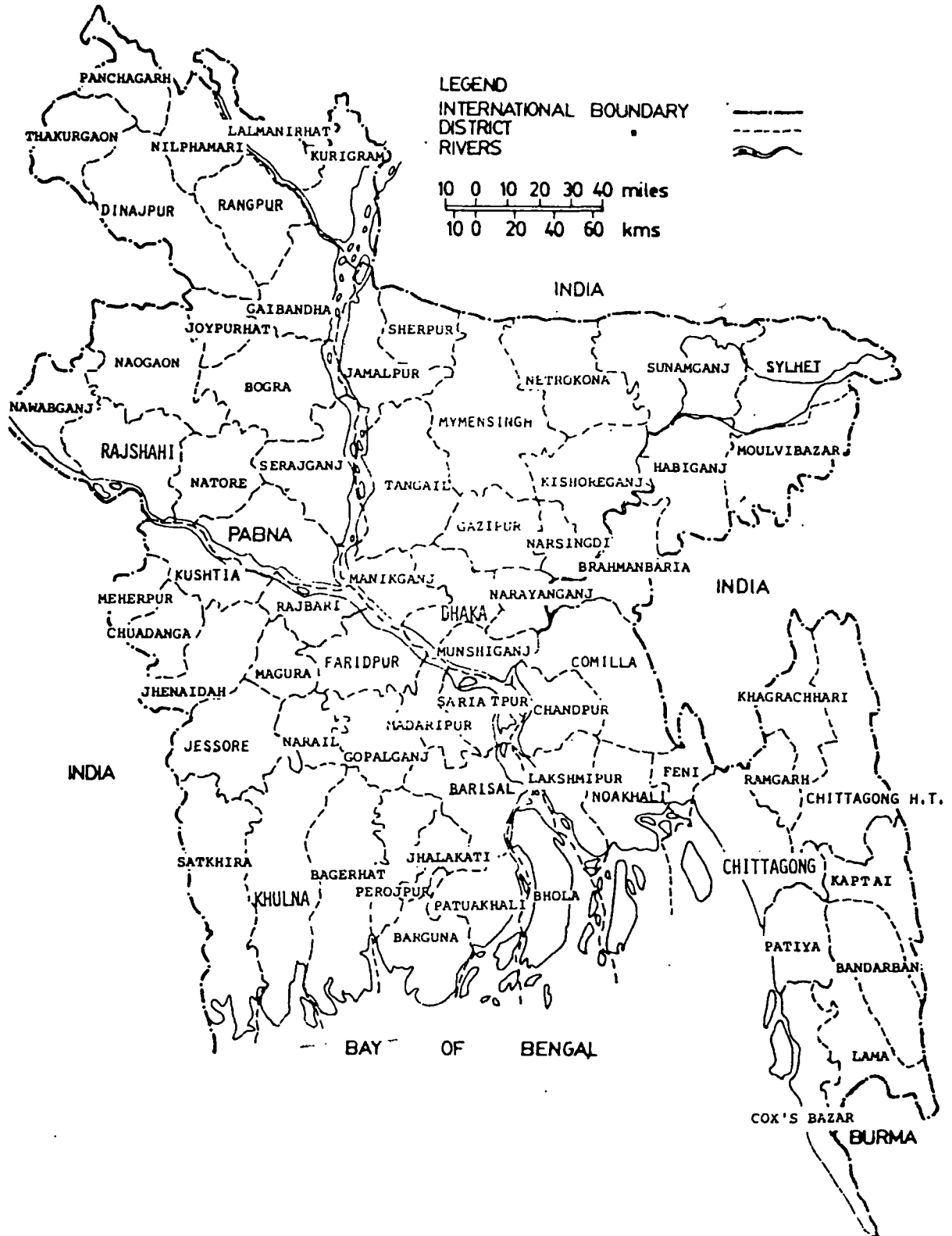
The population is composed of a predominance of Muslims and a declining minority of Hindus. An important feature of this area is occupation-based community. The villagers draw a distinction between weavers (karigar) and the cultivators (krishak). Generally these two categories of people do not inter-marry, although this is more true of the rural than the urban areas. It was found that many cultivating farm families, large or small, have entered the handloom business as part of their economic diversification. Likewise, many karigar families have large landholdings. Of course, this type of social categorization does not give insights into

actual social relations. For example, many wealthier karigar families have moved to urban centres and built separate business establishments. A large section of this category still live by selling their labour power. Accordingly, there are distinctive classes in the Krishak category. Conflict between the two categories is manifested only during elections. Candidates try to mobilize votes along this division. Sometimes horizontal solidarity is found between leaders of the two categories. For instance, the Upazila chairman belongs to the krishak category. Despite this social identification, he managed to solicit support from some wealthier karigar families.

Ranipur Upazila comprises a little more than 370 square kilometres, including a river area of 30.8 square kilometres. According to the 1981 population census, the total population of the Upazila was 221,114. The population density was 597 persons per square kilometre.

Historically Ranipur has been dependent on agriculture. According to Upazila statistics, 70 per cent of the total population of the Upazila depend on agriculture for their livelihood. The figure is almost similar to the national figure. Alternative employment opportunities are rare. The concentration of land is fairly high. The percentage of small farmer households is 67.49 per cent and they control 26.72 per cent of operated land. On the other hand, 4.89 large farmer households own 28.40 per cent of operated land. Of all rural households (39,622), 8,510 households depend on

Bangladesh : Zila (District) Boundary, 1984



sharecropping and 12,475 households are wage labourers.

The distinctive aspect of the agrarian structure of Ranipur is the widespread practice of moneylending. The Upazila Statistical Office confirmed that there were 328 professional moneylenders in Ranipur in 1988-89. The Upazila chairman admitted that the figure should be higher because there are many families which are classified as agriculturalists, but whose economic activities include moneylending. This phenomenon will be discussed in detail in Chapter 4.

Outline of the Study

There are three parts and eight main chapters. In Part I, the first chapter deals with the macro-level issues relating to state intervention in rural development. It provides an analysis of the socio-economic and political basis of rural development. Firstly, an attempt is made to interpret existing debates on the meaning of rural development. Secondly, this chapter pinpoints the conceptual ambiguity of modernization theory and posits the issues in concrete terms such as state, class and clientelism and their implications for rural development. The second chapter deals with micro-level issues relating to the activities of state institutions at the grass-roots level. This includes a discussion of the problems of access, of the myths of decentralization and of the implications of corruption for rural development.

Part II reinterprets the existing empirical material on rural development and the state in Bangladesh with the aid of the framework developed in Part 1. Chapter 3 discusses the relationship between the agrarian structure and the state in the colonial and post-colonial periods. Chapter 4 examines the relationship between the state and the agrarian structure in post-independence Bangladesh. Chapter 5 constitutes a detailed review of selected rural development programmes. While Chapters 3 and 4 give a general overview of the relationship between the state and the agrarian structure, Chapter 5 explains how the state actually operates in the countryside and what the actual development outcomes are.

In Part III, Chapters 6, 7 and 8 are based exclusively on my own empirical research carried out in two Upazilas. Chapter 6 analyzes various aspects of Upazila intervention with a focus on the politicization of the rural delivery system and the process of private accumulation by those who directly or indirectly control Upazila development activities. In Chapter 7, a review of the UCCA is made with the focus on growth and performance and the relationships of the actors involved in development activities. Chapter 8 points out incompatibility between the nature of development intervention and actual needs of the rural poor. The concluding chapter assesses the impact of rural development programmes in terms of agricultural growth, poverty alleviation, power relations and private accumulation.

PART ONE: THE NATURE OF THE PROBLEM

Chapter One: State Intervention in Rural Development

Introduction

In recent years, rural development as policy and practice has become a matter of increasing concern for Third World countries. Growing emphasis on rural development calls for a detailed examination of the socio-economic profile and political priorities of a particular country. One level of analysis takes into consideration the vulnerability of the poor. On the one hand, the overwhelming majority of the total population of these countries lives in the rural areas and they are subject to acute poverty, inequality, and unemployment. On the other hand, the development efforts pursued in the 1950s and 1960s failed to make meaningful contributions to the elevation of living conditions (Griffin, 1985). One possible reason was the adoption of the technocratic growth strategy which was basically directed towards industrialization with little regard for the rural economy, resulting in expanding bureaucracies and marginalization of the rural poor (Lea and Chaudhri, 1983: 1). There was growing dissatisfaction and disillusionment over the strategy of economic growth (Haque et al., 1977). Another level of analysis, concerned with the interplay of politics and economy, focuses on such issues as class-state relations, the social and cultural context of development policies, and the connections between regime-types and

development patterns (Goldsworthy, 1988: 505). Central to this interpretation is the emphasis put on social and political control and incorporation, implemented through various rural development measures (Sandbrook, 1982; Bratton, 1980).

This chapter consists of five sections. The first section aims to interpret the meaning of rural development. The second section deals with the modernization theory of state intervention. At this point I will concentrate on the political encapsulation model. I argue that the political encapsulation model is inadequate in that it does not take account of the historical and socio-economic basis of the state. Section 3 examines the nature of the post-colonial state. The fourth section analyses the implications of the relationship between the state and dominant classes in rural development. Following Griffin (1985: 43-44), I will argue that, while purposeful government intervention in rural development is necessary, the class basis of the state raises doubts about the possibility of effective action. Government policies and actions promote the interests of those who have privileged access to the state. The fifth section looks at political clientelism. It focuses on the articulation of local power structures with state power and possible implications for rural development.

1.1 Development and Rural Development

Although there is a general consensus about the importance

of rural development, there is still considerable disagreement among scholars about what the concept actually means. One reason is the conflicting paradigms in the literature of development, which lead scholars to conceptualize rural development issues from their respective ideological predispositions. This section will interpret the concept of development and rural development, through identifying some problematic areas rather than reaching a definite conclusion.

The term 'development' is fraught with conceptual and ideological problems which have given rise to various controversies and dilemmas.¹ Accordingly, development is too broad to be compressed in a few pages. It is essentially a multi-disciplinary concept, which incorporates social, political, cultural and economic factors.

In the 1950s and 1960s, development was solely considered in terms of economic goals; development meant a rising gross national product and an increase in investment and consumption. The ethos of this economic growth perspective came from modernization theory. There are several versions of modernization theory. A well-known version posits that the primary cause of mass poverty or economic stagnation in the underdeveloped countries is the backward nature of their economies in respect of production for subsistence, the use of primitive technology, conservative attitudes, mutual distrust, a lack of innovative capacity, low levels of aspirations, an inability to save, a selfish pre-occupation

with family welfare and parochialism (Rogers, 1969; Long, 1977). However, the main thrust was on the dynamism of the industrial sector in bringing about transformation in society. Rostow's (1960) conception of stages of economic growth clearly indicated paths for this transformation. Unilinear and evolutionary in conception, this theory conceptualized development as a series of successive stages through which all countries must pass, the final stage being the industrial, mass consumption stage. It was basically an economic theory of development in which the right quantity and mixture of savings, investment and foreign aid were all that was necessary to enable underdeveloped countries to proceed along an economic growth path which was historically followed by the more developed countries. Development thus became equated with rapid economic growth. In the development decade of the 1960s, it meant the capacity of a 'static and retarded economy' to generate and sustain an annual increase in GNP at the rate of 5-7 per cent, and poverty was assumed to be eradicated as a result of trickle-down effects.

On the whole, the development decade did not produce positive results. In practice, trickle-down theory in the 1950s and 1960s gave rise to widening inter-regional and inter-class disparities in many underdeveloped countries. As GNPs increased so did poverty, inequality and underemployment. (ILO, 1977; Griffin and Khan, 1982; Griffin, 1981; 1985).

By the early 1970s, a clamour was raised by an increasing number of academicians and policy makers for the 'dethronement of GNP', and the promotion of direct attacks on widespread poverty, inequality and unemployment. Simple quantitative measurement of development was discarded (Goulet, 1971: 23). The ensuing political and economic tensions necessitated new approaches. 'Redistribution with growth', 'basic needs', 'target groups' and 'popular participation' received currency in the development literature (Chenery et al., 1974; Hulme and Turner, 1990: 3-7). The World Development Report maintained:

GNP does not measure items that are important to welfare in most societies, such as the distribution of income and wealth, employment status, job securities and opportunities for advancement, [and the] availability of health and education services (World Bank, 1982: 20).

Owen and Shaw (1972) conceptualize development in terms of participation of the underprivileged persons in institutions so that they can have control over the economic, social, and political benefits which are at present monopolized by the elites. For Goldsworthy (1988: 507), development implies both moral and material aspects of life. By material aspects, Goldsworthy means overcoming material poverty through the creation and distribution of wealth. Todaro defines development as a multi-dimensional process which involves

major changes in social structure, popular attitudes, and national institutions as well as the acceleration of economic growth, the reduction of inequality, and the eradication of absolute poverty (Todaro, 1981: 30).

Part of the reason why it is necessary to re-define the concept clearly is also a change in its real conceptual

meaning over the last two decades. This is best illustrated in a seminal paper of Dudley Seers. Seers conceives of development as involving not only economic growth but also conditions in which people in a country have adequate food and jobs and income inequality among them is greatly reduced. Seers observes:

The questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have become less severe, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result development, even if per capita income had soared (Seers, 1979: 12).

Other scholars tend to define development in a similar fashion. For Brookfield (1975: xi), reduction of poverty, unemployment and diminution of inequality are the indicators of development. Haq (1971) observes that it is more important 'what was produced and how it was distributed' than 'how much was produced and how fast'. In his later writing, Haq (1978: 27-28) argues that, in addition to distributive issues, a drastic restructuring of political and economic power relationships is required if development is to spread to the vast majority of the population. Goldsworthy (1988: 510) gives emphasis to the implications of articulation of power in development.

I now turn to the concept of rural development. Rural development as either concept or policy prescription has been variously interpreted. Modernization theory tends to equate rural development with agricultural growth. Mosher

(1969) recognizes the interdependence of agricultural growth and rural welfare and states that increasing welfare depends on achieving agricultural growth. Two almost similar views emerged in the mid-1970s. One view came from Chenery et al. (1974) who stated that growth is not necessarily opposed to egalitarian income distribution and it is possible to improve the incomes of the poor without reducing the wealth and incomes of the rich. The World Bank came forward with a similar view, but in a subtle way.

Since rural development is intended to reduce poverty, it must be clearly designed to increase production and raise productivity. Rural development recognizes, however, that improved food supplies and nutrition, together with basic services such as health and education, cannot only directly improve the physical well-being and quality of the life of the rural poor, but can also indirectly enhance their productivity and their ability to contribute to the national economy. It is concerned with the modernization and monetization of rural society, and with its transition from traditional isolation to integration with the national economy (World Bank, 1975a: 1, emphasis added).

Some important points come out from the above views. The last paragraph of the World Bank's view, particularly, reverts to re-statement of modernization theory. Firstly, growth-oriented strategies of the modernization, monetization and transition criteria in practice work to include some and exclude others. That means there is a very strong tendency for rural "development institutions to include, and to operate for the benefit of, only those rural producers who become involved in the process of transition and to exclude the rest" (Harvey et al., 1979: 13). Bangladesh is an example of this kind. The co-operative is one of the major forms of rural institution which has taken

the responsibility of agricultural growth. The domination of rich peasants in co-operatives is well-documented, although these were intended to benefit small farmers. Internal differentiation regarding resources and advantages reflects and intensifies differences. The state itself is a major source of this process.

The process itself is incorporative, signifying the interdependence of capital, labour and markets. For instance, in agriculture in Bangladesh, the strategies used to integrate production with other development objectives have encouraged commercial production. New agricultural strategies tend to reinforce the concentration of landholdings and technical resources of rich peasants, who dominate the rural power structure and control access to critical inputs such as deep tubewells and credit offered through government programmes. Given differential resource endowments, one consequence of incorporation is increased polarization. The material resources of the rural rich provide the basis for negotiation of new productive relations, the generation of new forms of market participation, linkages to government facilities, officers, and programmes and the consolidation of economic security (McCarthy and Feldman, 1988: 7-8).

Secondly, the notion of 'traditional isolation' is not only misleading but also hides the truth. The integration of the peasantry into national and international capital is evident in all developing countries. In Africa, the integration

into cash production of subsistence producers in the colonial and post-colonial periods is well-documented. (Harvey et al., 1979: 1). Peasants in the Indian sub-continent have a long history of integration with the outside world (Alavi, 1980; Jahangir, 1979). Latin America has experienced the same process (Galli, 1981). The notion of isolation in fact ignores the past and present contributions of peasants to financing industrial investment and state institutions (Heyer et al., 1981: 2). Rudra observed :

Villages are not isolated from the rest of the world in every aspect of their social and economic life (AMP). Flow of money capital and distribution of goods are not restricted to the interior of the village society. Such exchanges typically connect persons belonging to one village with persons and institutions in nearby urban centres. The marketable surplus is sold in towns. The surplus value is largely invested in productive and unproductive fields outside the village. Capital from the rest of the economy enters the village in significant amounts in the form of government investments in development projects as well as working capital loans advanced by commercial banks and other lending institutions to the property owners (Rudra, 1984: 263).

Thirdly, rural poverty is interpreted as a consequence of traditional isolation, not the consequence of the relationship of the peasantry to the national and international economy (Heyer, et al., 1981: 2) and most often social relations are ignored in analyzing poverty. It has been extensively argued in many research findings in Bangladesh and elsewhere that poverty is a social phenomenon (Griffin, 1985; Griffin and Khan, 1982; McCarthy and Feldman, 1988; Siddiqui, 1982; Wood, 1984b; North-South Institute, 1985). An understanding of this poverty requires attention to many factors. A lack of

access to the means of production caused by an exploitative agrarian system and the policies, institutions and resources reinforcing the exploitative system constitute the very basis of the social relations of poverty. Poverty is not just a matter of absent resources, opportunities and skills, it is essentially the relationships between classes (Wood, 1984b: 2).

Rural development is broader and more specific than agricultural development in that the former entails much more than the development of agricultural production and focuses particularly on poverty and inequality. Rural development is an interdisciplinary approach in which social and political factors interacting with economic processes are subjected to examination (Harriss, 1982: 15). Equity objectives - reduction of inequalities in income and unemployment and alleviation of poverty - are the primary concerns of rural development (Harriss, 1982: 16). It should be borne in mind that increased production that leads to net impoverishment is not development. Production is a means, not an end - a means to the over-arching objective of enabling the poorest to demand and control more of what they want and need (Chambers, 1983: 148).

The distinction between agricultural and rural development sketched above needs further clarification. From the above discussion it appears that rural development means agricultural development plus distributive justice. In the development literature, this approach is known as

'Integrated Rural Development' (IRD). In many developing countries, this approach dominated rural development planning, particularly in the 1970s. For instance, in Bangladesh, IRD through co-operatives was implemented immediately after independence. Instead of stimulating an 'integrated' approach, however, the co-operative system was turned into a closed club of the rural elite under the direct patronage of the state. The same process worked well elsewhere in South Asia.

It is therefore of the utmost importance to reconceptualize rural development. Caution needs to be taken against rhetoric. The target group approach of the World Bank is a case in point. The World Bank observes:

Rural development is a strategy designed to improve the economic and social life of a specific group of people - the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in rural areas. The group includes small-scale farmers, tenants and the landless (World Bank, 1975b: 3).

While there is a need to focus on the poor, the way poverty and its social context are conceptualized is likely to pose serious constraints. The intricacies of the practice of power in the rural areas and its articulation with the centre and the prevailing social relations in the rural areas are the binding constraints which never allow the target groups to act autonomously (Wood, 1985a; 1985b; Williams, 1981).

"The expression 'rural development' may also be used, however, to refer to processes of change in rural societies,

not all of which involve action by governments. In this case the activity of 'Rural Development', a form of state intervention, must be considered simply as one of the forces concerned - although it is one which has become of increasing importance" (Harriss, 1982: 16, emphasis added). Several important questions emerge from this statement: what do the processes of change actually mean? who develops? Let us first look at the notion of change. Silva identifies seven indicators of rural development:

- a. Increases in agricultural productivity.
- b. Changes in rural employment, unemployment and underemployment.
- c. Changes in distribution of wealth and income to be determined in two ways: (1) changes in income of different income groups, and (2) changes in the ownership of land.
- d. Changes in the distribution of power and influence and participation in decision making.
- e. Changes in the mobility in the local class structure.
- f. Changes in welfare indicators.
- g. Changes in values, beliefs and attitudes of members of state agencies (Silva, 1978: 21).

It can only be said that no rural economy in developing countries is static; in one form or another it is undergoing changes. The fundamental question is whether those in allocative decision making structure 'intend' to effect changes in favour of the underclasses, or whether these

changes have 'actually' improved the living conditions of the rural poor. Ironically, decades of state intervention in the rural economy have only exacerbated differences between various groups of rural people.

Public intervention seems to pose a serious dilemma in rural development. Leeson and Nixon observe:

Spontaneous processes may well lead to structural changes but *prima facie* one would expect more political intervention to be involved where welfare goals are concerned, unless one has faith in the process of growth in income 'trickling down' to benefit the poor (Leeson and Nixon, 1988: 59).

At this moment it is essential to make a distinction between the transitive and intransitive meanings of development. The verb 'to develop' is used transitively so often in the development programmes. In this sense development is induced or imposed. Definitions of development and development activities are grounded in the personal values of those responsible for the imposition (Hulme and Turner, 1990: 5). It is 'they' too who 'extend' the benefits of development to the poorest (Chambers, 1983: 147). This is essentially a top-down approach. National governments and international agencies 'represent development as an impossibility without their intervention' '...if external intervention did not take place there would be no development at all.' 'Development is an activity of governments, not of peasants. Rural development is undertaken for peasants, not by them' (Heyer et al., 1981: 1). The peasants are assumed to lack initiative and innovation. They are unable to develop. They must be

developed (Williams, 1982: 381). This conveys the notion of what 'we' can do for 'them'. They are the 'targets', 'objects', rather than 'subjects' of the creation of development opportunities made by 'us' (Hirsch, 1989: 41; Wood, 1983: 1-2; Van Schendel, 1988: 39; Pearse, 1980: 190). The paradox of state-led rural development strategy is echoed by a Bangladeshi economist, Yunus:

Bureaucratic approach to rural economic change tacitly assumes that the rural people are passive, fatalistic, uninterested in initiating anything of their own, incapable of undertaking initiatives to change their lives, and therefore, need constant prodding, supervision, and spoon-feeding. While this view does not do justice to the reality, the opposite view, which seems to claim that the rural people are fully capable and willing to change their lives if only the bureaucrats would leave them alone, is equally unreal. The second view refuses to see the class structure of the rural society and the exploitative process within it. Central intervention through institutional designs, legislations and appropriate policy measures must keep the exploiting class under check and let the dispossessed class have a chance to free themselves from the instruments of exploitation (quoted in De Vylder, 1979: 63).

Although Yunus has raised some important issues, finally he has accorded centrality of the state in achieving rural development objectives.

As against the top-down approach, a very strong argument in favour of the empowerment of the poor indicates an alternative direction in the development literature. Hulme and Turner, however, observe that this bears little relation to the perceptions of those in power and to the practice of development (Hulme and Turner, 1990: 6). Whatever the rhetoric is, it is ultimately the state that sets up the developmental goals and tries to achieve them.

This developmentalism essentially ensures incorporation and containment which de-link the underclasses and cement their dependence relationship both with the rural dominant classes and rural development agencies. There is no attempt for mobilization which can stimulate greater autonomy for the underclasses from the state and its local agents (local elites).

From the above discussion it appears that development should not be viewed in abstract from the prevailing political, social and economic structure. This is the main theme of the proposed study. This emphasis will lead us from the normative world to concrete situations which call for an analysis of such issues as agrarian structure, class practices, clientelism, interests of various social groups and institutional framework which have important bearing on rural development.

1.2 Political Encapsulation Model

In the previous section, I have discussed the modernization theory of rural development, which conceives of the village as a discrete social entity - 'isolated' from the rest of the wider system. Bailey's (1969) model of political encapsulation represents a modernization theory of social and political change in peasant societies. Bailey distinguishes between the encapsulating (B: state) and encapsulated (A: village) political structures in terms of role differentiation. The model maintains that the

encapsulating structure is larger and significantly differentiated whereas the encapsulated structure is smaller and has not undergone differentiation. Bailey observes:

Structure B disposes of greater political resources than Structure A; it is large scale whereas Structure A is small scale; it tends to be made up of specialized political roles while the roles of Structure A tend to be undifferentiated....(Bailey, 1969: 147).

There is always a tension between these two structures. In order to resolve this tension, the dissolution of the encapsulated structure into the encapsulating structure is necessary and this process would reflect a higher degree of structural differentiation consistent with the political and economic systems of an integrated nation state. Bailey (1969: 149-151) offers several strategies, of which one is adopted in all developing countries, in order to put an end to undifferentiated structure and to integrate it into an integrated nation state: the ruling power takes the decision to integrate the encapsulated structure which means radical change, if not abolition of the existing structure.

Bailey's arguments on the process of political change are intimately related to his conceptualization of peasant society. Bailey (1987: 285) identifies a villager's 'moral community' as comprising mainly members of his family, caste and fellow villagers. Beyond this category are people, revenue inspectors, policemen, development officers, health inspectors, veterinary officials, and so on who are well-dressed, speak differently, and use bicycles and jeeps. These 'outsiders' are men with a distinctive rationality which places them unambiguously beyond the moral community

of peasants. These 'outsiders' are looked upon by peasants with much suspicion. In dealing with the outsiders, peasants will use brokers, who, because of their connections, will establish a personal relationship, thereby shaving off the anonymous and threatening impersonality of the bureaucratic situation (Bailey, 1987: 289-291). The essential role of the broker is that he must keep a foot in both camps. He must ensure and demonstrate his credibility to both sides. His interest is to keep going on a process of bargaining either in what he does or in what he says, or both, he must persuade the two sides that this is a situation in which compromise can be made (Bailey, 1969: 167).

Hart (1971) discusses the relationship between the local community and the government and distinguishes between the 'hinged' and the 'linear' field. In the 'hinged' field, values are not shared among parties to transactions and they are not members of a single reference group. In such a situation, a broker or a series of brokers are required who hinge between the villagers and state institutions. The Block Supervisor (agricultural extension worker) in Bangladesh is an example of this kind of broker. In the 'linear' field, shared values, identities, and communications are found among parties to transactions. The model farmer approach of the Bangladesh Rural Development Board (BRDB) Co-operative is an example of this type. On the basis of this distinction, Hart suggested a corollary:

Development will be facilitated, other things being equal, by channelling a transaction through

a linear rather than a hinged field (Hart, 1971: 79).

There are some fundamental fallacies in the political encapsulation model. In the previous section I have indicated some conceptual ambiguities of using the notion of 'traditional isolation'. At this point a few more fallacies are raised.

This model does not consider the cumulative effects of the previous sets of linkages which were usually predatory and exploitative in nature (Wood, 1978a). On the one hand, pre-colonial rural Bengal was already integrated into the local and external trade networks. On the other hand, there was already a linkage between the Mughal state and the peasantry. The Mughal state extracted revenue from the rural areas mainly by means of land taxation collected by revenue collectors known as zamindars (Van Schendel, 1981: 273; Faaland and Hossain, 1980: 282-283). The colonial conquest had a far-reaching impact on the political and economic restructuring of Bengal. The local economy and the state were restructured to meet the needs of the colonial power (Hartmann and Boyce, 1988). While the supply of agricultural raw materials was directed to the interests of the metropolitan industrial class, land revenue collected through the refashioned zamindari system was used to establish a colonial state apparatus and to ensure a situation of law and order so that the main business of extracting could proceed smoothly (Van Schendel, 1981: 274). It is not the intention of the present study to investigate the causes of the underdevelopment of Bengal

agriculture.

At this point it can only be said that profitable extraction and the economic interests of the colonial power and of the dominant village groups in Bengal could be reconciled without overhauling or changing the agrarian structure to a great extent.

The demise of the colonial state in 1947 brought the peasantry closer to the independent state. The state-peasantry relationship was reinforced by the abolition of the zamindars, the erstwhile mediators between the colonial state and rural people. More importantly, political elites in East Bengal emerged far more directly from the peasantry (see Chapter 3). We will see that state-led rural development efforts undertaken with the aim of stimulating reinvestments and capitalist agriculture in both the Pakistan and the Bangladesh era have had economic and political impact.

The encapsulation model cannot answer the question of how the encapsulating structure came into existence in the first place. Wood (1978a) argues that, in a country such as Bangladesh, numerically dominated by its peasantry, the state cannot be regarded as a fixed or prior entity in the process of agrarian change. Several important points are missing in the encapsulation model which are crucial for our analysis :

- a. Conventional modernization theory is ahistorical (Goulbourne, 1979); it slurs over questions about social foundations of political power and the making of public policy and also begs questions about the social roots and commitments of so-called modernizers (Alavi, 1982: 189-191).

- b. It is erroneous to think that the state is a neutral and benevolent arbitrator, promoting 'national interests' and maximizing the whole scale social welfare (Alavi, 1982).

- c. Likewise, the peasantry is not a homogeneous entity. We will see that in Bangladesh peasants are substantially differentiated into distinct groups with divergent interests.

- d. Those responsible for allocative decision making and distribution must consider socio-economic and political forces operating in the rural areas for political, economic or other reasons. Likewise, the activities of rural development bureaucracies do not produce uniform results while interacting with different local classes. The structural locus of bureaucracies, their dominant coalition with the local elites, their inherent contradictions in the mode of functioning, and specific forms of clientelism are many of the factors that are responsible for biased outcomes of interventionist

rural development measures.

- e. The existence of the broker or middleman is inevitable, if not desirable. Irrespective of the forms of brokerage (formal and informal), the brokers are the important actors in the rural power structure and they are supported directly or indirectly by the state machine. We will see that state resources given to the local councils have in fact strengthened the hands of brokers and cemented their relationship with government bureaucracies who are also the partners in a coalition for the misappropriation of resources. We will also see that 'toutism' as a crude form of the brokerage role has had disastrous effects on rural development programmes.

1.3 The Nature of the Post-colonial State

In this section, the main features of developing country states will be identified. Our point of departure is Alavi's (1979) seminal work on Pakistan. The primary concern of Alavi's arguments is the predominant position of the military-bureaucratic oligarchy in the political economy of Pakistan. During the colonial period, the state machinery was super-imposed over civil society, resulting in the dominance of administration over all indigenous classes. In 1947, when Pakistan and India became independent, the equation did not change. The state was, therefore,

'over-developed' in relation to the dominant classes - landlords, the indigenous bourgeoisie and the metropolitan bourgeoisie. Alavi observes:

The post-colonial society inherits that overdeveloped apparatus of the state and its institutionalized practices through which the operations of the indigenous social classes are regulated and controlled. At the time of independence, weak indigenous bourgeoisies find themselves enmeshed in bureaucratic controls by which those at the top of the hierarchy of the bureaucratic-military apparatus of the state are able to maintain and even extend their dominant power in society, being freed from direct metropolitan control (Alavi, 1979: 41).

Alavi accords a 'relatively autonomous' role to the military-bureaucratic oligarchy. It is not the instrument of a single class. It mediates the competing interests of the three propertied classes while at the same time acting on behalf of all of them in order to preserve the "institution of private property and the capitalist mode as the dominant mode of production" (Alavi, 1979: 42).

Another factor in the institutional autonomy of the post-colonial state is its economic role.

The state in the Post-colonial society directly appropriates a large part of the economic surplus and deploys it in bureaucratically directed economic activity in the name of promoting economic development (Alavi, 1979: 42).

Alavi has also given a special significance to the 'class origins' and 'class affiliation' of the bureaucracy and its own 'economic stake' in development resource management. Members of the civil bureaucracy and military were primarily recruited from the land-owning or rich farmer families or the bourgeoisie. Alavi argues that the failure to implement the land reform programme in the early 1950s may be

attributed to the reluctance of higher officials, representing landowning interests directly within the state apparatus. Officials have also developed 'class affiliation' with the local bourgeoisie and the metropolitan bourgeoisie, whose interests they pursue effectively (Alavi, 1982: 300). Apart from the mode of class representation, the military-bureaucratic oligarchy enjoys 'unprecedented opportunities for profit at their disposal' (Alavi, 1982: 302). The vast scale of public expenditure creates an independent economic base for the oligarchy. Some made money in collusion with foreign business. Some retired generals were awarded directorships in big business houses. The most widespread practice that potential investors adopted was bribing officials at all levels.

Alavi's arguments have evoked a wide range of debates, not confined to the Indian sub-continent. The framework has also been used in East African scholarship. Saul (1974) accepted Alavi's account of the over-developed state which was 'exemplary and [which] immediately illuminates the historical basis of the situation in East Africa' (Saul, 1974: 353). In the case of East African societies, there were no strong indigenous social classes to be subordinated but there was a need to subordinate pre-capitalist social formations to the imperatives of colonial capitalism. Saul does not find the mediating role a satisfactory explanation for the relative autonomy of those elements which cluster around the state. He rather finds an autonomy rooted in what he has called the centrality of the state (Saul, 1974:

353). To Saul, the small capitalists, rich peasants and salaried state employees belong to the petty bourgeois class which is not 'complete' but fragmented. However, in the post-colonial situation the state itself becomes an important prize, well-suited to arbitrate for aspirant Africans the terms and methods of capital accumulation in the new economies as well as the uses to which various surplus and scarce resources are put.

Von Freyhold (1977) points out a distinction between the governing class and ruling class. The governing class includes ministers, principal secretaries and directors of administrative apparatus, the general managers of larger parastatals, the heads of the appointed party bureaucracy and the heads of the repressive apparatus. The ruling class is the metropolitan bourgeoisie which determines the core functions of the state and the actual dynamics of the economy. She argues that the governing class has developed from the colonial administration with a sophisticated array of instruments to control society. In Tanzania, this governing class after the Arusha Declaration provided some benefits to the general masses. With the passage of time, the governing class brought the peasants and workers under bureaucratic control. Moreover, the economic power and the surplus the governing class made provided a potential asset which its members could appropriate and re-allocate between themselves and their supporters, thus widening their base within society (Von Freyhold, 1977: 75-82).

In recent years, the role of the petty-bourgeoisie in the political economy of the Third World has been given special attention. Many of the arguments of Saul and Von Freyhold resemble the idea advanced by Michael Kalecki (1976: 30-37) and embodied in the concept of an 'intermediate regime', which is characterized by the domination of the polity by an alliance of lower middle classes or petty bourgeoisie and rich peasants. The intermediate regime opposes the feudal class and the comprador bourgeoisie who were associated with the colonial power. It carries out land reform as a move to diminish the feudal class and strengthens the position of the rich peasants in the countryside. The involvement of the state in economic activity is a significant factor of this type of regime. State capitalism concentrates investment on the expansion of productive potential of the country. Expansion of the state sector creates executive and technical openings for ambitious young men of numerous ruling classes. Rich peasants become a partner of the dominant coalition and achieve considerable material gains in the process. A typical example of the intermediate regime is that of Bangladesh. There is an emerging literature which gives evidence in favour of the dominance of the petty bourgeoisie in the state apparatus. (Hossain, 1979; Westergaard, 1985; Bertocci, 1982; Sobhan and Ahmad, 1980; Shahidullah, 1985).

In this study I will use the intermediate regime and the petty bourgeois regime interchangeably. According to Marx, the petty bourgeoisie consisted of small property owners,

independent artisans and professionals, that is, those who lived by the sale of goods and services but were neither employers nor employees of others. With the passage of time, such a definition of the petty bourgeoisie has changed. Scholars have added another phrase 'new petty bourgeoisie'. It includes those who are difficult to classify as exploited wage labourers. It includes professional and managerial employees, academics, civil servants, and so on (Hindess, 1987: 53-54). While the above definition of the petty bourgeoisie resembles the advanced capitalist society, the case of the underdeveloped society is arguably different. For instance, Bertocci aptly delineates the petty bourgeois classes in Bangladesh. There is an amalgam of three institutional groupings at the helm of the state: the civil bureaucracy, the military and the civilian politicians and their parties. Most of the latter stem from other persons of professional or small scale entrepreneurial backgrounds and related interests. The members of these groupings are co-operatively linked, but at times competitively opposed, by bonds or barriers - kinship, status and material (property and power) interests. They are allied in certain respects with the rural elites who dominate the countryside (Bertocci, 1982: 991).

Scholars emphasizing the dominance of the petty bourgeoisie in the political economy of Third World states point to the significance of the state as a source of personal accumulation by various factions. Mamdani observes:

It is the struggle within the petit-bourgeoisie that determines the method of accumulation and the

manner of appropriation of the surplus. Given that it is located both within the state (state bureaucracy) and outside of it (Kulaks, traders), the petit-bourgeoisie has two alternative methods of accumulation open to it: either use the state to create public property which the petit-bourgeoisie would control indirectly through its control over the state, or use the state to expand private property which the petit-bourgeoisie would control directly through ownership (quoted in Jahangir, 1986: 25).

In all these discussions, the nature of state formation, particularly the role of those who constitute the state apparatus, has become prominent. The debate is not a new one. Meillassoux (1969) examined the role and position of the bureaucracy within the matrix of Malian society. For Meillassoux, the bureaucracy was 'a body generated by the colonisers to carry out the tasks which could not (or would not) be undertaken by the Europeans themselves' (Meillassoux, 1969: 105). The traditional Malian aristocracy was heavily undermined by the coloniser and eventually, after independence, the state bureaucracy moved swiftly to consolidate its position vis-a-vis other dominant classes such as the aristocracy (former slave holders) and trading class. He argues that the expansion of the public sector paved the way for the bureaucracy to control the means of production.

having been the instrument of the colonial power, and having then turned against it to become the mouthpiece of the exploited Malian peasantry, the bureaucracy was gaining (with its access to power) some of the characteristics of a social class: control of the economic infrastructure and the use of it as a means of exploitation, control of the means of repression involving a resort to various devices to maintain dominance (Meillassoux, 1969: 107).

Regarding external linkages, Meillassoux holds:

Given the economic dependence of the country, the

bureaucracy is itself a dependent group and its origin as an instrument of western interests continues to influence its development. Instead of striving towards a real independence, after winning the right to assert themselves as political intermediaries with the outside world, the bureaucrats are content to return (with a higher international rank) under the rule of the old master (Meillassoux, 1969: 108).

A general assessment of the arguments of Alavi and other scholars signifies a common phenomenon - the centrality of the state, its enormous role in the production process and its privileged access to development resources. There is no denying the fact that the relative weakness of local dominant classes gives a certain degree of leverage to the state elites in exercising power in development decision making.

While Alavi's arguments have been subject to wide criticisms (Leys, 1976; Khan, M.H., 1989; Jahangir, 1986), I will concentrate on selected issues in order to test empirically his arguments in the Bangladesh setting. The position of the rural elites in relation to other dominant classes will be discussed. The pertinent question will be to analyze how these dominant classes affect the way the state runs rural development. Moreover, since rural development programmes are implemented at the local level, the nature of the local state and the interrelationship between different classes of the peasantry and rural development officials will also be discussed.

Nevertheless, a general discussion is needed to clarify some issues pertaining to the nature of the post-colonial state.

The notion of 'relative autonomy' is not only used by Alavi. Those working in the Neo-Weberian tradition are also using the notion of state autonomy (Kohli, 1987; Grindle, 1986). Alavi was the pioneer in bringing the debate on the nature of the post-colonial state to the Indian sub-continent. Though diverse of scholars use the notion, they differ in perspective. For instance, Kohli observes that state autonomy from society refers to a macro-political-sociological condition whereby state authorities can insulate themselves from social demands in general, but specifically from the demands of propertied classes, and utilize state power to consciously alter socio-economic relations (Kohli, 1987: 27). In this analysis, the social forces constraining the state's capacity are given less importance.

It is worth mentioning here that the notion does not imply 'neutrality' of the state. For Alavi, the existence of the 'fundamental classes' or three 'propertied classes' (who are fairly developed, but 'weak' in relation to the state apparatus) is a 'condition' of the 'relatively autonomous' role of the state. In many Third World countries, as in the case of Bangladesh, it is difficult to find the 'fundamental classes' as identified by Alavi. State autonomy is more pronounced in circumstances where the dominant classes are not only weak, but also recent creations and depend on the state for their emergence and survival. Bangladesh is a typical example of this kind. Abdullah observes of Bangladesh:

They (rich peasants) might be dominant in the villages and small towns. But I do not think that they have made their presence felt at the centre of power (Abdullah, 1984: 134).

It cannot be said that our state serves the interests of merchant capital and is under its absolute control. Moreover, industrial capital is still at an infant stage. Maybe the present state is not under the control of any local classes; it is a puppet of international capital. This is also not absolutely true, because it needs a local ally. At this stage, I want to make a preliminary comment: international capital very consciously and for its own interests wants capitalist development in Bangladesh and for that purpose it is using the Bangladesh state (Abdullah, 1984: 136, Trans. from Bangla).

At this stage I argue that, for the existence of the relative autonomy of the state, it is not necessary that there must be 'fundamental classes' in Alavi's sense. In Alavi's sense, the 'mediation' role is necessary for reconciling conflicting interests of the three propertied classes. I argue that such a role may be necessary not for reconciling conflicting interests. In this regard I can cite Bangladesh as an example. The state is the main agent of capitalist growth and the main negotiator between national and international capital. Local dominant classes are yet to be found in an antagonistic relationship. It appears that the post-colonial state enjoys a considerable degree of autonomy vis-a-vis local dominant classes. But, following Sandbrook (1982), we will consider state autonomy as contingent, not axiomatic. That means it depends on the nature of a particular social formation, and within that formation, the operation of the socio-political and economic forces at various stages of history.

Even if we take the mediation function for granted, problems

do not disappear. Hart (1988: 262) argues that the process of mediation between various classes is far more complex than outlined by Alavi in the case of Pakistan and is tightly constrained by the fiscal position of the state. In the post-independence era of Bangladesh, internal resource mobilisation has been very poor and that means excessive dependence on foreign aid to trigger off the process of economic growth. A poor rate of loan recovery in both industrial and agricultural sectors, and a declining economic growth rate, have in fact reduced the capability of the state to accommodate divergent interest groups. It is not surprising at all when we see that public investment in agriculture has declined in recent years (Hossain, 1988). Moreover, failure to augment economic growth and continuous dependence on foreign aid to feed the dominant classes increase the vulnerability of the state, resulting in the decline of state autonomy. As one Bangladeshi scholar has dramatically put it:

Bangladesh policy makers must wait upon decisions in Washington, London, Tokyo, Bonn and Paris before they formulate their annual development budgets, announce an import policy, formulate a food policy, or even decide how many children should be born. The decision makers of the developed world hold the lifeline of any regime in Bangladesh in their hands and can create havoc in the life of a country in a way that was inconceivable two decades ago (Sobhan, 1981: 345).

The post-colonial state is confronted with a multitude of concerns - capitalist accumulation, viable political settlement, social control and redistribution of benefits. These concerns are not necessarily mutually compatible. Particularly when the state is engaged in a clientelist

network, it can reach a viable political settlement and exert some sort of social control, but other concerns may remain unaccomplished. And certainly clientelism limits state autonomy (Doshi, 1988). Bangladesh is a typical clientelist society. Clientelism has been rife at all levels of economic and political structure. Khan aptly observes:

Examples from politics are particularly easy to give as Bangladeshi politics is largely a process of intermediaries gaining access to resources by organising pressure. Just as clientelist organisation within an enterprise can lead to a pay-off under appropriate circumstances, state decision-makers too, at all levels of the state machinery are susceptible to the challenges of clientelist lobbies and would under appropriate circumstances agree to a pay-off. General Ershad's cabinets are entirely composed of individuals who have previously been very successful in organising opposition to the government either as individuals, trade unionists or members of opposition parties. A similar correlation between successful organisation against existing right holders and an associated pay-off is also observable at lower levels of the political hierarchy and even in rural factional struggles (Khan, M.H., 1989: 61).

Khan specifically considers the susceptibility of state decision makers to the organised pressure of unproductive clientelist groups in both public and private sectors. He observes that the implications of clientelism for dynamic efficiency are much more serious. Not only does it lead to a loss of resources, it also constrains the state to a low level of efficiency (Khan, M.H., 1989: 59). The implications of clientelism for rural development are far-reaching. It not only diverts resources, but also hastens the process of differentiation in the rural areas and cements the dependence relationship between the rich and the poor.

The relationship between rural clientelism and the state is not uniform in all developing countries. In the South Asian context, particularly in India and Pakistan, the rural elites are not only dominant at the local level, they have also made their presence felt at the centre of power. They have shown a considerable strength in bringing agrarian policies into their favour or undermining the implementation of redistributive policies (Wood, 1984a; Sims, 1988; Frankel, 1978; Alavi, 1974; 1976). The case of Bangladesh is arguably different. The failure to sway public policy in their favour largely lies in the relative weakness of the agrarian dominant classes, which is a historical phenomenon. The move to withdraw subsidy from irrigation and fertilizer may be an example being taken against the rich peasants. Since the rich peasants use these inputs more, they are likely to be affected badly. Of course the small peasants will be more affected more than the rich peasants. The state compensates the losses of the rich peasants by giving them opportunities in other areas of economic activities such as water and fertilizer business and construction work through local councils. I want to emphasize that rural elites in Bangladesh are incorporated into the larger structure of power not as an effective class, but as preferred but dependent clients. We will see that successive regimes in Bangladesh invested enormous resources in their attempts to create rural clientelism (Khan, M. H., 1989). This incorporation does not preclude the class representation of landowning interests at the

decision-making and implementation level, which in fact cements the relationship between rural and urban elites (Jahan, 1980a; Feldman and McCarthy, 1984; McCarthy and Feldman, 1988; Schendel, 1981; De Vylder, 1979; Hossain, 1979; Westergaard, 1985).

1.4 Dominant Classes and Rural Development

The government pursues various policies for rural and agricultural development, which combine a number of objectives - the most explicit ones are productivity, marketable surplus, equality, redistribution, rural employment, political quiescence and incorporation, basic need provision, reduction in flow of out-migration from rural areas and so forth (Wood, 1984a). These objectives get neither equal treatment nor egalitarian allocation of resources from state decision-makers. It also happens that actual practice diverges from stated objectives. A state divulges its real orientation in the way it implements policies in the arena of rural development. After reviewing the literature on Sierra Leone, Mexico, India and Egypt, Migdal has stated that rural development efforts have in fact reinforced the mutual accommodation of implementors, regional politicians and rural strong men - landlords, rich peasants or money-lenders (Migdal, 1988: 238-258). Wood's (1988a) study on the Intensive Rural Works Programme (IRWP) of Bangladesh exemplifies the trend that the resources given by the Nordic agencies with 'good intentions' 'to reach' target groups help local political and economic elites

accumulate. In this way, administrative structures reflect their real rather than their formal content, i.e. not simply as instruments of the domestic political system or external agency, but as reflections of the local economic and power structure.

More specifically, I will argue that the policy objectives of the state, whether growth or redistribution-oriented, indicate two imperatives: accumulation, which is explicit, and social control and accommodation, which are implicit. The distortion of the reformist programmes at the implementation level does not take place without the cognizance of state decision-makers. Consider the Indian election campaign of 1989. While getting to the voters, the vast majority of the poor, Rajiv Gandhi categorically blamed the rural middlemen (who are also the rural rich) for misappropriating the resources given for the target groups. Ironically, these same rural strong men built the support base of the Congress (Alavi, 1974). This is not a new phenomenon. Nehru hoped that the introduction of Panchayet Raj and co-operatives would make a direct linkage between the state and the peasantry without the involvement of intermediaries. As he said:

I shall go from field to field and peasant to peasant begging them to agree to it, knowing that if they do not agree, I can not put it into operation (quoted in Frankel, 1978: 167).

Rich peasants who had direct representation within the Congress became afraid of the reform. First they made an attempt to water down considerably legislation regarding the plan. But the programme implementation had clearly shown

the gap between formal content and actual achievements.

At the main point of diversion, the state (provincial) level, stood the imposing Triangle of Accommodation forged by rich peasants, the state's regional politicians, and implementors, and Congress party personnel. Their accommodation resulted not only in hefty voter turnouts for Nehru's Congress but also rules of the game at the local level that mocked the intent of the state's cooperative and agricultural policy and reinforced the strongmen inimical to Nehru's purposes (Migdal, 1988: 251).

At this point I will argue that the outcome of rural development intervention is likely to be the same whether the state acts as the instrument of class rule or it mediates the interests of the dominant classes. In some respects, development policy making is biased towards dominant classes. Janvry's (1987) study on Latin America reveals that the industrial bourgeoisie has formed an alliance with the landed elites. He argues that cheap food policies implemented through overvalued exchange rates and trade restrictions allow cheapening of labour for industrial sectors to contain inflationary pressures and stimulate industrial investment. Janvry observes:

The consequence of cheap food policies and of increasing inequality in the distribution of income has been a bias in agricultural production away from wage goods and toward export crops, inputs for industry and luxury goods (Janvry, 1987: 394).

The urban capitalists, in turn, compensate capitalist farmers for low production prices by socially discriminating 'institutional rents' which include subsidized credit, public investment in technological change in agriculture, restrictions on imports of competing products, state extension services and infrastructural development projects. Janvry argues:

The market thus takes away from producers through a distorted price system while the political economy selectively compensates to maintain the rate of profit in particular farms and activities....State intervention through price distortions and institutional rents thus creates serious biases in the allocation of resources which lead to inefficiencies and foregone production and accelerate social differentiation against the weaker groups, the peasants in particular, who are rarely benefited by institutional rents (Janvry, 1987: 395).

Wood's (1977; 1984a) study of India is an attempt to configure the relationship between urban and rural capital and its implications for rural development. Wood questioned the validity of Alavi's thesis. He identified two constraints which are interrelated and undermine the autonomy of the state apparatus: class structure and the complexity of bureaucratic administration. Wood agrees partly with Alavi regarding the colonial administration. Field administrators were accorded considerable authority, status and flexibility in discharging their duties, notably collection of revenue and maintenance of law and order. Political pressure had little to do with moulding administrative behaviour. Field administrators used to enjoy a sufficient degree of personal discretion in taking actions in a concrete local situation. Wood argues that the post-colonial situation is quite different. The emergence of democratic institutions and political parties, through which the interests of the dominant classes are articulated, and social and economic transformations have altered the administration's environmental equation, hence reduced the autonomy of the bureaucracy. Bureaucratization and instrumentality have become the dominant mode of administrative behaviour in response to the changing

circumstances. Wood observes:

the bureaucratization of administrative behaviour is an inevitable solution since it represents the only form of protection from other groups. This bureaucratization involves a redefinition of areas of competence and professionalization of the new service (i.e. training, qualifications, and a new ideology based on claims to rationality) (Wood, 1977: 309-310).

In Wood's formulation the strong state apparatus developed in the colonial period lost its supremacy in the changing socio-economic and political environment in post-colonial era. The transition towards 'the assertion of capitalist ownership over other forms of property' reduces state autonomy, and also the state apparatus is made subject to the control of these emerging classes. He also maintains that the relative autonomy stemming from the 'mediating role' is a temporary phenomenon. If the capitalist forms of property are dominant over other modes, the role of mediation disappears. As far as the moral setting is concerned, rural development administration lacks the support of the framework to defend its dominant inheritance against the organised interests of rural capital, which is articulated economically and politically through the political process. Wood, however, argues that rural development administration being, directly exposed to the local class structure, ought to constitute an important test of the relative autonomy of the post-colonial state.

From the foregoing discussion, it appears that the rich peasants enjoy considerable leverage in economic and political arenas. Byres' (1981) article on the impact of the green revolution on class structure in India

demonstrates that the rich peasants are not merely influential actors in the countryside. They in fact play a very determining role in the state apparatus and mould the development strategies in their favour. Byres builds up his analysis on the basis of Marx's distinction between 'class-in-itself' and 'class-for-itself'. 'Class-in-itself' is objectively determined by a common relationship to the means of production and a common relationship to the appropriation of surplus product. These relationships give rise to an objectively given common set of economic interests vis-a-vis other classes. 'Class-for-itself' entails a perception of these economic interests, and a willingness to pursue them through conscious, organized and collective class actions (Byres, 1981: 407).

Byres argues that a clear trend of social differentiation had been in existence over the years before the advent of the new technology in the mid 1960s. Some changes in the development of productive forces, commercialization and land reform contributed towards the dominance of the rich peasants in the countryside. They showed themselves to be eminently capable of exercising political power, not only in the village, but also at the level of district, state and centre. Their 'class-for-itself' action was already observable (Byres, 1981: 423). When the new technology (biochemical and mechanical inputs) was made available in the mid-1960s and steered towards the regions where their strength was enormous, rich peasants effectively appropriated that technology for themselves and thereby

increased their economic strength. The rich peasants' superior resource endowment, class ties and close linkage with the block officials, access to information and a bundle of inputs, command over institutional credit and so forth were many of the factors that gave them a massive advantage with respect to adopting the new technology (Byres, 1981: 425-426). This did not preclude the participation of the middle and smaller peasants, but the gains of large cultivators were disproportionately large. Smaller farmers' participation has always been on unfavourable terms (Byres and Crow, 1983: 40). This is evident in many ways. If the smaller farmers participate, they use only biochemical inputs as the mechanical innovations are overwhelmingly tied to rich peasants. As late comers, the smaller ones have to use more costly and less timely water. Byres has written:

A sharecropping poor peasant who 'adopts' the new technology inputs through cost-sharing leasing and who pays an increased share to his landlord is very different from a rich peasant who adopts the 'new technology'. He may be better off in absolute terms, but worse off relatively. This may be part of a dynamic process of differentiation (Byres, 1981: 427).

Harriss (1987) observes that there might be a 'compulsive involvement' of the small peasants because of the apparent profitability of HYV cultivation. In that case they tend to borrow money from money-lenders to meet production costs or, because of debt, they sell all or a large part of their products immediately after harvest at a lower price at a time when they have no real surplus at all (Harriss, 1987: 232). Pearse (1980: 171) has termed it 'green sale'. This 'green sale' is further reinforced by a lack of food which is meant to borrow money for survival. Production and

consumption loans structure the dependency relationship between the large landowners and the underclasses, very often resulting in the pledging of future labour to the former at reduced wages (Pearse, 1980: 171). Whatever the processes are, the net result is that prospects of greater gains of the new technology will be seized by the large land owners. It is beyond doubt that the new technology has hastened the process of socio-economic differentiation among the peasantry in Third World countries.² As Pearse has put it candidly:

The discriminatory character of the package strategy and the obligatory leap into the capital intensive commercial farming is aggravated by the selective 'progressive farmer' field tactic and the concentration of capital and technical services in already favoured areas. The result is self-fuelling pressure towards polarization magnified by a variety of political, social, and economic factors pushing larger cultivators towards a qualitatively more profitable agriculture and greater competitive strength in the market, accompanied by increased political power (Pearse, 1980: 181).

The political implication of technologically-induced differentiation is not uniform in all developing countries. While in some countries it has served to consolidate the rich peasantry as a 'class-for-itself', as Janvry has argued in the case of Latin America, or Byres (1981) and Alavi (1976) have shown in the case of India and Pakistan, in other countries, particularly in South-East Asia, the rich peasants, although powerful in the countryside, still are not in a position to vie for political power at the national level (Hart et al., 1989). But their seizure of economic benefits largely derives from their contributions to help the regime police the countryside (Hart, 1989). Here also

the coalescing of the interests of the local and urban elites is found. This will be discussed in the next section. In the case of South Asia, particularly India, class consolidation has proceeded apace and has been hastened by the availability of the new technology. Byres (1981; 1982) persuasively argues that 'class-for-itself' on the part of the rich peasants has been very evident.

Rich peasants are now organized very effectively as a class: aggressively, cleverly, and extensively constituted as a class-for-itself, capable of pursuing its interests with skill, ruthlessness, and success.....the rich peasantry has exercised its class power, with great success, to avoid taxation, to maintain high agricultural prices and inter-sectoral terms of trade favourable to themselves, to subvert attempts to nationalize the grain trade, to prevent further land reform.....In India, this kulak (if we may use that word) has marched boldly through the door of politics and is very much a force to be reckoned with in the Indian polity. Indian state power has been exercised on his behalf. One cannot understand the nature of the Indian state - its class basis - unless one recognises this. It may be too much to say that the rich peasantry has captured the state power in India. But it, most certainly exerts an immense influence upon the Indian state - an influence that the 'new technology' has magnified (Byres, 1981: 444-445).

Alavi (1979) characterized the landed class in Pakistan as 'feudal' but, in his later writing (1982), he suggests that they are no longer 'feudal' as they are now owners of the capitalist landed property and exploiting the labour of the dispossessed peasants. The green revolution consolidated the position of the landed elites and reinforced the process of polarisation (Alavi, 1979: 58-59; 1976: 333). The landowners through their effective representation within the state apparatus have been able to resist proposals to tax agricultural incomes, to reduce subsidies, or to lower the high support prices for certain agricultural commodities

(Alavi, 1976: 349). It happened despite the concerted pressure of the indigenous bourgeoisie and the metropolitan bourgeoisie who opted for more surplus accumulation to finance the industrial development plan. But sometimes the policy action has overruled their interests; pricing policy for raw cotton has penalized the cultivators to the advantage of the big textile mills. The overall situation is that, in the words of Clapham:

If the state cannot be controlled, it may at least be subverted (Clapham, 1985: 41).

So far I have argued that the new technology and commercial strategy initiated by the state have had powerful impacts on the socio-economic and political processes of rural society. While these constitute important sources of rural change, specific forms of state patronage also generate tensions and contradictions, thus culminating in more differentiated structures and consolidation of the rural elites in social formation. At this point I want to emphasize the dynamic role of economic and political diversification, its ramifications and the probable consequences of state patronage. Diversification refers to the process whereby individuals and families attempt to fashion or extend resources, options and opportunities in response to changing modes of agricultural production (MaCarthy and Feldman, 1988: 9). Both the rich and the poor in rural society tend to diversify their economic activities. But the nature of the activities at the extremes of the distributional spectrums differs widely (Hart, 1988: 253). White observes:

Landless, near-landless, small-farm and large farm

households obtain significant proportions of their income from non-agricultural activities, but it must be remembered that they do so for different reasons; the landless and small-farm households, as "agricultural deficit" households, must supplement agricultural incomes with relatively open-access occupations requiring little or no capital and offering very low returns..... On the other hand, the large-farm and landowning households, as "agricultural surplus" households, are able to invest their surplus in relatively high capital, high return activities from which the capital-starved, low income groups are excluded - rice hullers, pickup trucks, cassava and other processing industries, shopkeeping, "arm chair" trading with large amounts of capital, money-lending, etc. (quoted in Hart, 1988: 253).

Diversification has other facets apart from the non-agricultural activities stated above. The rural formal institutions such as local councils, co-operatives, development committees and so forth give local elites ample opportunities for accumulation, which have been evident in most of the developing countries. I will argue this in the next chapter. Another crucial aspect of diversification is the involvement of a family in professional activities or government service. These provide connections and access to the various resources and items of patronage which are being distributed. A loan, a fertilizer permit and licences to trade can be obtained. Regular employment in the town naturally makes it easier to petition offices and lobby officials (Wood, 1978a: 144). However, diversification creates new opportunities in different economic arenas very often integrated in the same household. It involves the creation of new relations and networks, thus consolidating economic position and extending the influence and power of the wealthy families (McCarthy and Feldman, 1988: 9-10).

Thus the political economy related implications of diversification are far-reaching. I will argue that the role of the state in this regard is very important. The opportunities created by the state not only consolidate the position of the rural elites, the dependency relationship between the rich and the poor is also cemented. For instance, development resources given by the state at the disposal of local councils for income and employment generating activities not only help the rural elites accumulate, they also place the rural poor at the mercy of the former (Wood, 1983). The waterlord with the subsidized DTW serves dual purposes: private accumulation and social control (Jansen, 1979). The remarkable aspect, perhaps, is the use of unearned surplus for money-lending business which has been pervasive in South Asian rural society (Wood, 1984a; 1984b). I will argue in the next section that a chain of dependency between the state, rural elites and the poor is established and maintained.

Rural development experiences of the developing countries, particularly South Asia, demonstrate that the policies and actions of the state have favoured the rural elites. On the other side of the coin is a growing immiserization of the rural underclasses. The Bangladesh experience suggests that the rural elites reap the benefits of rural development programmes. The way these elites benefit differs from the experiences sketched above. It is difficult to find their organized action on the part of the rural elites to sway rural development policies in their favour, of the kind that

is evident in other South Asian Countries, particularly India and Pakistan. I will argue that, in order to develop rural clientelism, successive regimes in Bangladesh have given concessions to the rural elites through various rural development programmes.

Along with the elite farmer strategy, we also find populist/redistributive programmes for 'weaker sections' of the rural population in developing countries. While in some countries, particularly in South Korea and Taiwan, redistributive land reform accompanied by a peasant production strategy under the auspices of the state has combined successfully growth and redistributive justice (Douglas, 1983; Moore, 1988), in other developing countries the general outcome is rather negative. Byres comments:

Institutional change (land reform, cooperative agriculture, community development, Ujamaa villages, etc.) has usually had egalitarian aims as part of its ideology - aims which, in practice, have seldom been approached....rich peasants have been the major beneficiaries of such programmes, and one of the most significant phenomena of the last twenty-five years or so has been the emergence of rich peasants as a distinct class, capable of furthering their own class interests, and with increasing political power (Byres, 1982: 84).

The implementation of the redistributive programmes poses certain dilemmas. Under the prevailing socio-economic and political arrangements of rural society, an 'honest', 'efficient', and 'ideologically committed' bureaucracy is expected to implement the redistributive programmes (Sandbrook, 1982: 98). But the way the rural development bureaucracy works engenders doubts about the achievement of the objectives of the redistributive programmes. In the

first section, I have argued that the poor are treated as 'objects' rather than 'subjects' of the development plan. In the next chapter, I will argue that rural development administration is fraught with numerous problems. Bureaucratic organisation suffers from inherent weaknesses. Moreover, the rural elites with increased economic and political strength in the countryside, either as members of the dominant coalition of the central power structure or junior partners, are quite able to subvert the redistributive programmes to their own benefit. A symbiotic relationship or compact nexus between local bureaucrats and rural elites is also observable, resulting in the misappropriation of public resources. The transfer of rural development planning authority from the bureaucracy to decentralized local government is also not a panacea; it rather helps the elites accumulate and exert social control.

1.5 Clientelism and Rural Development

In the preceding sections, I have made some superficial comments on the articulation of local power structures with state power and its possible implications for rural development. At this point I will argue in detail how clientelism as a social and political form works within society. Patron-clientage as a form of political operation is now widely used for explaining the relationship between the local and central power structure.

Patron-clientage is pervasive in South Asian countries as it

is in other developing countries (Alavi, 1973; 1974; 1976; Scott, 1977; Sandbrook, 1982). Let us first explain what patron-clientage relationships mean. Scott defines them as follows:

The patron-client relationship - an exchange relationship between roles - may be defined as a special case of dyadic (two person) ties involving a largely instrumental friendship in which an individual of higher socio-economic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (client) who, for his part, reciprocates by offering general support and assistance, including personal services, to the patron (Scott, 1977: 92).

A social relationship based on patron-clientage thus gives rise to the factional mode of politics in the rural areas. Patrons are factional leaders and clients become the members of the faction. The central feature of this mode of politics is that it represents horizontal cleavages across class lines instead of vertical class conflict. Nicholas identifies five characteristics of a faction:

- a. factions are groups which emerge during conflict;
- b. they are political groups engaged in organised conflict about the uses of public power;
- c. they are not corporate groups;
- d. faction members are recruited by a leader; the former can belong to a faction only through the activity of the latter; and
- e. faction members are recruited on diverse principles or ties with the faction leader (quoted in Alavi, 1973: 45).

Faction leaders are thus typically landlords or rich peasants, or more rarely just manipulating political entrepreneurs (brokers in effect), who organise political groups out of followers who are either economically dependent (labourers, sharecroppers or through debt) or who are obliged as a result of past favours in forms of public goods and services arranged by brokers (Wood, 1978a: 34). Alavi describes the nature of factionalism in the following manner:

the faction model describes a segmental rather than class conflict. Such conflicts, therefore, do not have an ideological expression, because rival factions, or faction leaders, fight for control over resources, power, and status as available within the existing framework of society rather than for changes in the social structure (Alavi, 1973: 44).

The line of arguments presented by Scott and other like-minded social anthropologists is imbued with a particular methodological choice which gives an exclusive analytical focus on clientelism as a mode of political behaviour, obviating analysis of class conflict. Alternative explanations, on the other hand, opine that clientelism is a deliberate attempt on the part of dominant classes to promote control by mystifying the relations of dominance and dividing the underclasses.³

I will not argue extensively on methodological issues because that may shift the focus. The main concern is to analyse the social bases, particularly the agrarian bases of political power which are embodied in a specific type of clientelist politics in developing countries. Nevertheless, a general discussion is necessary. I argue that both

viewpoints of clientelism are partial explanations. Sandbrook (1982: 192) observes that it is neither fully rational nor fully irrational on the part of the poor to participate in factional politics. The most vital need of a poor person is to survive and it is essentially individual need - a day's work, a room, a week's credit, medical aid, someone to fix trouble with the police. Others equally poor and ill-connected usually cannot offer much help. The poor turn for aid to wealthy and influential persons. This is not also entirely rational, if the long term 'objective' interests of the poor are taken seriously into consideration. Patron-client relations foster the continuation of unequal power positions and unequal socio-economic conditions. It is really a dilemma on the part of the poor. The small favours given to them are crucial for their survival. Alternatives are blocked by a scarcity of means (Schenk, 1989: 121).

It is generally argued that patron-clientage retards the development of class consciousness (Bertocci, 1979). The proposition has its roots in Marx's distinction between 'class-in-itself' and 'class-for-itself'. The crucial mediating point between these two is class consciousness. This, however, has not remained unchallenged. Firstly, peasants have a long history of resistance. Peasants in Bangladesh at various times have engaged in massive movements against the oppressors. The glaring examples are also found in other parts of the world (Hulme and Turner, 1990: 71). Secondly, class consciousness may not be

demonstrated through organized political actions. For instance, Scott argues, peasant class consciousness can be seen in everyday forms of resistance. Such resistance takes the form of 'food dragging, dissimulation, desertion, false compliance, pilfering, feigned ignorance, slander, arson, sabotage and so on' (quoted in Hulme and Turner, 1990: 31). Thirdly, Wood (1988b) convincingly argues that collective action involving a collective consciousness is an advanced form of such struggle and opposition and this can only be found under conditions of advanced capitalism. Once consciousness is accepted as a contingent rather than necessary expression of class in the relational sense, then it becomes a concept for explaining structural fragmentation rather than perceived as an alternative social form. Using this theoretical premise, Wood observes of Bangladesh that vertical solidarities of the patron-client type are the form of class relations under the conditions of agrarian underdevelopment. Under the conditions of capital penetration, these forms of class relations are transformed into new types of solidarity, resulting in the changing framework of negotiations and bargaining between various rural classes (Wood, 1988b: 3). In this sense, clientelism may retard the solidarity of the poor, but enhances the solidarity and control of the dominant classes (Wood, 1978a; McCarthy and Feldman, 1988; Sandbrook, 1982; Hulme and Turner, 1990: 71). This can be understood easily as different factional leaders nurture clientelist networks in the village and town in order to increase their personal prestige and power. Flynn observes:

Clientelist systems are regularly strengthened or cultivated for many different reasons, but one of the principal political results is the reinforcement of class control in the system as a whole (Flynn, 1974: 150).

Factionalism needs to be understood from both intra and extra-village dimension. At this point it is difficult to agree with Alavi's conviction that factionalism does not have an ideological dimension. Causi suggests that factionalism embraces three interdependent structures: an economic structure of exploitation, a political structure of domination and an ideological structure (cited in Jahangir, 1982: 89). Factionalism plays a vital role in linking the village with wider society. Internally, factionalism serves to organise the political and economic order in the village. Externally, it acts as a channel through which the village is integrated politically and economically into broader society (McGregor, 1989: 43).

Political clientelism is not a peculiar phenomenon in underdeveloped countries, it is also observable in the developed capitalist system (Bodeman, 1982). Here our main concern is with the way a political system develops rural clientelism for specific purposes. Clapham summarizes the phenomenon:

political party leaders at the national level look around for local leaders who command appropriate support within their own areas. They offer the local leader ... a place in the party, perhaps a candidate in his home constituency. The local leader gets out the vote, essentially through his own contacts and authority, and delivers it to the national party. The national party in turn assuming that it wins power - delivers benefits to its local representative, in the form either of economic allocations from the centre to the constituency...or of a purely personal pay-off, or

of central government support in local political conflicts (Clapham, 1985: 56).

Whatever the political system is, rural elites become the representatives of the central-level power structure. With the changes of government, there are also changes of the representatives but local-level politics adapts itself to the realities of central power and usually survives remarkably unscathed by the vicissitudes of politics at the centre (Clapham, 1985: 57).

Political clientelism in South Asia is well-documented (Alavi, 1973; 1974; 1976; Sims, 1988; Bailey, 1963). Bailey's perceptive study illustrates how candidates for seats in the state assembly in India went about mustering electoral support. The candidates depended on the 'informal machine' which linked them to the voters not directly individually but through a chain of bosses or brokers. These brokers were rewarded by their effective and guaranteed access to state resources. The agrarian structure determines political alignments at the village level dominated by the economic and political power of the local elites, and is further reinforced by their links with the bureaucracy and dominant political parties (Alavi, 1973: 58). Keeping this reality in mind, Alavi (1974; 1976) persuasively argues that the Basic Democracy introduced by General Ayub Khan not only consolidated the power of the ruling elites, it also shifted the locus of bourgeois political struggle from urban centres to the rural areas. The relationship is reflected in mutual benefit of both the central state and the rural elites.

Rural elites become, in essence, political and economic agents of the state in the countryside and are coopted into the larger structure of power as preferred but dependent clients. Their access to subsidized credit, inputs, licenses, guaranteed prices, and so forth stems not so much from their ability to sway agricultural policy in their favour through direct influence, rather from their services that they render to larger centres of accumulation by helping to police the countryside (Hart, 1989: 33).

The state-village nexus is reproduced through various processes. In Indonesia, labour arrangements serve the multiple purpose of weakening the organized workforce, ideologically mitigating conflicts and resentment against inequality and mobilizing political support. On the other hand, there is coalescing of interests through formation of business alliances between village upper stratum and supra-village officials. Highly subsidized inputs are provided by the state which reinforces the accumulation of rural elites. Representatives of the state also intervene to ensure allegiance to the state electoral machine in the local election. The overall strategy tends to eliminate political mobilization of and by the poor peasants and augment the co-optation of dominant rural groups into the state machinery (Hart, 1989: 33-38).

The same set of strategies is also adopted in different ways in other South-East Asian countries (Said, 1989; Fegan, 1989). In Thailand, the local elites are involved in increasing state penetration of village political and administrative processes. The penetrative measures are subsumed under the rhetoric of 'development', but actually they hasten a proliferation of surveillance and control

(Turton, 1989a: 67). The rural elites accumulate resources both economically and politically through the exploitation of peasants, secure access to subsidized inputs and control over various formal development organisations. All this happens under the patronage of the state. On the one hand, these elites reinforce their dominant political and economic positions through various forms of non-economic patronage which is no longer reciprocal (Turton, 1989b: 82-83). On the other hand, this has been politically very important for the state in periodic though irregularly held elections and in the rhetoric of 'national stability' and 'anti-communism' (Turton, 1989a: 66).

Sometimes the state adopts new strategies to cope with the new situation. For instance, in Malaysia, state patronage of the rural elites was directed towards the fulfilment of two objectives: fostering capital accumulation and undermining the orthodox Islamic party working in the rural areas (Said, 1989). Moreover, the systematic extension of privileges by the state to dominant groups was accompanied by 'peasant-based' development strategies. Such activity is indeed required for achieving a base of legitimizing electoral support for the ruling party propped up by a clientelist system.

UMNO's (United Malay National Organisation) ability to reward clients with rural development projects helped consolidate a modern clientelist system. There emerged in Independent Malaya a Kulak stratum in the often overlapping roles of landlord, political functionary and state official; landownership, party membership and bureaucratic office coalesced as rural bases of class and patronage (Doshi, 1988: 485).

What appears is a chain of dependence between different actors. The rich peasants depend upon the state to provide modernizing inputs to enable them to make their holdings more productive. They also seek to mediate the flow of resources to small farmers so that surplus can be extracted from this class. State resources are thus used as instruments of dependence which keep the rural poor in bondage to the rich peasants (Sobhan and Ahmed, 1980: 9-10).

The arguments raised in this section thus centre on the premise that, despite the penetration of the state and market into the countryside, clientelism has survived and remains prevalent in both developed and underdeveloped countries. I have argued that, in underdeveloped countries, the state is the main dispenser of development resources and, in the pyramidal structure of clientelism, it is the chief patron. On the one hand, a declining economic condition and a low level of financial viability call for rapid capitalist accumulation. On the other hand, a legitimacy crisis and the possibility of political insurrection of the poor due to growing impoverishment compel the state to devise new strategies. It is an extremely difficult task for any regime to face these crises. While some countries can face the crises, failure is a systematic phenomenon in most of the developing countries. Hart aptly observes:

state patronage contains the seeds of its own destruction and is likely over the long run to generate new threats to the structure of state power and hence new strategies of state

intervention (Hart, 1989: 32).

I have also argued that, while some programmes are specifically rich-biased, a few redistributive populist programmes are undertaken. Of course success stories are few. These programmes are also captured by the rural elites in co-operation with the local-level bureaucracy. I want to emphasize that clientelism is not only destructive for economic growth, it is also inequitable.

Conclusion

The argument in this chapter has had a number of components. I first tried to interpret rural development in socio-economic and political terms. While an emphasis on the reduction of poverty, inequality and unemployment is appealing, socio-political constraints on structural change are an important component of the analysis.

An important argument of this chapter is that the modernization approach to rural development, couched in terms of the 'traditional isolation' of the village is not only ahistorical but also evades questions about the socio-economic foundations of political power. Alternative explanations take account of the changing nature of politics and its interaction with the class structure of society. That the benefits of rural development accrue to the rural dominant classes depends on their relative position in the state apparatus. I have argued that in some developing countries the rich peasants are not only dominant in the

political and economic arena of rural society, but also have a substantial voice in the decision-making structure, resulting in the elite farmer strategy of development.

Finally, I have argued that clientelist transactions between the state and the rural dominant classes are endemic in many developing countries, including Bangladesh. Here is the significance of the social bases of political power. Government development resources poured into the rural areas in the name of rural development constitute the main spring of the clientelist transaction. The state allows the rural elites to reap the benefits of rural development in exchange for the services they render to the state in establishing its legitimacy and exerting social control.

Notes to Chapter One

1. S. C. Dube has identified several dilemmas of development such as development versus non-development, endogenous versus exogenous development, self-reliance versus interdependence, growth versus distribution, central planning versus the operation of the market, centralization versus decentralization, industry versus agriculture and so on. See Dube (1988:6-10).

2. It is not within the purview of this study to give detailed analysis of the impact of the green revolution on differentiation of the peasantry. For details, see Pearse (1980), Griffin (1979), Byres (1981), Byres and Crow (1983), Harriss (1987), Rahman (1986).

3. Systematic attempts in this regard are made by Flynn (1974), Bodemann (1982), Doshi (1988), Wood (1978a; 1981; 1988b). Flynn argues that clientelism is used consciously by the ruling class as a mechanism of social control and coercion. Bodemann argues that the assemblage of patrons as a class control the means of production. They are the local ruling cliques. Several features are indicative of their linkages to the state.
 - a. In relation to the community below, the clique is kin-based, but the material differences between patron and clients are hidden by the 'patriarchal

and idyllic' relations between the former and the latter. [Or, according to Charney (1987: 52), clientelist strategies mask the exploitative exchange by stressing hierarchy and reciprocity].

- b. Members of the old ruling clique are personally tied to the state institutions above. Conversely, the ruling clique is the embodiment of the local and economic interests of the state. But members of the new ruling clique are the representatives of the capitalist class and their political position is ancillary.
- c. The local ruling class monopolizes access to all important resources (Bodemann, 1982: 159-160).

Chapter Two: The State and the Peasantry

Introduction

State intervention in rural economies is very intensive in most Third World countries. This chapter specifically aims to examine how state institutions work at the grass-roots level. At this point I will focus on the dynamic interaction between the administration and different classes of the rural population. The main proposition is that the interaction does not take place in a vacuum. The political priorities of the regime in power, economic and political forces operating in the rural areas and their articulation with the urban power holders, inherent constraints of the bureaucratic administration, the social origin of bureaucrats and the socio-economic and political relationships of the local councillors are many of the factors that influence the interaction between the administration and different classes of the rural population. In the first chapter, I have already indicated some of the dilemmas. The first section of this chapter analyses the nature of intervention from the standpoint of access. The second section focuses on decentralization. I will argue that the developmentalist approach to decentralization does not help to understand what actually happens, in practice, on the ground: either what the real constraints that affect the 'good intentions' of decentralization policy; or the real outcomes that diverge from official rhetoric. The issue of corruption is

discussed in the third section. I will argue that state intervention in rural development creates opportunities of private accumulation for the local elites and local-level bureaucrats. Finally, I will argue that corruption and clientelism have similar effects; more or less, these two go hand in hand.

2.1 Access: Negotiation Between the Bureaucracy and the Peasantry

The literal meaning of access relates to the means, place or way by which a goal may be approached (Huda, 1983: 42).

Broadly, access can be defined as

the relation between the administrative allocation of goods and services and the people who need them or for whom they are intended (Schaffer and Lamb, 1974: 73).

In this study, I will define access as the relationship between the rural development bureaucracy and different classes of peasants, in which the former has been 'empowered' to provide to the latter various kinds of support considered crucial for rural development. The access relationship may apply to a wide range of goods and services. Specifically, in the case of rural development, access relates to the provision of crucial inputs and services.

The central feature of the arrangement is a distribution system which is not based on the market, where the key requirement is disposable income or assets which can easily be converted for transactions. Wood observes:

Access becomes important where the state intervenes to affect the supply and demand of resources so that their allocation depends less, or not at all, on market or traditional allocation mechanisms (Wood, 1984a: 343).

In order to understand the problem of access, it is necessary to conceptualize its nature. Huda has identified four components of access: (1) access to information; (2) access to inputs; (3) access to markets; and (4) access to social services (Huda, 1983: 44-45).

All the components are interrelated; the absence of one jeopardizes the accomplishment of any rural development programme. Another important feature of access is that it is repetitive in nature, which makes a difference between access to public utilities and rural development packages. And it is the repetitive nature that makes the small farmer development programmes so difficult to administer because one cannot secure access in perpetuity.

The key determinant of access is ownership of the means of production. As far as rural development is concerned, land is the most crucial element. In peasant societies, the hierarchical arrangement in the social structure by and large corresponds to the relative size of the land people own and control in the countryside. It is almost a truism that those who own and control the land use it as an instrument of power and domination over those who have less of it or those who do not have it at all (Singh, 1988: 12-13). It provides the owners with a secure means of gaining a continuous stream of income which in turn helps

them buy those goods and services that further augment their income generation. By virtue of landownership, the rich peasants ensure their privileged access to a number of other goods and services.

The crucial aspect of landownership is also manifested in economic and political diversification. The land-rich group plays the dominant role in the little community (samaj) and local councils. They build up the support base of the regime in power. Economic diversification helps them link to urban elites. All these factors together make it possible for the richer sections to ensure access to all components described above. Because of their precarious position in the social structure, small farmers do not have access to all components of access. For instance, a small farmer is informed of improved agricultural practices, but he is denied access to crucial inputs. An unequal social setting prevents him from getting a due share of public resources. It is neither a lack of motivation nor a lack of innovativeness, it is inadequate opportunities which are crucial for the small farmers (Griffin, 1979: 186-190). Rich peasants become the winners and reap the benefits of rural development programmes. Huda observes:

Through the possession of technical and political information, social status and wealth, ability to articulate their point of view at appropriate forums and membership overlap with government personnel, the claims of the dominant group are incorporated as the basis of policy by governmental decisionmakers (Huda, 1983: 49).

The problem of access is a reflection of dynamic changes in the production system as well as in the

politico-administrative process. There had been substantial interaction between the government and the peasantry in the pre-colonial and colonial periods. As I have indicated, the colonial state was more interested in surplus extraction than innovating agriculture. So it is decolonization which marked a substantive departure from the past. In the post-colonial phase, the state in fact came forward to intervene in the rural economy with multiple but contradictory objectives. In the post-colonial era of the Indian sub-continent, some systematic measures such as land reforms, the green revolution, the ruralization of the civil bureaucracy, renovation and politicization of local councils, community development programmes and so forth have been initiated. Thus there has been a perceptible presence of the government in the rural areas. At this point I argue that, in terms of objectives such as accumulation and social control, there is no difference between the colonial and post-colonial state. The visible differences are that enormous resources are being poured into the rural areas and state institutions have been strengthened at the grass-roots level. It can be argued that new strategies of state intervention have been adopted in achieving the same objectives. In the Bangladesh context, the interaction has taken a dynamic shape, culminating in the Upazila intervention which is expected to achieve dual objectives: augmenting economic growth and cementing an alliance between the power holders in the urban and the rural settings.

Non-market allocations of resources require institutional

provision. In other words, with state intervention, the mode of allocating scarce resources becomes bureaucratic. There are several interpretations of this process. Vincent (quoted in Rew, 1986: 391) focuses on the manipulation of rules and relates these to a renewed interest in the politics of access and inclusion. Others, particularly Schaffer, concentrate on the significance of non-market distribution, the allocation of goods and services and impositions by state agencies and the crucial role of administrative allocation in any policy configuration. Several outcomes emerge from this configuration. Fundamentally the problems are gauged as 'the difficulties of making organisational connections, the ways in which resources are distributed and the kind of links between clients and institutions' (Schaffer and Huang, 1975: 14). There are other ramifications of this central theme. I will argue that public institutions are not neutral arenas and there is no question of having faith in benevolent bureaucracies. Schaffer and Lamb (1981: 9) observe that differential outcomes of institutional access cannot be attributed to class rule. Rather, this is the consequence of bureaucratism and the institutional process itself. I contend that there are some problems with this 'assertion'. I have already indicated that bureaucratisation of public services has become the order of the day in the post-colonial phase for developing a defense mechanism on the part of the bureaucracy and rationing of scarce resources. Perhaps the significant factor is that methodological adherence to bureaucratism can be avoided

only by taking into consideration the issues of class, patronage and bureaucratization. In so far as rural development is concerned, they have similar effects - the interests of the dominant groups are served.

The institutional provision of services starts by establishing rules of inclusion and exclusion, and by maintaining a fixed price for those with necessary qualifications (Schaffer, 1986: 344). In the whole gamut of institutionalisation, we find a three-dimensional process, each dimension perceived in terms of metaphor which captures the experience of an encounter with the bureaucracy.

- a. Gate: The claimant or client must demonstrate eligibility.
- b. Queue: An order of priority is established in cases where resources are scarce.
- c. Counter: Face to face relationship between the official and client where the former may have wide discretion in determining the level of claimant's needs, and therefore, entitlement to benefit (Smith, 1988: 82).

However, in the very beginning, the delivery system is confronted with a crucial choice; some people can manage to negotiate with gate, queue, and counter for scarce resources and some people face a degraded exit circumscribed by their inferior position in the social matrix.

Adherence to bureaucratism crept into gate, queue, and

counter depicts different types of outcomes. Compartmentalization of services is an inherent feature of bureaucratization. It pre-supposes the establishment of a multitude of gates and queues (Schaffer, 1969). Lower class claimants do not have necessary resources to negotiate with multiple access points. Different departments deal with different items. Here again is the problem of itemization which refers to the way in which institutions specialize in what they provide (Harvey et al., 1979: 32). The crux of the problem is that access to one organisation does not necessarily guarantee access to others (Huda, 1983: 65-66). For instance, a farmer may be able to get a loan, but he may have uncertainty over getting water or fertilizer. This does not affect all classes of peasants. A rich farmer has the necessary time and resources to face the relevant access points. Queues can be manipulated and gates can be bypassed by political pressure, bribes, class position and exploitation of kinship obligations (Smith, 1988: 186). Even in a condition where the total package of improved agriculture is provided by the government for the small farmers (e.g. the IRDP in Bangladesh in the 1970s), administrative allocation is not controlled by public goodwill but by factors such as power, knowledge, status and influence (Huda, 1983: 72). In many cases, it is found that, despite the good intentions of the policy, rural development programmes which are designed for the poor actually benefit the rural elites. The interlocking problems experienced by the poor are incompatible with the bureaucratic methods of allocating goods and services.

Smith observes:

The assumption that an individual's needs will best be met by a multitude of separate organisations and procedures is more consistent with the values and experiences of middle-class, literate, educated and westernized man than with the multi-stranded relations between a poor peasant and a patron who performs the interrelated roles of protector, landlord, employer, mediator, creditor, businessman and broker in those structures of reciprocal socio-political relations so typical of rural Third World society (Smith, 1988: 183).

From the above paragraph, one point becomes clear: bureaucratic administration is incompatible with the multi-stranded social relationships of the poorer classes. Field administration has become bureaucratic, resulting in contradictions where the state is involved in rural poverty-eradication programmes.

There is a tendency for administration to become more bureaucratic while at the same time needing to be involved in interaction with poor classes of peasant where the bureaucratic style is inappropriate (Wood, 1984a: 351).

Thus we find two distinct types of rationality. The notion of bureaucratic rationality is derived from the ideal bureaucratic model developed by Max Weber, which underlies the principles of division of functions, rules and regulations, organisational hierarchy, impersonality and so forth. In order to get benefits, the clients must conform to these bureaucratic principles. As these bureaucratic requirements are more compatible with middle-class values (Sjoberg et al., 1966), in the case of rural development, a multitude of agencies will fulfil a rich peasant's requirements of a package programme. A rich is familiar with accounts, well-aware of loss and profit, can talk the language of bureaucrats, and is responsive to the incentives

provided by the government as he is oriented to the market in his production (Wood, 1984a: 352).

The rationality of peasants (not big farmers as mentioned above) is shaped by sheer poverty and unequal social structure. Shanin (1973: 145-157) and Wood (1984a) have persuasively discussed peasant rationality. A peasant owns a small landholding and very often works as a sharecropper or wage labourer to supplement family income. He tends to reduce risks by 'unprofitable' diversification of crops. He is prone to the powerful and unpredictable impacts of nature, market and state policies. His attitude to risks is conditioned by his limited capital, low level of technology and the marginality of surpluses. He has to confront unfavourable terms of trade. He is crippled by unproductive debt which could be needed for mere survival. He is dependent on his patron as a client. The relationship is multi-stranded. Personal knowledge, trust and the threat of personal sanction constitute the basis of this relationship.

The bureaucracy and poor peasants represent distinct types of rationality; the former seeks compartmentalized bureaucratic behaviour and the latter the familiar safety of low status in a known system. From this distinction Wood concludes that the more capitalistic and 'progressive' the peasant, the more the bureaucratically administered programmes will favour him (Wood, 1984a).

From the incongruence of the two distinct rationalities,

another related theme emerges. Access encounters are highly individuating and alienating (Schaffer, 1986: 372) and create a form of isolation. Lamb observes:

the effect of access relations is also one of isolation in the sense that the effect tends to be that of abstracting individual-state relations from class relations and, to be sure, surrounding that isolation with rules and ideological representations....by the very process of institutional connection itself (Lamb, 1975: 128).

Individuals are treated as 'cases' as a convenience of bureaucratic functioning. It is a compartmentalized aspect abstracted from a person's total situation or story. It is one sort of de-linking (Wood, 1985a: 13). The story of a poor villager implies a social exchange system through which survival is managed. Nonetheless, the relationship is arguably exploitative in that poverty is reproduced and sustained (Wood, 1984b). By social exchange system we mean an arrangement of dyadic linkages mainly stemming from the patron-client syndrome. What I want to emphasize is that bureaucrats tend to deal with information that is relevant to the cases falling within eligibility criteria. All other aspects of the claimants' problems are irrelevant.

A specific focus on 'cases' leads to the target group approach. The labelling itself disaggregates and differentiates individuals. The outcome is followed by the result that the interventionist strategies augment incorporation involving de-linking and organisational dependency (Wood, 1985b: 458) and political disorganisation of lower classes (Wood, 1985a). The autonomy of target groups in development actions cannot be stimulated, rather a

new sort of dependent relationship is established with the state and its local representatives involving local officials and richer groups.

I will now discuss another dimension of access. Bureaucrats tend to work in a contradictory situation. On the one hand, they are loyal to their parent departments. On the other hand, they need a degree of leverage to achieve the developmental objectives. Inherent in this situation is the question of the target fulfilment set by central-level authorities as opposed to the achievement of programme objectives. Target fulfilment is a way of supervision and control from above while the local officials cling to it as the means of survival (Huda, 1983: 62). The process itself contributes to class bias. The intended beneficiaries are bypassed in favour of those who, because they are already relatively privileged, can respond to bureaucratic intervention in the desired way (Smith, 1988: 187). Local-level bureaucrats find it advantageous to avoid lower class people who are likely to handicap the organisation in the attainment of its goals (Sjoberg et al., 1966: 73). Blair has illustrated this phenomenon in Bangladesh:

Bureaucratic needs dictate a focus on default, and this focus in turn necessitates a strict policy of lending only to those with demonstrable collateral, which means land, and the more of it the better. Bigger farmers, then, get the loans....bigger farmers are more likely to be in default than small ones. But this is irrelevant. What is relevant is that the bureaucracy be able to defend itself against a charge of fiscal irresponsibility in its distribution policy by showing that it lends only to the 'best' credit risks - those with the collateral to repay loans. That the loans do not get repaid is not important; what is important is that the lower official

should be able to tell his superior that he followed a 'responsible policy' in making loans, i.e. lent money only to those with a clear capacity to repay them (Blair, 1978: 73-74).

What appears inevitable is that, being deprived of institutional credit, the small farmers have to rely on informal credit such as that available from moneylenders.

The urge of target achievement is also observable in agricultural extension services. An extension worker pays considerable attention to the big farmers, assuming that they are 'progressive' in outlook, receptive to the new technology, require less persuasion, and have necessary inputs for HYVs cultivation. An extension worker thinks that he can achieve greater results by visiting a few big farms than by visiting hundreds of scattered farms owned by numerous small farmers. However one of the pre-requisites of extension service is that the farmer must have necessary inputs readily available. Biggs and Burn observe in India that the Village Level Workers (VLWs) are not equipped to advise farmers whose conditions are sub-optimal.

This tendency is encouraged by one of the criteria for evaluating the success of the HYV programme which is the numbers of acres under HYVs. Since rich farmers own the most land, it is hardly surprising that for this reason alone, VLWs give them their most exclusive attention (quoted in Wood, 1984a: 355).

The supervision-autonomy dilemma is, perhaps, common in all developing countries. Blair (1978: 72-74; 1982: 117-127) and Chambers (1988: 50-53) mainly focus on the centre-periphery tension that affects rural development. The centre finds it necessary to supervise the programme through bureaucratic means in order to keep a programme

under control, minimize local corruption and capture of programmes by local elites. On the other hand, local independence, autonomy and flexibility are needed to adjust to varying local conditions and to meet the needs of the target people. These people are intended as participants by the programmes, which can never be established by bureaucratic criteria. But too much autonomy given to local officials results in two probable consequences: (a) corruption and personal contracts rather than merit become the criteria of the allocation of resources; and (b) bureaucrats tend to adopt risk-aversion strategies in order to please their superiors. This means, in practice, helping the rich. This sort of practice is more prevalent in a country where the structure of public accountability is either absent or relatively weak. Bangladesh can be an example of this kind.

One way out of this dilemma is to democratize local councils with significant power and authority which can be used for keeping local-level bureaucrats under check and balance. The explicit intention behind empowering the Upazila Parishad in Bangladesh was partly guided by this pressing need. But the problem is not easy to solve as local councillors are also large landowners who have little interest in achieving the official objectives of rural development (Rahman, 1988a). I will argue that the Upazila system has certainly changed the equation of local administrative and political power. While officially local-level bureaucrats are under the control of the UZP (to

some extent), in practice, local councillors and bureaucrats together belong to the rural dominant coalition (Adams, Jr., 1986) in order to accumulate and appropriate public resources for private gains. Pearse calls the process 'compacted nexus'. It refers to the self-rewarding arrangements made by the representative of the government agency with the leaders in the village, subverting their legitimate functions for their own profit (Pearse, 1980: 178).

That the rural development programmes intended to benefit the lower classes actually help enrich the already privileged group is not a simple proposition. I have already indicated that the green revolution strategy in particular has some inherent technical features which favour the large landowners. It may be scale-neutral, but not necessarily resource neutral (Byres, 1981; Pearse, 1980; Harriss, 1987). Such a 'scale neutrality' is claimed on the basis of the divisibility of seeds and chemicals, its main components. It is argued that there are no particular economies of scale associated with it. So, it may be used with as much benefit by very small as by very large producers. It is also argued that it is possible to assist small producers by providing institutional credit to meet the cash requirements of the package. In principle this may be possible, in practice it is not often found. Wide disparities in economic and political power between various classes of rural population are the determining factors. Empirical evidence reveals the success for a few and failure

for very large numbers of impoverished peasants (Griffin, 1979: 52-53). Small cultivators lack the time, influence, literacy, and social affinities possessed by the large landowners that make it possible for the latter to be in touch with government programmes and facilitate their accumulation (Pearse, 1980: 166). In this situation, institutional inequality should also be recognized. Institutions are not benign at all. Ladejinsky aptly described it:

It is not the fault of the new technology that the credit service does not serve those for whom it was originally intended; that the extension services are not living up to expectations; that the panchayets are political rather than developmental bodies; that security of tenure is the luxury of the few; that rents are exorbitant; that ceilings on agricultural land are notional; that for the greater part tenural legislation is deliberately miscarried; that wage scales are hardly sufficient to keep body and soul together. These are man-made institutional inequalities (quoted in Schaffer and Lamb, 1981: 61).

However, the problem of access cannot be plucked out of the broader socio-economic and political environment. I have argued that, in the post-colonial era, the bureaucratic mode of administrative behaviour coupled with unequal social relations has pervaded rural development programmes. Administrative institutions dealing with rural development serve the very interests of the dominant groups. In this way, the formal intentions of rural development, i.e., 'serving' the poor, are merely rhetorical.

2.2 Decentralization and Local Government

In recent years, decentralization as a policy or practice

has received much attention from those concerned with Third World rural development. In the academies, it has become what Conyers (1983) calls 'the latest fashion in development administration'. Perhaps it would be difficult to find any developing country without some experience of decentralization in one form or another.

Decentralization as a policy instrument of development received prominence after World War II. The practice of 'trickle-down theory' in the 1950s and 1960s did not eliminate rural poverty. In many of the countries that enjoyed sustained economic growth, inter-regional and inter-class disparities continued to afflict the rural population. As programmes for the rural poor expanded, the limitations of centralized bureaucratic administration in providing services to the poor became apparent. In the 1970s and 1980s, national governments and international development agencies came forward with a focus on decentralized administration which was expected to provide an effective means of promoting development for the rural poor. As early as 1974, it was authoritatively claimed that

a strong empirical basis (exists) for concluding that local organisation is a necessary if not sufficient condition for accelerated rural development, especially development which emphasises improvement in the productivity and welfare of the majority of rural people (quoted in Hashemi, 1990: 1).

Despite a growing interest in decentralization, its interpretations suffer from what Curvelo calls 'its ambiguity, its capacity to conceal more than it reveals, its identification with long-established sentiments, its facile

justification from purely technocratic points of view and the political instrumentality that it potentially engenders' (quoted in Slater, 1989: 501). Perhaps no scholars, irrespective of political predispositions, will ignore the importance of decentralization as a development policy instrument. But it has to be seen contextually in order to derive a proper perspective.

The liberal democratic tradition in the west perceives decentralized government as the institutional vehicle for political education, training in leadership, political stability, equality, liberty and responsiveness (Smith, 1985: 19-30). In the developing country context, the term is used in a wider context. It has positive connotations as well as 'emotive overtones' particularly when it is used for achieving such objectives as 'popular participation', 'local democracy', 'power to the people', 'relevant development', 'co-ordination', 'integration', and 'debureaucratization' (Conyers, 1986: 595). Resurfacing in the 1970s and 1980s, decentralization is seen purely from a developmental perspective which facilitates achieving a wide range of development objectives: implementation of national plans, co-ordination of national development programmes and popular participation in development.

These 'emotive overtones' are prescribed as a challenge to the centralized planning which dominated the developmental scenario of the 1950s and 1960s. Rondinelli and Cheema (Rondinelli and Cheema, 1983: 15-16) have offered 'a list

of fourteen reasons' for transferring more responsibility for development planning and administration to local organizations. One of the protagonists of decentralization, Dennis Rondinelli, has discussed the issue in a range of articles. (1) By reducing diseconomies of scale inherent in the over-concentration of decision making in the national capital, decentralization can increase the number of public goods and services and the efficiency with which they are delivered (Rondinelli, 1981: 136). (2) Decentralization can offset the influence or control over development activities by entrenched local elites who are often unsympathetic to national development policies and insensitive to the needs of the poorer groups in rural communities (Rondinelli, 1981). (3) Decentralization is associated ideologically with principles of local self-reliance, participation and accountability (Rondinelli, 1983: 185).

Other scholars have asserted the usefulness of decentralization along the same lines. Esman and Uphoff have identified seven 'net productive benefits' of local organisations: (a) accurate and representative information; (b) adaptation of programmes; (c) group communication; (d) resource mobilization; (e) local expertise; (f) better utilization and maintenance of facilities and services; and (g) co-operation (Esman and Uphoff, 1988: 24-26). Korten (1986) has been very critical about state intervention. It is counter-productive and inefficient in that it cannot augment local resource mobilization and increase the social

energy potential of the larger social system. In turn, 'community organizations' can offset the above mentioned deficiencies. (Korten, 1986: 1-7).

Readers are also offered four forms of decentralization: privatization and deregulation, delegation, devolution, and deconcentration (Rondinelli et al., 1989: 72-76). Through privatization and deregulation governments divest themselves of responsibilities either by transferring them to voluntary organizations or by allowing them to be performed by private business. Delegation implies the transfer or creation of broad authority to plan and implement decisions concerning specific activities - or a variety of activities within specific territorial boundaries - to a semi-autonomous or private organization. Devolution implies the transfer of functions and resources from agencies of the centre to the local authorities or associations. The central government may retain residual controls, but decision-making and operations are in the hands of local institutions where locally accountable persons manage activities and will be more responsive to local conditions. Deconcentration means the transfer of responsibility and authority by the central government to regional and local units. This involves appointment and outposting of regional, district and local officials representing the central ministries, which delegate to those area officials specified functions in their respective fields, with necessary authority.

The fundamental problem with the approaches of the liberal

development administration group is that they have failed to address crucial issues of the context within which decentralization takes place. In our analysis, the context will mean the nature of state power and agrarian structure, which are closely interlinked. Decentralization cannot be analysed in isolation from the interplay of these forces.

Scholars offer 'reasons' or 'rationales' and 'justifications' of decentralization which are normative in nature. But the rationale may take different forms in different contexts, where the normative concerns will be no more than abstraction. For instance, Mullard (1987: 148-151) puts a question: why does a non-elected regime (e.g. the Ershad regime in Bangladesh) make a priority of decentralization? He also maintains that the government in Pretoria is involved in the process of decentralization in creating homelands but no one would believe that this process is empowering the ordinary black people. I will argue that, in the real world, decentralization can be used by a regime as a tool for accumulation and for gaining political legitimation, incorporation and political control.

Popular participation is referred to time and again in the discussion of decentralization. I contend that the problem lies not with the principle of popular participation but with how it is implemented in practice. Slater persuasively argues:

there tends to be little consideration of who are going to be the actual social agents of decentralization and 'popular participation'; equally in societies fissured by a series of

crucial contradictions and antagonisms, how can the alleviation of poverty, the continuance of economic growth, the encouragement of popular participation and the decentralization of authority all be combined within the same socio-political fabric? (Slater, 1989: 517-518).

Rondinelli and others have little concern about the way power works within society both at the central and local level, although sometimes they say that, if development is to mean eradication of poverty, inequality and material deprivation, it must involve and mobilize the poor (Rondinelli, 1981: 133). The problematic is with the perspective of isolation - the relationship between different groups of people in the rural areas, the changing relationship between dominant groups and the local administration and the articulation of political and economic interests of the local dominant groups with central-level power structure.

At this point it can be argued that the developmentalist perspective overlooks the constraints of participation which are inherent in the political economy of Third World countries. For instance, Slater puts a question: are the private owners of large scale property, both urban and rural, expected to relinquish their privileges when presented with the call for more popular participation? Griffin, a radical political economist, is also very critical about centrally planned economy and advocates decentralization, but does not see it in an isolated way. To quote him at some length:

Rural development, however, cannot easily be centrally planned. Consequently the shift of thinking in favour of agriculture and the

mobilization of local human and material resources has been accompanied by a reduced emphasis on national planning and a growing awareness of the need to devise an administrative structure that would permit regional decentralization, local autonomy in making decisions of primary concern to the locality and greater local responsibility for designing and implementing development programmes. Such changes, evidently, are not just technical or administrative, they are political. They involve a transfer of power from the groups who dominate the centre to those who have control at the local level. It is conceivable, even likely in many countries, that power at the local level is more concentrated, more elitist and applied more ruthlessly against the poor than at the centre. Thus greater decentralization does not necessarily imply greater democracy let alone 'power to the people'. It all depends on the circumstances under which decentralization occurs (Griffin, 1981: 225, emphasis added).

Perhaps the most misleading aspect of Rondinelli's approach is to designate privatization a form of decentralization. This directly contradicts another statement: 'especially the poor' must be allowed 'to express their needs and demands' and 'press claims for national and local development' (Rondinelli et al., 1989: 77). There are underlying reasons behind the general dissatisfaction with the experience of the bureaucratic management of rural development, which results in cultural and class based problems of access. For instance, in the 1970s, the government of Bangladesh relied on some state agencies for spreading the new technology. The experience suggests that it failed to spread the benefits of the new technology to the potentially most productive classes of smaller cultivators. In the early 1980s, the government reduced the role of the state sectors and privatized the input distribution system. I will argue in Chapter 5 that the privatization policy has not ensured the participation of

smaller farmers. Rather, it is helping the rich peasants consolidate their economic position. The small peasants are unable to compete with the rich peasants in a market distribution system. Therefore privatization in the name of decentralization cannot be justified. Rondinelli's obsession with the dichotomy between the market and the political process conforms with the recent drive of the international aid agencies for structural adjustments. It leads one to 'believe that the forces of the market work as an invisible hand, freed from political interference, and presumably acting in the interests of society as a whole' (Slater, 1989: 521).

Thus the developmentalist approach does not help us to capture the dialectics of decentralization. It is necessary to raise questions relating to structural conflicts between classes and sources of power lying outside the constitutional framework. Decentralization should be seen as a part of the process by which dominant classes, including those at the local level, articulate their interests through state policies and institutions (Smith, 1985: 25-26). As such local organisations are very much parts of the state, it is erroneous to consider these as autonomous bodies (Flynn, 1974: 138).

I will now examine what happens in practice with the aid of empirical evidence from a few developing countries. While there are some success stories of decentralization, where NGOs and politicized peasant organisations are involved in

development activities (Choudhury, 1989; Wood, 1984c; Bhaduri and Rahman, 1982), the overall picture does not suggest that that decentralization benefits the vast majority of the rural poor.

At this point I will make a distinction between the explicit and implicit or unwritten agenda of decentralization. The explicit agenda includes those objectives which are proclaimed officially and cited in policy documents. This can also be called inside terms of reference. These include 'popular participation', 'grass-roots mobilization', 'co-ordination', 'balanced development' and so on. These objectives may be or may not be achieved. When these objectives are not achieved, the developmentalist approach suggests that decentralization programmes have failed. I will argue that the failure in achieving these objectives (inside terms of reference) engenders the success in other arenas such as private accumulation by those concerned with decentralized programmes, the distribution of patronage, the extension of government control and the legitimation of the political system. Broadly these objectives constitute the explicit agenda or outside terms of reference. The developmentalist approach is concerned with the inside terms of reference. It never considers the outside terms of reference, which is the main basis of my analysis. The outline of the outside terms of reference sketched above does not imply that all objectives are pursued simultaneously. The nature of a particular social formation determines which objective should be given preference.

There might be a tendency of centralization within a given polity. Bureaucrats and politicians at the centre do not want to surrender their power and authority to local bodies. Politicians think that decentralization will reduce their power of patronage and allocation of resources and strengthen the hands of local politicians. Likewise, bureaucrats accustomed to the tradition of centralized administration are loath to see an erosion of power and authority by a process of decentralization (Islam, 1978). In this process, the decentralization programmes if initiated at all will reflect the interests of the dominant groups. Abuses of position and waste of resources are the inevitable outcomes and the poorer groups will not benefit from such attempts (Standish, 1983; Friedman, 1983).

In many developing countries, the coalition of bureaucrats and the petty bourgeoisie has effective control over the post-colonial states. In such a situation, the dominant coalition resists the devolution of power to the local councils. The Magreb states of Algeria, Tunisia, Morocco and Libya exemplify this trend (Nellis, 1983: 35-58).

In other developing countries, decentralization is pursued by the political leadership in achieving a number of development objectives. The decentralized experiment of Tanzania is an example of this kind. Samoff's analysis of the experiment of Tanzanian decentralization shows how the composition of the state machine, dominated by the

'bureaucratic bourgeoisie' and its ideological underpinnings, thwarted the very essence of participatory decentralized development, which was sought for the achievement of the regime's political and economic objectives. Samoff argues that, though citizen participation was official vocabulary, decisions were taken at the central level. Local institutions were largely dominated by administrators (Samoff, 1979: 39).

ordinary citizens were to be instructed and guided. They were to approve and legitimize. But they were not to play any significant role in formulating and deciding....Fifteen years of public emphasis on citizen participation...seem to have had little impact on the structural exclusion of ordinary citizens from most decision making settings or on the authoritarian orientation of administrators (Samoff, 1979: 43).

The negative attitude towards decentralization was further reinforced by the belief of the state elites that their decisions were well-informed, rational, and supported by the available evidence, and the proposals of ordinary citizens or their representatives were generally ill-conceived, irrational, and not grounded in the objective situation (Samoff, 1979: 46). Slater holds a similar viewpoint. Development villages under the surveillance of bureaucrats and local party leaders did not show restructuring socio-economic transformation. The decentralization programme in fact extended and consolidated the regional and local power of the state and provided a cloak for increased state control (Slater, 1989: 513-516).

The experience of the Magreb states and the Tanzanian experiment in the 1970s suggests that the bureaucratic

elites at the top of the power hierarchy resorted to consolidating state power without co-opting the rural elites. Samoff (1989) reveals that the recent resurrection (in the 1980s) of local government and co-operatives is a new strategy opted by the post-Nyerere political leadership to seek an alliance with locally-based elites. From this development over two decades, Samoff argues that decentralization can be empowering or depoliticizing, and occasionally both simultaneously. The definition of the character and autonomy of local institutions is more a matter of politics than of planning (Samoff, 1989).

Tanzania's latest experiment exemplifies a decentralized system which combines the features of both deconcentration and devolution. Such type of experiment is also found in other developing countries. I will argue that if the implicit agenda is to co-opt or incorporate the rural elites, seek legitimacy and create a support base, then a limited form of devolution will be more effective, although deconcentration will also serve the purpose. Friedman mentions the Malaysian case, where civil bureaucracy assumes the major responsibility for the implementation of rural strategies and rural leaders assist the administrators at the lower level (Friedman, 1983: 45-46). The emphasis is on political mobilization. Local political representatives of the ruling party are co-opted into the administrative structure of rural development committees. In this case I will argue that decentralization involves penetration, incorporation and overall strengthening of central power

(Gasper, 1989: 7). Similar experience is found in Latin American countries. In their empirical study on the nature of community participation of the urban poor in Columbia, Mexico and Venezuela, Gilbert and Ward observe that community participation was used by governments as a means of legitimizing the political system, as a means either of garnering votes or of ensuring compliance with urban political decision making. The study identified three mechanisms by which such objectives were fulfilled: co-optation of local leaders, political mobilization and clientelism (Gilbert and Ward, 1984: 769-783).

In some developing countries considerable autonomy is given to local councils for managing local development efforts. I argue that the apparent democratization of village institutions ensures that the state gains entry to village institutions; in other words, it becomes part of the village. Key individuals become linking pins in the articulation of the village and the state. Rural development involves at one level a co-opting of village institutions that serve the political and economic interests of certain villagers whose perspective is increasingly coincident with that of state and capital (Hirsch, 1989: 35-55). The case of Zambia is an example how devolution of planning authority to local councils ensured the realization three broad objectives of unwritten agenda of decentralization - private accumulation, patronage distribution and social control (Rakodi, 1988). Rakodi found a similarity between national government and local

government in respect of the process of capital accumulation. He observes that councillors of the local state are elected from the petty bourgeoisie class. They tend to improve their access to resources at the local level, to improve their own level of consumption, to accumulate capital on business and to provide rewards to supporters. He also argues that the local state assumes responsibility for propagating official ideology which partly sustains the legitimacy of the state (Rakodi, 1988: 30-32).

The devolution of development authority can be an exclusive decision of the central state or the rural elites can vie for political power as an effective class. Whatever the nature of the negotiation is, the outcome is the same:

Decentralization and increased control over resources at the local level serve as a mechanism for cementing an alliance between local and national power elites, an alliance which would have anti-people implications (Abdullah, 1987: 9).

The decentralization experiment in India reveals that the devolution of power to the local government was a reflection of a class alliance between the urban and rural elites. At this point I will refer to the experiment of the Panchayet Raj. The Panchayet Raj in India is an attempt to decentralize the planning administration of development. Officially these bodies were given enormous powers and authorities. For instance, the Panchayet Samity (the second tier) has the authority to supervise and direct the Block Development Officer, a careerist civil servant. The Panchayet Raj has been subject to criticism over its three

decades of existence, especially complaints of corruption and domination by rural elites (Kohli, 1987; Frankel, 1978). The perpetual pattern of social control that the rural elites have cultivated over the years gave the political leaders a leverage to consolidate their power. The nexus of the relationship between the party and local elites ultimately defined the character of India's participatory institutions' activities at the local level. While reviewing the performance of the Congress (I) government of Karnataka, Kohli observes:

Urs (Chief Minister) arranged for his supporters to have seats on district boards, taluk boards (administrative-unit boards), and cooperative societies. These seats, in addition to being positions of power, are coveted because they offer considerable opportunity to divert public funds for private benefits... illegal funds had been amassed by the Congress (I) under Urs and used for buying political support on an ongoing basis (Kohli, 1987: 147-148).

The same evidence could be attributed to the Congress government of Uttar Pradesh in the late 1960s and early 1970s. Village committees were given the responsibility of land reform. Village notables were in these committees and connected with the ruling party. These people became notoriously corrupt in distributing the lands to their favourites rather than to the needy (Kohli, 1987: 214).

The Ashok Mehta Report of 1978 recommended more decentralization of local councils so that these could be exclusively run by people's representatives. The Janata government in Karnataka (which assumed power after the fall of Congress [I]) implemented this recommendation and focussed its reform effort on the District Council. Better

planning was one explicit objective of the legislation. In their evaluative study, Slater and Watson (1989) observe that the real motivation for this reform lay elsewhere. Karnataka had long been a stronghold of the Congress. When Janata came to power, it actively built its own systematic patronage machine. The reform could well serve this purpose by creating new channels of political mediation. The striking reality was the domination of the landed groups in the council. It was likely that Janata would not imperil the entrenched interests of the propertied classes as a whole. It reminds us one of Barrington Moore's observations: 'To democratize the villages without altering property relationships is simply absurd' (Moore, 1966: 392). The significant feature of the reform is the subordination of bureaucrats to political direction.

The above discussion is an attempt to posit decentralization in a context where the state pursues multiple but contradictory goals: stability and continuity, building political linkages, increasing production, ensuring social welfare and an equitable distribution of the benefits of development (Blair, 1985: 917-919) and maintaining tranquility in the countryside. The contradictions within goal-setting become severe when the country faces political instability. It becomes necessary for the regime in power to destabilize urban-based opposition and diversify its support base. In that case, politics is shifted (partially) from the centre to the periphery. Here is the significance of decentralization measures undertaken by the government.

The classic example is Upazila decentralization in Bangladesh. Not only the Upazila Parishad, the Union Parishad (the lowest tier of the local government system in Bangladesh) has also become an arena of struggle. For example, 100 people died in February 1988 during the Union Parishad election in Bangladesh because of the conflicts between rival groups (Weekly Bichitra, 21 February 1988). This never happened in Bangladesh in any election, whether local or parliamentary.

It is extremely difficult to achieve the goals of economic growth, distributive justice and clientelism simultaneously. Some governments, such as that of Ayub Khan, have partially succeeded. The Pakistan experience of the 1960s suggests that economic growth was accompanied by effective rural clientelism at the cost of increasing inequality and poverty. In the post-liberation era in Bangladesh, the objective of creating a rural power base in the countryside has been achieved, but other goals have remained unfulfilled.

2.3 Corruption and Rural Development

While analyses of the impact of bureaucratic corruption on economic growth from both neo-classical and marxist perspectives have been very extensive (Khan, M.H., 1989), very few systematic attempts are found in the context of rural development. I contend that corruption may not be damaging for dynamic economic growth, but it does have

disastrous effects on rural development. I will also argue that corruption and clientelism have adverse effects on rural development, reinforcing or widening existing inequalities.

The Weberian ideal model of bureaucracy has long been invoked to explain bureaucratic behaviour. In the Weberian typology, legal-rational authority constitutes the modern concept of bureaucracy. The separation between the public and the private is one of the features of legal-rational bureaucracy. The concept of corruption turns on this distinction. Corruption here is the use of public powers to achieve private goals (Clapham, 1985: 50). The question of corruption does not arise in the patrimonial states because such a distinction between the public and the private is not made. In modern developing country states, the management of state affairs rests on formally defined rules, but the practice largely diverges from the prescribed criteria. This is a general feature of the 'neo-patrimonial state'. More specifically, in the 'neo-patrimonial state', a political and administrative system is developed on rational-legal lines, but in practice patrimonial relationships pervade the system. This feature can be found in individual organizations where bureaucrats hold positions with formally defined powers, but exercise them not for serving the public but for promoting their private interests (Clapham, 1985: 48).

The concept of corruption outlined above has considerable

merit. For a better understanding, however, it should be put in a wider context. Corruption has pervaded all societies, but its magnitude and nature differ from country to country. I have argued that, in the post-colonial era, the state has become dominant in the allocation of resources. The dominant groups at all levels of society compete for scarce resources. However, corruption can be viewed as a process of private accumulation by those who have privileged access to state resources.

Wade (1982) made a systematic attempt to conceptualize administrative and political corruption in canal irrigation in India. Wade argues that canal officials - mostly engineers, being the most powerful elements of the irrigation department - raise a large amount of illicit revenue for themselves and for politicians. The modes and mechanisms of rent-seeking centre on several dimensions. It is pre-arranged that the contractors have to pay a certain percentage to officials at the time of delivery of the work order. During implementation, another round of bribing takes place as the construction is not done according to specifications. The local parliament member enters the transaction process. The contractor has to give him a lump sum because the parliament member helped him secure the contract. Another illicit transaction takes place between the officials and the irrigators. Officials, for rent-seeking purposes, show various baseless technical faults of the machine. Unless they are bribed, they will not supply water to the irrigators. It is a 'compulsion' on

the part of the irrigators to bribe officials to get their lands watered in due time. The whole amount of illicit money raised on different occasions is shared among different hierarchies in the irrigation department. The most important aspect of Wade's arguments is the 'sale of posts.' At this stage, transfer mechanism involves a huge amount of money 'payable' to higher officials and politicians. The more lucrative the post the more is the 'sale price' of that post.

In some respects, Wade's analysis seems to have validity. Resources may be scarce or engineers may create artificial scarcity. Under this condition of scarcity, the possibilities of earning bribes are high. There is always a good margin between the price the official is supposed to charge and the price many people are ready to pay. Another distinctive aspect of Wade's analysis is that he cuts across the standard distinctions of the corruption literature between 'low' level and 'high' level corruption and between 'administrative' and 'political' corruption and shows that these various types of corruption are the parts of a single system.

Wade's arguments have some limitations. The most notable one is that he has not analysed the impact of irrigation corruption on different classes of peasants. The land-rich group with superior resource endowments - both material and non-material, can continue triggering-off their accumulation even after giving bribes. They can also offset apparent

losses (paid in the form of bribes) by their ability to accumulate in non-agricultural activities. That the sale of lucrative posts is the principal cause of corruption is not also convincing. It appears that, had there been no selling of posts, corruption would not have taken place. This is really misleading. Corruption does take place even when there is no monetary transaction relating to the transfer of officials. What Wade lacks is a comprehensive framework. I contend that systemic corruption in the irrigation department or elsewhere subverts the rhetoric of equity and provides opportunities for accumulation by dominant classes sustained under a particular political system such as the Indian polity.

Jagannathan (1986) has analysed rent-seeking opportunities in both traditional and development administration. The distinction between traditional and development administration is based on the role these play in an administrative system. For instance, in traditional administration, formal institutions deliver universal and free services (law and order, justice and revenue collection). In development administration, formal institutions provide socially-valued development resources (for instance, agricultural inputs). Organizations dealing with both systems face excess demand. In both situations,

high private valuations get attached to those institutions, automatically endowing them with rent-generating capabilities. Officials who control access to such scarce economic goods therefore have several rent-seeking.... opportunities (Jagannathan, 1986: 127).

In traditional public administration, Jagannathan argues,

inefficient enforcement of property rights is the cause of corruption. There is always a scarcity of administrative agencies which partly cause inefficiencies in the legal and administrative system. The grievances of the citizens remain unattended unless they are able to beat the system by either social connections or bribes. This is an easy way of jumping the queue. In development administration, buyers perceive appropriate benefits from newly created property rights such as irrigation water, health and other essential agricultural inputs. In this situation, buyers will try to 'convince' the administration to increase their allocations, which in turn will help them accumulate private wealth (Jagannathan, 1986: 128). The significant point is that only the rich are able to purchase those services of government agencies.

Public officials and local influential people work together to siphon off development funds. Unequal rural power relations thus create systematic defrauding operations, another form of earning opportunity which is primarily circumscribed by the asymmetric access to information, lack of public accountability and and lack of pressure from the underclasses (Jagannathan, 1986: 128-129; Rahman, 1988b: 6-9).

Jagannathan has also analysed the adverse equity implications. A large percentage of funds is misappropriated and diverted to unintended recipients. It creates black money which is used unproductively for

over-valuing urban property, purchase of gold and jewelry and conspicuous consumption (Jagannathan, 1986: 130).

Now I will discuss the interrelationship between clientelism and corruption. I have shown that clientelism as a social and political relation originated in patrimonial society has also pervaded the modern political system right from the village to the centre. I contend that in principle clientelism is quite distinguishable from corruption. In a sense, what we call clientelist practices are not in themselves perceived as 'illegitimate', although sometimes they carry negative connotations. Corruption, in essence, is 'illegitimate'. Clapham has observed that the two phenomena have to be equated, because a clientelist system depends on allocations which run counter to universalist standards. It produces gross inequalities which favour people who have acquired their ostentiously displayed wealth from their ability to subvert, or to circumvent, the formal machinery of government (Clapham, 1982: 15). It is difficult to justify the way Clapham equates these two phenomena, because not all clientelist practices are corrupt. For instance, a poor peasant takes a favour from his patron in exchange for political loyalty. This is essentially a social relationship, which has nothing to do with corruption. This type of relationship is also found at the centre of political power. For instance, in Bangladesh, during the latter half of the presidency of late Ziaur Rahman, there was an extensive and undisguised distribution of favours through his Bangladesh Nationalist Party. This

was part of a concerted attempt to neutralise pressures challenging the legitimacy of the regime (Khan, M.H., 1989:63-64). However, in principle, clientelism can operate without corruption in a rural setting (the relationship between rural rich and the poor) or at various levels of society through a politically organized system of distribution of benefits.

Nevertheless, under certain circumstances, it is difficult to make a distinction between clientelism and corruption. For instance, resources generated by clientelist lobbies may be scarce, resulting in de facto rationing. At this point some people who are favoured or those who are willing to share the pay-off with a decision-maker will have an advantage. This interrelationship can take another form. For instance, development resources disposed by local councils may be misappropriated by the local elites. This is essentially a form of rent-seeking corruption (other forms are bribery, black-markets, smuggling etc.). This can also be called 'clientelist pay-off' because of the origination of resources from the needs of clientelist politics.

At this moment, we are particularly keen to look at the intermediaries or brokers or middlemen, the products of the clientelist system. It is also necessary to distinguish between formal and informal middlemen. For instance, an extension worker is a middleman whose primary responsibility is to make a connection between the peasants and higher

level officials. Or take an example of agricultural credit in Bangladesh. While filling up the application forms, the loanees require the Union Parishad (UP) chairmen to certify them. In a sense, local councillors are also the middlemen, linking the people with state machinery. These are the examples of formal or legitimate brokers. In principle these remain outside the realm of corruption. In practice, however, an extension worker may favour the upper stratum of the peasantry and disfavour the poorer groups. Or a UP chairman may demand a present from his client apart from seeking political loyalty. Moreover, local councillors may be involved in misappropriating resources in collusion with the local-level officials. However, the formal aspect of middlemanship does not preclude the possibility of illicit income opportunities, favouritism and nepotism. Another factor needs to be stressed here. A middleman may be personally honest. He convinces officials, say, to extend agricultural credit for his dependents, thus excluding other potential clients. The whole process may not involve any monetary transaction but a universal standard of public action has certainly been eroded.

Now I will analyse the emergence and operations of informal middlemen in the rural areas. Schaffer (1986) and Srivastava et al. (1986) have particularly focussed on this dimension. Schaffer argues that misappropriation of resources, a common form of corruption, takes place within the formal institution itself. Sometimes it occurs between the institutions and applicants. It also occurs through the

need to employ various types of intermediaries between applicants and the allocating institutions. The intermediaries may be legitimate. They may also be illicit, illegitimate and degraded: the petition writer or tout (Schaffer, 1986: 362). The very nature of the institutionalization process of the distribution of public goods and services creates a bifurcation between the officials and applicants, particularly the poorer groups, resulting in the need for the use of intermediaries and engendering corruption at each point. The clients either exit from the process altogether, or engage, more or less expensively, in a degraded form of access through corruption itself, through dealing with touts or responding to brokers outside the formal system. Even the formal committees 'representing', for instance, growers and dealing with government institutions are also part of the corrupted process of domination. Thus the very process includes an alliance between these formal intermediary structures and some other informal intermediaries (Schaffer, 1986: 366). What makes the role of the brokers significant is that they are conversant with the rules, they know the ways of circumventing them and enjoy the blessings of the higher authorities (Schaffer, 1986: 374).

Srivastava et al.(1986) have presented a comprehensive framework for analysing the role of the middlemen in the Indian countryside. Middlemanship has been the empirical reality of organisation of the Indian state and bureaucracy since the days of the East India Company. The primary

functions of middlemanship were to assist materially the alien power and to help create a basis for the legitimation of the colonial power. In the course of time, particularly after the introduction of Permanent Settlement, the colonial state through the intermediaries reinforced dependencies of all sorts among the larger rural masses, on the one hand. On the other hand, the zamindars became effective linking pins between the colonial state and the vast majority of peasants (Srivastava et al., 1986: 12).

The independent state took an interventionist role in the process of planned development. It abolished the intermediary zamindars but could not eliminate them as bases of the rural power structure. In place of old dependencies, new dependency structures became active and intensified with the gradual and active involvement of the state in rural development affairs. On the one hand, the accommodation strategies of the Indian polity accelerated the process of middlemanship formation. On the other hand, the rural development bureaucracy 'moved on with their anchorage among rural influentials, who were overtly willingly to fill-in the gap between the state and the people for their own sake' (Srivastava et al., 1986: 18). These rural influential people are the informal intermediaries with the necessary pre-existing nexus with the administrative machinery, who are hired and paid for by the services they render to the people. It is a newly acquired profitable occupation of the rural influential people dotting the rural society.

The crudest form of middlemanship is, perhaps, toutism. A tout can be defined as someone who satisfies without giving anything, someone with a bit of education who can fool simple village people into thinking he has important connections and can arrange and get things done for them (Lindquist, 1978: 53). While this definition portrays a tout, he can possess other characteristics under changing circumstances. For instance, a tout can mobilize rural underclasses or can act as a bandit for a rural faction leader in exchange for the benefits (administrative and political protection, easy access to officials) he receives from his patron. In principle, it is difficult to distinguish the tout from the professional middleman, because both of them link people with the administration. But we must make a distinction. Professional middlemen will render services to their clients in lieu of money. But the touts, in most cases, cheat ignorant people. While well-off people will resort to professional middlemen, the poorer groups become easy prey of the touts. It is also true that some times they render services against high costs in order to keep their business alive.

The relationship between the specific form of clientelism and bureaucratic and political corruption is, however, very intimate. The dominant coalition of the middlemen, local political actors and bureaucrats thrives on public resources. The intended beneficiaries are left out from the rules of the game.

The whole process is a product of development intervention by the state in the post-colonial era. The state bureaucratic structures have created new types of middlemen who thrive on clientelism. It is really a 'parasitic' form of politics which is a hindrance not only to economic growth but also to equity. The political boss uses his power to serve the ends of his private gains. He not only tolerates the demands of the middlemen on his office but also promotes them, a process which Srivastava et al. call the 'feudalization of administration' (Srivastava et al., 1986: 124-125).

Conclusion

The arguments developed in this chapter aim to direct attention to the constraints of state intervention on rural development at the grass-roots level. Since substantial development resources are poured into the rural areas and local-level bureaucrats and local councillors are directly involved in the development process, these constraints play a critical role in our understanding of what actually happens in practice.

I first analyzed the constraints from the perspective of access theory. I have argued that non-market allocation of goods and services requires institutional provisions set by the bureaucracy. Here in lies a paradox. While the involvement of state institutions is needed for the poor to offset the problems created by market forces, the social

setting, the very nature of the organization, its procedural requirements and the social origins of officials constrain access of the poor to government resources. These factors do not prevent the rural dominant classes from getting privileges from the state institutions. Their socio-economic and political position coupled with their class affiliation with local-level bureaucrats are the factors responsible for their easy access to state resources.

Decentralization, in principle, might facilitate access of the poor. Decentralization cannot be implemented, however, in isolation from the prevailing socio-economic and political forces. The developmentalist approach fails to recognize this fact. Governments have a wide range of motives for creating decentralized structures conducive to their needs. I have argued that governmental needs for social stability and control are the main structural determinants of decentralization. In doing so governments have to co-opt local leaders. The resultant effect is the politicization of the rural delivery system. The channelling of government resources in the name of decentralized development in fact strengthens the hold of the rural elite upon the rural base through new avenues of patronage and graft.

Finally, I have analysed the implications of corruption for rural development. Corruption is antithetical to the interests of the poor and maintains elite interests. It has

also been argued that, in principle, clientelism and corruption are quite different phenomena. But the differences are blurred in certain circumstances. More importantly, they are functionally similar in that they serve to safeguard elite interests and foster the continuation of unequal power positions and unequal socio-economic conditions.

My subsequent investigation of the rural development experience of Bangladesh, and the role played by the state in promoting or limiting this, will be structured in line with the arguments provided by Chapters 1 and 2.

PART TWO: BANGLADESH RURAL REALITY

Chapter Three: The State in the Village: (a) the Colonial and Post-colonial Periods

Introduction

This chapter aims to examine the relationship between the state and the agrarian structure, with a specific focus on the colonial and post-colonial periods. The first section looks at the colonial experience. The first systematic attempt to restructure the agrarian system was the Permanent Settlement of 1793, which decentralized property rights to a class of zamindars. It was believed by British Administrators that the zamindars were the owners of land, who would, given the right kind of incentive, carry out the desired improvements in agriculture. However, in the course of time, it became clear that the zamindars were no more than rent collectors. A powerful class of rich peasants, known as jotedars, predominantly Muslims, emerged in the countryside in effective possession of the land. In terms of the hierarchy of intermediaries, the jotedar class was below the zamindars. This new jotedar class, along with their urban offspring, strengthened the movement for a separate Muslim state, Pakistan.

I will argue that the colonial state pursued contradictory policies in respect of the agrarian structure. On the one hand, Permanent Settlement gave the zamindars property

rights. On the other hand, the colonial state enacted several legislative reforms in the aftermath of Permanent Settlement, which protected the rights of the jotedar class. More importantly, the extension of the state machinery (e.g. police and civil administration) to the countryside was intended to curtail the customary rights of the zamindars. The contradictory policies generated consequences such as unstable factionalism and a weak judicial structure (Rahman, 1987a; Washbrook, 1981).

The second section examines the nature of the post-colonial state of Pakistan, with special reference to its relationship with rural society. Although the demise of the colonial state and subsequent land reform legislation made the jotedar class the masters of the countryside, East Bengal as a whole was subjected to the economic and political domination of the Pakistani ruling elites, consisting of the military-bureaucracy oligarchy, the feudal land-owning class and the industrial bourgeoisie. Nevertheless, the jotedar class in East Bengal was quite happy with the economic opportunities that the Ayub regime provided for developing a political clientelist system. The arguments developed in this chapter will be substantiated by the discussion of state-led rural development programmes in Chapter 5.

3.1 Colonial Experience

There are several aspects of the interaction between the

colonial state and peasantry in Bengal that should be discussed here. Firstly, administrative and political intervention in the agrarian system will be analyzed. Secondly, I will concentrate on the way the colonial state operated in the countryside through its formal organs - police, executive and judiciary. Primarily, colonial penetration aimed at plundering raw materials for feeding the process of industrialization in the burgeoning metropolis. In order to achieve this, it was necessary to develop an administrative apparatus. Revenue collection and the maintenance of law and order were thus essential functions of the colonial state. Another aspect was political mobilization of the peasantry which posed a threat to the continuation of colonial rule.

European traders made inroad into Bengal in the sixteenth century and later this gave way to direct political control by the British. Effective political hegemony was achieved by the East India Company after the battle of Plessey in 1757. In 1765 the company was given the status of 'Diwan' or Administrator of Bengal. A central government was created in 1773 and by 1784 the establishment of a formal colonial state apparatus involving political supervision and control was completed (Smalley, 1983: 179).

The Permanent Settlement was an important move on the part of the colonial state. The colonial state achieved its stable position through this new land system which enabled it to perpetuate colonial rule until 1947. The significant

features of Permanent Settlement were: (a) the conferment on the zamindars, of defined rights over land such that they could sell and buy revenue collecting rights in exchange for the payment of revenues to the state (Khan, M.H., 1989: 230); (b) failure to pay revenues within a stipulated time invoked sale laws. Zamindari estates were transformed from a set of feudal rights and obligations into commodities; and (c) these proprietary rights related to the revenues from the estates and only to the land itself. These rights could not encroach upon the rights of other agrarian classes - that is, smaller zamindars and various categories of peasants (Smalley, 1983: 180). Thus the imperatives behind the legislation of this new land system were two-fold:

1. The need to secure the conditions, through the strict organization and maximization of land revenues, for the consolidation and reproduction of a discrete state-form to regulate and orchestrate social processes of production and appropriation.
2. The need to ensure social, political and economic order as a means to stimulate metropolitan capital accumulation.

It was believed by the British raj that these two needs could be met by vesting the zamindars with 'property rights'. The high land revenue demand and its punctual payment were expected to be ensured through the provision of the sale laws; the fixed nature of the demand was supposed to encourage the zamindars to introduce innovations into the

production system (Smalley, 1983: 181). Of course a certain tension existed between these two imperatives. The economic preconditions required an increase in the productive capacity, whereas the political preconditions required a stable agrarian order. In the course of time, the political objective shaped the agrarian policy of the colonial state (Washbrook, 1981).

There are two views regarding the structure of Permanent Settlement. One view is held by Alavi.

The most important turning point in the evolution of the new system of landownership brought about by the colonial regime was the 'Permanent Settlement' in Bengal...which was instituted in conjunction with fundamental changes in the social and economic structure. The peasant was dispossessed of the land which now became the 'property' of Zamindars. Concomitantly the direct coercive powers of the Zamindars (and his private armies) were abolished...Land was now 'bourgeois landed property' in the sense that Marx used the term (quoted in Smalley, 1983: 180).

Contrary to Alavi's view, there is a strong argument, which seems to be convincing that, the rights given to the zamindars were more related to the revenue collection than to the land itself. In other words, the Permanent Settlement did not give zamindars ownership of the land (Rajat and Ray, 1975).

After the introduction of Permanent Settlement, the structure of revenue collecting rights extended through a series of intermediaries. While in many cases the zamindars had control over the estates in their own areas, large areas remained beyond their control, particularly at the village level. At this level, village headmen, substantial rai-yats

or resident cultivators, popularly known as jotedar in the nineteenth century, who used to pay customary rents, had the effective ownership of land in their direct possession (Rajat and Ray, 1975; Smalley, 1983; Abdullah, 1980; Khan, M.H., 1989: Chapter 11). While the zamindars were largely drawn from high-caste Hindus, the jotedars in East Bengal were largely Muslims (Rajat and Ray, 1975: 84). Various land settlement surveys confirm this phenomenon. Francis Buchanan reported in 1808 in his survey of Dinajpur District that 6 per cent of the cultivating population enjoyed 36.5 per cent of the land leased by rai-yats from the zamindars, whereas 52 per cent of the agricultural workforce had no land at all and worked either as sharecroppers or as agricultural labourers under the rich tenants and landlords (cited in Rajat and Ray, 1975: 84). The trend was also noticed in the early twentieth century in another report on Dinajpur:

Almost every village will reveal some large family of substantial cultivators....As elsewhere in North Bengal, this jotedar class is socially supreme in the countryside...Most holding 'jote' or raiyati right, they may have progressed in the world, and acquired some property rights in some estates, or for ease of collection, have taken a patni lease of a whole village from the landlords. Most union board presidents would be found to belong to the jotedar class with from 30 to 300 acres of land (quoted in Chatterjee, 1982: 31).

In other parts of northern and south-eastern Bengal, there existed a Muslim jotedar class with substantial occupancy rights (Abdullah, 1980: 3-5; Chatterjee, 1982: 30-31).

The jotedar class combined grain-dealing and moneylending with their massive landownership and these together constituted their economic and political power in the

village. The greater part of rural credit was supplied, not by professional bankers and moneylenders, but by well-to-do villagers who combined agriculture with moneylending. According to the report of Buchanan, at least half of the cultivation of the whole country was carried on with the money or grain advanced by the jotedars. Agricultural labourers pledged their labour to the jotedars for a loan of a few rupees (cited in Rajat and Ray, 1975: 84-85). As a whole the jotedar class was very much in command in the economic and political arena of the village.

Despite enhanced opportunities accorded to the jotedar class, Rajat and Ray observe, the zamindars still enjoyed enormous advantage under Permanent Settlement. The new structure of rule created by the colonial state and embodied in administrative, revenue and judicial reforms for controlling the countryside afforded the zamindars increased powers for obtaining enhanced rents from the village (Rajat and Ray, 1975: 87-88).

Nevertheless, the contradictory policy of the colonial state could be observed. An important dimension emerges in this respect. The legislative intervention of the colonial state in the form of the Rent Act of 1859 and the Tenancy Act of 1885 was rather an attempt to shift the entrepreneurial responsibility for increasing the productive capacity of the land from the zamindars to the jotedar class. This was exemplified, for instance, by the provision that jotedars of 12 or more years standing were given occupancy rights to the

land under their control (Smalley, 1983: 186-187).

Several factors have to be considered carefully here. The landlord class created by the raj had no roots in rural East Bengal. It represented, rather, a form of parasitic landlordism (Moore, 1966: 346). One possible explanation is that the raj did not succeed in creating a landed aristocracy in East Bengal (Abdullah, 1972: 70). But what seems more plausible is that the raj deliberately tried to destabilize the zamindars, an idea which has been carefully examined by Rahman (1987a) and Khan, M.H. (1989). In other words, the raj had no intention of disrupting the pre-existing agrarian structure. Particularly since the mid-nineteenth century, the raj clearly showed a conservative attitude regarding the agrarian system, which was manifested in its legislation (Washbrook, 1981). The emergence of such a situation coincided not only with a greater need to preserve the social balance as investments and vested interests grew, but also with a radically different identification of the groups which were likely to be the organizers and representatives of mass discontent (Khan, M.H., 1989: 231). They were none other than the jotedars. The conservatism in relation to the peasant question was quite clear. Washbrook observes:

The policy documents of the period, however, make it plain that the raj saw the agrarian problem much more in political than in immediately economic terms. Its policies of social conservation and peasant protection flowed from the fear that if competitive capitalist relations were allowed freedom to take over the countryside, the resulting conflict would destroy the raj's own institutions of government and political security. On such an understanding, it clearly made sense to

block the development of these relations and to hang on to its inheritance for as long as possible...British fears always ran far ahead of Indian realities. The raj was already paranoid about the consequences of the imminent capitalist transformation before any signs that it might be taking place appeared (Washbrook, 1981: 684-85).

The underlying fact is that the prevailing class structure in India did not create or maintain the state, rather it was the colonial state that created and maintained the class structure (Abdullah, 1972: 270). This calls for an examination of the nature of the colonial state formation in regard to the countryside. I will discuss it later in this section.

The significant development in the second half of the nineteenth century was the development of an urban middle class. The jotedar class availed itself of the opportunities made available by the raj in the field of business, service and various professions (Rajat and Ray, 1975: 100). Khan aptly analyzes the political strategy of the raj behind the concession given to this urban jotedar class, which was expected to 'balance the pretensions of the zamindars or pre-empt the mobilization of those even further below' (Khan, M.H., 1989: 232). This class became the support base of the Congress and the Muslim League, and in Bengal, it constituted its own party, the Krishok Proja (Cultivator, Tenant) Party under the leadership of A.K. Fazlul Haq.

The Calcutta jute industry made a substantial contribution to the upward mobility of the jotedar class at the turn of

the nineteenth century. In the 1930s, the world market and the monopsonistic powers of the Calcutta enclave economy eroded the prosperity of the jute growers. As a whole the jotedar class was not greatly affected. Its moneylending business increased substantially, however, (Khan, M.H., 1989: 236), and this was to a great extent responsible for differentiation within the agrarian structure. This situation precipitated the disastrous famine of 1943. It exposed the fragility of peasant agricultural production as it had evolved in Bengal under the colonial state apparatus. There is substantial evidence that the famine and post-famine period led to a massive transfer of land from the vast majority of small peasants to the jotedars and moneylenders (Smalley, 1983: 193; Chatterjee, 1982: 35).

The 1937 elections to the provincial legislative councils had an important impact on the political balance of power. The Krishok Proja Party, a viable forum of the jotedar class, did not win an absolute majority and formed a coalition government with the Muslim League. The first priority of the government was to pass the 1938 Bengal Tenancy Amendment Act, which virtually represented a clear victory of the jotedars over the landlords and strengthened the anti-zamindari movement. The Act not only gave legal recognition to the transfer of occupancy rights, but also the zamindars' fee for transfer of occupancy rights was abolished. The populist slogan of the emancipation of the peasant was never reflected, however, in the policy in practice. For instance, Goswami reported that, in its first

budget, the Fazlul Haq government allocated one per cent of the budget to agriculture, half of the budget approved for stationery and printing (cited in Khan, M.H., 1989: 237). This simply indicates a low priority of populist political leaders for the vast majority of impoverished peasants in the late 1930s and 1940s.

Administrative and educational reforms further fostered the upward mobility of the jotedar class. This created a new generation of middle class people who became the backbone of political mobilization for the cause of Pakistan (Westergaard, 1985: 27). Political events in the late 1930s and early 1940s changed the balance of Muslim politics in East Bengal. The popularity of the Krishok Proja Party declined. Khan argues:

With the much greater potential for upward mobility in an independent Pakistan, the muslim jotedar in Bengal had no hesitation in switching his support to the 'aristocratic' Muslim League in the elections of 1946, since that party promised a potentially much greater voice for the jotedar in a newly constituted state (Khan, M.H., 1989: 237).

The climate of peasant agitation regarding zamindari oppression was translated into communal terms. This gave a fertile ground for populist politics which the Muslim League nurtured successfully with the help of the jotedar class who by this time had achieved a clear notion of political objectives in terms of institutional power and patronage within and around the structure of government (Chatterjee, 1982: 38).

The limited representative government and the colonial state

formation did not have the same direction. While the former gave a voice to the dominant social classes in the political process, the latter shaped the actual environment of the state apparatus in so far as the agrarian system was concerned. The penetration of the state into rural society has to be understood within a perspective relating to the contradictory policy initiatives undertaken by the colonial state. One of the aims of the intervention was to strengthen control and domination of the colonial state over civil life.

The contradictory aspects of politico-administrative intervention have been brilliantly analysed by Rahman (1987a; 1987b). Most of the arguments developed here are based on these two articles. Property rights in land became subject to contradictory influences. The colonial state attempted to supercede the localized, customary contexts in which land rights had hitherto been manifest. The introduction of Permanent Settlement gave a legal framework to the land system. More importantly, the establishment of police stations (Thana) in the rural interior and a network of law courts aimed at supplanting the adjudicating roles of the zamindars in the villages. On the other hand, an ambivalence was found in the actual working of the state apparatus. A definite record of rights never came to be established for Bengal. This in fact impaired the ability of the courts to provide conclusive adjudication. Moreover, the growth of law was oriented not towards securing the social consolidation of legal property but towards

strengthening the hegemony of the colonial state authority over civil life (Rahman, 1987b: 224). The concomitant effect was a weakness of the state's capacity to adjudicate the structure of legal property in land. Instead the judicial and police institutions imposed themselves on agrarian society as necessary arenas for manoeuvring by parties in dispute. Thus the duality in the politico-administrative structure provided room for the politicization of landed property and the factionalization of village life.

The ambivalent adjudication by colonial state-power and the individualized political manoeuvring by which the stability and the effectiveness of the right of property was secured were two sides of a single structural process, the former being the precondition for the latter (Rahman, 1987b: 225).

There is evidence that the judiciary could not give definite decrees about property rights. Washbrook observes that the number of courts in different places in Bengal was reduced. Stamp fees to bring a suit were pushed up to prohibitive levels. The courts were denied the necessary machinery to enforce their own decrees, with the result that the great majority of suits for the execution of decrees already obtained were ineffective. Nothing was done to improve the situation. Property rights were left to be safe-guarded by a legal system which would take up to 50 years to resolve a case or which would order the re-trial six times a suit for property worth Rupees 6 (Washbrook, 1981: 658-659).

Now I discuss the way in which the colonial administration worked in the villages of East Bengal. The Police

Regulations of 1792 for the first time vested the sole police authority with the state. Traditionally, the 'peace keeping' responsibility was with the zamindars. The armed establishments acted as the instruments of zamindars' own will and as an organ of local police. The police were maintained through the grant of revenue-free land for which the zamindars enjoyed exemptions in their revenue obligations to the central authority. Intervention by the colonial state took two forms. Firstly, it removed exemptions from the land used for the maintenance of the zamindars' police establishments. Secondly, the state extended the network of police control to the local level. For this the new unit was the Thana. The state appointed a Daroga for each Thana with 10 to 15 armed guards and placed him under the immediate control and authority of the executive functionary in charge of the District. The Daroga was a salaried official, in contrast to the land-based police system. So the beginning of colonial penetration, apparently, made the Daroga independent of the zamindars' land-based political authority (Rahman, 1987a: 38).

Here it is essential to examine the contradictory tendencies of the politico-administrative intervention. The institution of the Daroga system proved crucial in extending colonial state power within the rural polity. The state did not pose any threat to the zamindars as a social class, the claimant of property rights. But the zamindars were divested of their governing role. In this context, the role of the Daroga has to be considered within the village

political structure and the imperative of the colonial state.

The Permanent Settlement having confirmed zamindars in their rights in revenue-management, the realisation of revenue by the colonial authorities was crucially dependent on the continuing political ability of the zamindars to extract the revenue from the villages. The institution of the **Daroga** system was not thus aimed at undercutting zamindari power as such; but what the establishment of such a system crucially militated against was the position of zamindar as the customary focus of governmental authority within the rural polity. The issue, therefore, was not whether zamindar dominance over rural life continued - which the evidence clearly shows it did - but whether such dominance operated in counterposition to the **Daroga** system and the law courts of the colonial state and hence as a challenge to its political authority as being the 'government' of the country (Rahman, 1987a: 61).

The contemporary historiography indeed gives proof to the assertion of colonial state power in limiting zamindari dominance. At the same time it is also true that crimes increased in volume and the police were largely to blame (Rahman, 1987a: 60). The extension of the administration's presence to the local level exacerbated conflict rather than enhanced rural peace. The police were ill-remunerated and placed in a position with powers which they were tempted to misuse (Rahman, 1987a: 60). Likewise, while the state divested the zamindars of the police authority, it nevertheless allowed the zamindars to keep private forces. Government surveys in the early nineteenth century confirm that these private forces, known as lathials (stick-wielders), unleashed atrocities in the form of dacoities and violence (Ali, 1986a: 72).

The colonial state was more eager to consolidate its rule

than to keep rural peace. Despite the criticisms within and outside the colonial establishment, the Daroga system was made a permanent feature of the colonial administration in Bengal (Rahman, 1987a: 61).

Another contradictory aspect of the colonial state's policy for maintaining law and order related to chaukidars (village police). Chaukidars functioned specifically as a communal police force for the villages. They were a subsidiary expression of the zamindars' traditional police authority. When the Daroga system was established, the chaukidars were brought under the Daroga. But they were not salaried employees of the government; they depended on land-grants from the zamindars for subsistence. Thus chaukidars were placed under conflicting lines of authority. The state's police role was felt at the village level. The state's dual policy was evident: to neutralize the danger to its own security from the side of the zamindars and not to impair thereby the zamindars' political ability to extract the land-revenue from the villages. The Village Chaukidari Act of 1870 removed all exemptions to the zamindars' revenue obligations on the land held by chaukidars.

There were several ramifications of these forms of political and administrative intervention. By abolishing its economic basis, the colonial state tried to destroy the residual source of the zamindars' police authority. More importantly, the customary police authority of the village communities was undermined. Thus by placing chaukidars

under the Daroga and cutting their land-based remuneration, the colonial state denied the legitimacy of customary leadership of the villages. Nevertheless, the functional significance of chaukidars was reduced by the absence of any effective source of support in the discharge of their watchmen function. This in fact worsened the security of village life (Rahman, 1987a: 65).

By denying legitimacy to its customary leadership, by divesting it of all functional authority, by reducing the chaukidari position to functional insignificance while entrenching the Daroga system, the colonial administration effectively undermined the autonomy of village life from the jurisdictional purview of the state. The 'village community' remained - indeed it could no more be eliminated than village life itself - but the adjudicating role of its customary leadership was less and less the major regulator of its social dynamics (Rahman, 1987a: 66).

Now I turn to another aspect of colonial state formation. The District collectoral system was skilfully designed to provide the basic framework for imperial occupation and stable rule. The duties of revenue collection and maintenance of law and order were the historic functions of the ubiquitous District Officer. More importantly, he was the hub, mediator and linchpin of the colonial state and of its capacity to act at the local level (Tepper, 1976: 37). The District Officer emerged as the most powerful man in rural Bengal (Ali, 1982). The concentration of the authority in the hands of a single functionary made the District Officer essentially the head of the District. He was responsible for the collection of land revenue. He was the chief magistrate who, though he did not try many cases himself, had to review the judgements and sentences of all the subordinate magistrates in the District. He was also

head of all the other District administrative departments (Hunt and Harrison, 1982: 95).

The most important effect of this was the union of criminal judicial and executive/police functions in the hands of a single executive functionary. The fact that the bureaucracy was the chief instrument of control and domination in British India (Ahmed, 1980a) justified the creation of a strong executive structure at the expense of even undermining the judicial structure. The separation of executive and judicial functions had long been a matter of debate within and outside the colonial state apparatus. All civil offences were within the purview of the functions of the District Judge, while criminal judicial authority within the District was vested in the District Officer who had the general supervision and direction of the District police. The District Officer himself undertook little judicial work, but he exercised powers of superintendence over the criminal judicial work of subordinate magistrates, many of whom combined executive functions with the judicial one (Rahman, 1987a: 71). The relative weakness of the judiciary was also structural in that it was confined to the District level. The executive-police presence extended to the interior Thana. Magisterial courts were limited up to the subdivision level, an intermediate unit between the District and the Thana which only started in the 1850s; these never extended to the Thana, the primary unit of police administration. In the early 1920s, the Thana felt the presence of another post, the Circle Officer, who was accountable to the District Officer through the Subdivision

Officer. Along with revenue collection functions, he supervised the functions of the Union Boards, the lowest level local council (Anisuzzaman, 1963).

The colonial state formation demonstrated the weakness of judicial authority and punitive dominance of the executive police authority. It was really an executive despotism, a marked feature of civil governance of the colonial state (Rahman, 1987a: 88-89). The separation of the executive and criminal judicial functions was one of the demands of national leaders. In fact, the leaders saw the potential danger of the concentration of powers - police investigation, magisterial enquiry and judicial trial in the hands of the same person (Rahman, 1987a: 89). The demands were, however, not met.

The foregoing discussion analyses different aspects of political and administrative intervention of the colonial state into the rural society of Bengal. The colonial state in Bengal emerged at a particular juncture in the process of capitalist accumulation on a world scale. In order to ensure continued accumulation, the state adopted different administrative and political strategies of which control over indigenous classes, and a political balance between social forces were most important. These strategies were not without contradictions. It has been argued that 'property rights' given by the state to a class of zamindars were subject to confusion. The effect was political manoeuvring by different groups of people concerned with the

agrarian structure. Rahman persuasively argues that one sort of structural instability was induced by colonial intervention in the system of land property and the political dynamic of unstable factionalism. Both of these entered village life in colonial Bengal (Rahman, 1987b: 225).

There is evidence that, in some parts of East Bengal, a class of jotedar, predominantly Muslims, emerged. This was not an inevitable outcome. Their transition, apart from demographic and economic factors, was also conditioned by the political balance strategy of the colonial state which was reflected in legislative interventions (Rajat and Ray, 1975; Khan, M.H., 1989; Abdullah, 1980).

The colonial state's social and political balance strategy also gave rise to an organised middle class developed from within the rural jotedar class. The urban middle class, with the active support of the Muslim peasantry, strengthened the nationalist movement for the cause of a new Muslim homeland, Pakistan. While the political balance proved viable for a while, the emergence of a class society structured by the colonial impact limited the capacity of the colonial state to ensure the reproduction of the colonial economy (Smalley, 1983: 194).

The ever-lasting legacy of colonial rule is perhaps the creation of a strong superstructure. The political priority of the colonial state was to deny the traditional customary

leadership of the zamindars. While the 'village communities' remained intact, the zamindars were divested of their governing role in society. Another aspect of the strong superstructure was the development of the District administration system. The legislative reforms gave some space for the nationalist leaders. But that could not undermine the punitive dominance of the District Officer who was entrusted with enormous executive, police and criminal judicial authority. According to Rahman (1987a), this structural legacy was inherited in Pakistan and it has not been overcome in Bangladesh.

3.2 Post-colonial Experience

India and Pakistan became independent states in 1947 as a result of political struggle. The regions inhabited by the majority of the Muslims constituted the sovereign Pakistan state. East Bengal, renamed East Pakistan, became a part of Pakistan. Despite a popular belief that the Pakistan movement was based on religion, it was more plausibly, from its inception, a movement of the relatively privileged strata of Muslim society who saw their interests and privileges threatened in a united India (Abdullah, 1972: 266).

The association of East Bengal with Pakistan has been described as an absurdity, largely on the grounds of the differences between the two regions in terms of culture, geography, class structure and level of economic development

(Jahan, 1977; Sayeed, 1980). Regional differences coupled with deliberate state policy ultimately ensured the dominance of the West Pakistani ruling elites over East Pakistan. The old British colonialism was replaced by new power, transferring the seat of authority from London to Karachi (Nations, 1975).

It has been argued that East Bengal was a rural hinterland, distinguished clearly by its export of agricultural raw materials to the metropolis (Tepper, 1976). The landlord class was predominantly Hindu, with no roots in East Bengal. What remained was a vast majority of peasants and landless people, with a jotedar class at the top of the rural hierarchy. In the later part of colonial rule, because of the upward mobility of the jotedar class, a small urban constituency comprising lower level government functionaries at the provincial level, professionals at the small town levels and small traders came into being (Abdullah, 1972; Sobhan, 1980).

Contrary to the agrarian system of East Bengal, dominated numerically by the peasants, the vast rural expanse of West Pakistan was dominated by landlords, who formed a traditional aristocracy and gentry. In the Muslim-dominated areas of India, the development of social forces could be observed in the following coalition, which structured the political economy of Pakistan. The United Province produced the urban middle class, the Punjab and Sind provided the landed aristocracy, while East Bengal supplied mainly a

peasantry and a relatively small urban middle class (Abdullah, 1972: 267).

There was no industrial class in either wing of Pakistan. Some minority communities of Muslims of Western India made incursions into trade. After independence, they migrated to Pakistan and were joined by a similar Punjabi trading minority. In the absence of any native capitalist class, the Pakistani government depended on these communities for industrialization (Abdullah, 1972; Nations, 1975). In the political history of Pakistan, the period between 1947-1958 is called the 'parliamentary period'. Despite the contemporary significance of the jotedar class and urban petty bourgeoisie and their alliance in the practice of political power, these two classes of East Pakistan were weak not only numerically but also in economic and political terms (Ahmed, 1973: 420). The readily transformed emigre entrepreneurs, because of their small size, narrow community base and lack of roots in Pakistan, could never assert themselves as a viable contender for political power. Their marriage of convenience with the bureaucrats simply ensured them policies to support their enterprises (Ahmed, 1973: 421). The ruling Muslim League was dominated by the landed oligarchy. They were members of the constituent assembly. By the same token, the jotedar class dominated the legislative assembly of East Pakistan (Khan, M.H., 1989: 248). The West Pakistani landlords were not politically organised and lacked the ability to run a state which had inherited many modern institutions from the British

colonialists at the time of independence in 1947 (Ahmed, 1973: 420). Contemporary observers point out the internal conflicts within the party (Sayeed, 1980: 36). The hollowness of Muslim League politics was also observed in its crushing defeat by the United Front in the provincial elections. Khan observes:

The East Pakistani political elites had simply discovered that the Muslim League was not receptive to its demands for more autonomy for (and hence local access to state power in) East Pakistan. This political assertion by the class which had won East Bengal for Pakistan was however quickly suppressed by the central bureaucracy, which dismissed the legislative assembly and imposed Governor's rule (Khan, M.H., 1989: 248).

It is, however, asserted by scholars that the bureaucracy, largely drawn from the landlord class, had always been dominant in the affairs of state management since the birth of Pakistan (Alavi, 1983; Ahmed, 1973: 420; Ahmed, 1980a: 34-35; Sayeed, 1980: 41-43). Alavi observes:

Effective power within the state apparatus lay in the hands of a military-bureaucratic oligarchy from the inception of the state, rather than with the political leadership. The 1958 coup d'etat, therefore, was not so much a seizure of power, as power already lay in the hands of those who were supposed to have seized it (Alavi, 1983: 64).

General Ayub Khan ruled Pakistan from 1958 to 1969. He did not require the mediation of political representatives before 1962. The 1962 constitution gave the basis of 'civilian rule'. Political representatives could never enjoy real power. In so far as development was concerned, the bureaucracy was the dominant element in the decision making process (Ahmed, 1980a; LaPorte, 1965).

Economic growth based on industrialization was the prime

objective of the Pakistani state. By any definition, the economy of Pakistan showed impressive economic growth during the 'development decade' of the 1960s. Its GNP increased by 122 per cent over the 20-year period from 1949/50 at an annual rate of 4.1 per cent. Per capita GNP at current prices registered a growth of over 224 per cent (Ahmed, 1980a: 80).

The impressive growth rate of the Pakistan economy was accompanied by a high degree of regional inequality between the two wings of Pakistan, a concentration of wealth in the hands of a few 'robber barons' of West Pakistan, and increasing level of poverty and inequality. I will not detail the East-West imbalance. That has been done extensively elsewhere (Jahan, 1977; 1980b; Griffin and Khan, 1972; Nations, 1975; Sayeed, 1980; Ahmed, 1973). Rather, I will illustrate the ways in which the peasantry of East Bengal fed West Pakistan-based industrialization.

The primary impetus for the industrialization of Pakistan came from squeezing Bengal agriculture, which was officially made possible by the ruling elites of Pakistan. This squeeze was manifest in three ways: (a) expropriating agrarian surpluses to provide initial risk capital for industry; (b) centralizing the foreign exchange earned by agriculture to pay for the necessary imports; and (c) reorienting rural commodities to become raw materials for domestic manufacturers (Nations, 1975: 258).

In the early 1950s, Pakistan was hit by a foreign exchange crisis, which impaired the process of industrialization. The most important measure adopted to ensure industrialization was to rely on export earnings from cash crops, especially jute from East Bengal. East Bengal had a virtual monopoly of jute production and the foreign exchange earned by exporting jute was systematically used for industrialization in West Pakistan. In the early years, the export of processed and raw jute accounted for 70 per cent of Pakistan's foreign exchange. East Pakistan received only 25-30 per cent of the total imports (Ahmed, 1973: 423). The most important point is the way the peasants in East Bengal were squeezed during the period under discussion.

The strategic decision taken by the bureaucracy-military oligarchy to realize the accumulation objectives was directed to determine the exchange rate of the domestic currency (hence overvaluation of the currency) and to control imports into the country (Nations, 1975: 258). The foreign exchange that the jute grower earned was surrendered to the government in return for Pakistani rupees at the official rate. The rupee was overvalued to the extent of 50 per cent. This meant that, for each dollar, the peasant received only Rs. 4.25, whereas the dollar was actually worth Rs.8.61. However, in the transaction the peasant lost approximately 50 per cent buying price to the government. In this way the state appropriated surplus and centralized the foreign exchange (Nations, 1975: 260).

The merchant or the industrialist received enormous protection while importing other consumer goods or machineries. The bureaucracy enjoyed discretionary power in allocating import licenses and foreign exchange necessary to pay abroad was given to the merchant or industrialist. However, in practice, 50 per cent surpluses, accumulated from the peasants of East Bengal, could be recovered when the merchant or industrialist imported goods worth Rs. 8.61. That meant the importer received a direct and compensated subsidy from agricultural producers (Nations, 1975: 260).

Thus commercial agriculture was handicapped by a double disadvantage. The prices of agricultural produce were artificially depressed, while the cost of inputs was overvalued. On the other hand, tax collection increased from Rs. 19 million in 1949/50 to Rs. 108.3 million in 1960/61 (Khan, S.A., 1989: 12).

In addition to the exploitation of the peasants, East Pakistan was a captive market for the mother country's manufacturers. With industrialization in West Pakistan, manufactured goods began to occupy a much larger share of the exports to East Pakistan. The East Pakistani market consumed high-cost products, particularly cotton textiles, which faced stiff competition in the world market. The net transfer of resources from East Pakistan to West Pakistan over the two decades was estimated at. Rs. 31,120 million (Khan, 1972: 30-31). Stagnation prevailed in East Pakistan

agriculture throughout the 24 years of Pakistani rule. The first decade (1949/50-1959/60) was a story of complete stagnation when output failed to keep pace with population growth. The second decade witnessed a slight improvement over the previous one.

The demise of British colonialism in 1947 brought the East Pakistani jotedar class closer to the state. This was made possible by the destruction of the zamindari system through the land reforms. This, in fact, made the jotedar class 'effective' power-holders in the countryside (see Chapter 5). Given the colonial status of East Pakistan as a whole, it is unlikely that the village elites in East Pakistan would use their political muscle to influence government policy. Rather they were content with their existing levels of income. The government had no compelling reason to take an active interest in East Pakistan agriculture, since rural surplus could easily be squeezed for West Pakistan-based industrialization without state investment (Abdullah, et al., 1976: 219; Wood, 1981: 11).

The Ayub regime strove to achieve multiple objectives: continued economic growth, viable political condition, an effective political support base and rural stability. To achieve these objectives, it was necessary to introduce political, economic and administrative reforms. Jahan (1977) observes that Ayub Khan pursued economic programmes rather than a political strategy in order to integrate Pakistan and to fulfil the political demands of

the East Pakistani petty bourgeois class.

Against the backdrop stated above, the attempt was made to develop an urban constituency. In the economic sphere, two kinds of people - the 'contractors' and the 'contacters'- were chosen by the Ayub government for capitalist development in East Pakistan (Alavi, 1971: 312-313). S. Bernov estimated that, at the end of the 1960s, 16 business houses emerged, comprising 110 companies with assets worth Rs. 695 million (cited in Sobhan, 1980: 15). The growth of the educated urban middle classes was also spectacular. It was largely due to 'the growth in state expenditures in urban areas and the expansion of secondary and university education, a concomitant of the growing prosperity of the **jotedars** and the migration of their sons and daughters to the towns for a university education and the claim to a job' (Khan, M.H., 1989: 255). The growth of the civil service and other professional classes such as doctors, lawyers, teachers and so on was also remarkable (Ahmed, 1980a: 98-101; Khan, M.H., 1989: 255; Sobhan, 1980). By the same token of clientelist methods, rural reforms were initiated to develop a countervailing constituency. The system of Basic Democracies was the outcome of this (see Chapter 5).

The foregoing analysis reveals different aspects of the political economy of Pakistan. The economic strategy pursued by the Pakistani ruling elites created a few 'robber barons', increased regional inequalities and exacerbated inequalities amongst various sections of the population.

The evidence demonstrates that the 'trickle-down' strategy did not ameliorate the living conditions of the vast majority of the poor (Khan, 1972; 1977; Bose, 1972; Ahmed, 1980a).

Ayub Khan's patronage could not redress the grievances of all classes of people in East Pakistan. The discontents that began immediately after the independence of Pakistan under the leadership of the petty bourgeoisie gathered momentum in the 1960s. The Awami League became the champion of a demand for the political autonomy of East Pakistan. The dissatisfied petty bourgeoisie and rich farmers who had not directly benefited from state patronage sought to identify themselves with nationalist forces (Sobhan and Ahmed, 1980). The entry of radical student organisations, peasants and workers into the nationalist movement was one of the significant factors in changing the character of the movement. The movement for regional autonomy ultimately culminated in the war of liberation and Bangladesh became an independent state in December 1971.

Conclusion

In this chapter I have attempted to examine the relationship between the state and the agrarian structure in the colonial and post-colonial periods. I have argued that the policy of Permanent Settlement pursued by British colonial power had both economic and political implications. Economically, the policy aimed at ensuring agrarian accumulation.

Politically, it intended to keep social order under the hegemony of the colonial state. These two policies, however, did not move in the same direction. The evidence suggests that the raj maintained social conservatism, which meant that it did not confer full-fledged property rights on the zamindars. Administrative reforms and legislative interventions at various stages of colonial rule aimed at destabilizing the zamindars. Particularly because of colonial legislative interventions, a class of Muslim jotedars emerged in the countryside in East Bengal. I have argued that the emergence of jotedars apart from economic and demographic factors, was influenced by the political balance strategy of the raj.

The demise of colonial rule brought the jotedar class closer to the state. Legislative intervention in 1950 abolished the zamindari system. Rural elites became the controlling link between the peasants and the state. While the controls over agricultural revenue had been taken over by the state, political, economic and ideological controls over peasant producers were exerted by this rural jotedar class (Tepper, 1976). But they were not in a position to impose their own interpretation of village affairs on state policies. This was not unusual as East Pakistan as a whole was brought under the political and economic domination of West Pakistani ruling elites. The evidence suggests that deliberate policies were initiated by the Pakistani ruling classes to squeeze the peasants of East Bengal for feeding industrialization in West Pakistan. Nevertheless, the rural

jotedar class was happy with the pre-existing structure which ensured non-operational exploitation (money-lending, land-leasing and trade). Furthermore, various reforms instituted by Ayub Khan during the 1960s, in the form of Basic Democracies and the green revolution, patronized rural elites. These reforms could be interpreted both in economic and political terms. Economically, these reforms aimed at agrarian modernization which was intended to contribute to industrialization in West Pakistan. Politically, the Ayub regime patronized rural elites for developing an alternative political constituency (as opposed to urban coalitions), creating a support base and ensuring law and order in the countryside.

Chapter Four: The State in the Village: (b) the
Post-independence Period

Introduction:

This chapter consists of two sections. The first section examines the nature of the agrarian structure in contemporary rural Bangladesh. Evidence is mostly drawn from the late 1970s and early 1980s. Sporadic attempts will be made to look back into history in order to show some commonalities between the past and the present. Land distribution, regional variation, the land leasing market, landlessness, the rural labour market and credit relationships will be analyzed.

The second section looks at the relationship between the agrarian structure and the state in post-independence Bangladesh. I will argue that, after the independence of Bangladesh in 1971, the jotedar class became closer to the central state, and in certain respects, succeeded in establishing a strategic position in the political economy of Bangladesh. Its relative political, economic and social dominance in rural Bangladesh should not be confused with the concerted class action of the rich peasant, as this is observed in some parts of South Asia. The relationship between the central state and the jotedar class can only be analyzed properly if one carefully examines the nature of clientelist politics in Bangladesh. The arguments developed in this section will be substantiated by the discussion of

various state-sponsored rural development programmes (see Chapter 5).

4.1 Agrarian Structure in Bangladesh

Generally, empirical analyses of agrarian structure draw on evidence pertaining to the distribution of landownership and the concentration of landholdings, together with the extent of landlessness, labour arrangements, tenancy system, rural credit market and so forth. There is still a lack of commonly agreed criteria for classifying rural households.

The Agricultural and Livestock Census 1983-84 divided rural households into four groups - landless, small farms (below 2.49 acres), medium farms (2.50 acres to 7.49 acres) and large farms (7.50 acres and above). But elsewhere (Hamid, 1977: 11), 3 acres and 5 acres have been used as dividing lines respectively between small and medium farms and medium and large farms. This should not be taken for granted. Thorp has found that the possession and use of 6 acres or more seems indisputably to constitute a person as a rich man and potentially a big man in rural society (cited in Franda, 1980: 191). I will discuss regional variations in this section. Due to this factor, a particular landholding size does not have the same importance in all parts of Bangladesh.

At the risk of oversimplification, rural households can be categorized in the following manner:

- a. Rich peasant
- b. Middle peasant
- c. Small peasant
- d. Landless.

Within these broad categories, we can subdivide them again. Primarily, those with 7.01 acres and above are rich peasants. Table 4.1 shows that in 1977 they were very insignificant in numbers (4.07 per cent of the rural households). But they controlled 30.37 per cent of the total farm area.

Table 4.1. Distribution of Landownership in Bangladesh, 1977

Landownership Group (in acres)	Per cent of Households	Per cent of Area
zero	11.07	-
0.01 - 1.00	47.44	9.30
1.01 - 2.00	16.43	14.43
2.01 - 5.00	17.47	33.31
5.01 - 7.00	3.52	12.59
7.01 - 15.00	3.27	19.08
15.00 and above	0.80	11.29

Source: Jannuzi and Peach (1980: 19)

Table 4.1 shows that 20.99 per cent of the rural households

comprised middle peasants, who held land between 2.01 acres and 7.00 acres. This group controlled 45.90 per cent of the total farm area. I contend that it is rather misleading to think that all peasants within this broad category have a shared perspective and economic condition. Particularly, those within the 5.01 acres to 7.00 acres category enjoy economic security and can produce a surplus as well. They have every tendency to move upward into the ranks of rich peasants. Those at the lower end within this category are in an insecure position; they are what Howes (1985) calls 'middle peasants in danger'. The small/poor farmers (1.01 - 2.00 acres) comprised 16.43 per cent of the rural households and they covered 14.43 per cent of farm area. If we include those with 0.49 - 1.00 acre within the small farmer category, the percentage becomes higher. Normally small peasants sharecrop in land and those at the lower level sell labour as well.

The data described above can be compared with another set of estimates of the Census of Agriculture and Livestock 1983-84, prepared by the Bangladesh Bureau of Statistics (BBS, 1989). According to this estimate, small farm households (0.05 - 2.49 acres) comprised 70.34 per cent of the rural households and 28.98 per cent of total farm area were under their control. The percentage of medium farms (2.50 - 7.49) was 24.72 per cent. This group covered 45.09 per cent of total farm area. Large farms amounted to 4.84 per cent of rural households and they controlled 25.92 per cent of total farm area (BBS, 1989: 105).

The distinctive feature of the agrarian structure is the high incidence of landlessness. It is difficult to reach a definite conclusion about the extent of landlessness, as there is no agreed definition of the term. The 1977 and 1978 Land Occupancy Surveys chose the definition of a 'functionally landless household', which means a household in which ownership of no more than 0.5 acres of land (excluding homestead land) is claimed. According to the 1977 survey, 48.08 per cent of rural households were classified as landless households; in 1978 the percentage was 50.03 (Jannuzi and Peace, 1980: 21). Hossain (1986: 98-99) estimates that the growth rate of landless households (3.1 per cent) per annum was higher than the population growth rate (2.18 per cent) per annum. The functionally landless category grew at a rate of 3.1 per cent for the country as a whole and 2.2 per cent for the rural areas during the 1960-82 period. If that rate of growth continues, the proportion of totally landless and functionally landless households respectively will have increased to 50.0 per cent and 59.0 per cent of the total households at the end of the Third Five Year Plan (1985-90).

The causes of landlessness have been interpreted differently by different scholars. Rahman (1986) relates it to 'polarization and proletarianization'. Jabbar et al. mention mortgages (cited in Rahman et al., 1988: 51) which are of several types. Bondok is a kind of mortgage payment, usually verbal, in which the owner of land receives an

amount of money which must eventually be repaid to the lender. The lender obtains the right to cultivate the mortgaged land until the loan is repaid. Other types of mortgage arrangements such as kotbondhak, khaikhalashi and lagit are made in almost similar ways with varying terms and conditions. Jansen identifies factors such the rule of inheritance and credit relation which cause the transfer of land (Jansen, 1987). According to the Islamic law of inheritance, all sons inherit an equal amount of land. A daughter inherits half the amount of a son. The rule itself is subject to various interpretations under different conditions. For instance, from a legal point of view a Muslim woman is an heir to the property of her father, mother, husband, son and daughter. When her husband dies the widow should inherit one-eighth of his property, and if he dies childless she should inherit one-fourth. The other part of the property will be passed on to the husband's closest relatives. If no son is born to a couple, daughters alone cannot inherit all the property of their parents, a part of the property goes to their father's brother's sons. There are other conditions of the division of land, not detailed here. It is sufficient for my purposes to show that property dispositions influence the ownership pattern of land in the rural areas, the fragmentation of the land, and the relationship between household members who are due to inherit the land (Jansen, 1987: 66-71).

There are various aspects of the credit relationship. Land mortgage is one of them. Another aspect is that a person

takes consumption or production loans from well-to-do households with or without interest rates. The crucial reality in rural Bangladesh is that in most cases mortgagors, already in the poorer landowning groups, fall down the landowning ladder after transferring a part of their land to the mortgagee. This reduces their economic strength and they have to go back to the mortgagee for further loans at an exorbitant rate of interest. Once bonded with some landowner, the mortgagor is trapped in a vicious circle which ends with all his land being mortgaged-out. He can hardly repossess that land and is obliged to sell off land mortgaged bit by bit as the economic pressure on him increases (Rahman, 1986: 166).

Landlessness cannot simply be attributed to rural capitalist expansion or the rapid increase in population, although the latter is a significant factor (Arthur and McNicholl, 1978). Abdullah et al. (1976: 215) argue that, with limited land, expanding rural population and limited opportunities for urban employment, landlessness will grow even without the polarizing effect of market forces.

Table 4.2 shows the distribution of different groups of cultivators over the years. While 60.8 per cent of rural households were owner-cultivators in 1960, the percentage increased to 66.5 per cent in 1967 but decreased to 61.2 per cent in 1977. The percentage of owner-cum-tenant farms was 37.6 percent in 1960 and 30 per cent in 1967, with a slight increase in 1977 (32 per cent). An owner-cum-tenant

household is a rural household that claims to own some land (other than homestead land) and, at the same time has temporary possession of additional land taken in from a landowner (Jannuzi and Peach, 1980: 134). The percentage of pure tenant farms was reported to have been higher over the years. Jannuzi and Peace (1980: 111) hold that in 1977 72.36 per cent of the total farm area were under owner-cultivators. This needs clarification. If the

Table 4.2. Agrarian Groups in Bangladesh (percentage distribution of households)

Years	Owner-cultivator	owner-cum-tenant	Pure tenants
1960	60.8	37.6	1.6
1967	66.5	30.0	3.6
1977	61.2	32.0	6.8

Source: Jannuzi and Peace (1980: Table 2.2 :22)

category owner-cultivator is strictly defined to apply to those landowners who cultivate with family labour only, then only 10.47 per cent arable land was under such cultivation (Jannuzi and Peace, 1980: 102). Table 4.3 shows the trend of tenancy in Bangladesh. The percentage of tenant farm households had been steady over the years with a slight decline in 1967. In 1977, this category comprised 38.8 per cent of rural farm households. The percentage of the total

land under tenancy, however, increased from 18 per cent in 1960 to 23 per cent in 1977. In 1977, 58 per cent of tenant and tenant-cum-owner households took land of one acre or less from others and only 1.62 per cent reported a tenant holding of more than five acres (Jannuzi and Peace, 1980: 23-24). The remainder of arable land was cultivated under varied owner-manager arrangements, primarily using wage labour, with or without some participation by family

Table 4.3. Tenancy in Bangladesh

Years	Total land under tenancy(%) (1)	Total tenants (owner- cum-tenants and pure tenants) (%) (2)
1960	18	39.2
1967	17	33.5
1977	23	38.8

Source: For column 1, Chowdhury (1980: 16) &
for column 2, Jannuzi and Peace (1980: 22).

workers. It appears that most of the cultivable land in Bangladesh is not tilled by the owners themselves but by the labour power of others, i.e., the family labour of tenants and the wage labour of hired workers, recruited from amongst the numerous poor peasants, semi-proletarian and proletarian classes (Adnan, 1986a: 4).

The most common form of tenancy relationship is share tenancy. 83.6 per cent of all tenant households reported sharecropping (Jannuzi and Peace, 1980: 24). The extent and terms of sharecropping varied from area to area. The terms were generally 50:50 at harvest time (reported by 93.3 per cent of tenants). Some sharecroppers were required to make additional payments or to pay a higher share of the crop to the landowner. Tenancy agreements were almost always oral, and unstable in the sense that sharecroppers could be evicted from rented land at any time. In most cases, sharecroppers bear all production costs and pay half the output as rent.

Apart from paying rent to landowners, the poor peasants' surpluses are extracted in other ways: usurious moneylending, with interest rates of 100 to 200 per cent, and bribes and 'margins' paid to state development

Table 4.4. Concentration in Landownership

Landownership	% of the Total Land Owned		
	1974	1977	1979
Bottom 50 %	8.9	6.9	4.8
Top 10 %	41.9	49.9	53.9
Top 2 %	16.1	20.1	25.1

Source: Jahangir (1982: 54).

functionaries at the local level (Adnan, 1986a: 5).

The concentration of landownership is a significant feature of the agrarian structure in Bangladesh. Table 4.4 reveals that the top 2 per cent of the rural households controlled 25.1 per cent of the total land and the top 10 per cent controlled 53.9 per cent of the total land (in 1979), while the bottom 50 per cent households owned only 4.8 per cent of the total land. The significant feature is that the

Table 4.5. Percentage Distribution of Agricultural Households by District

District	Landless	Sharecr- oppers	Owner- cultivators	Big farmers	Total
Mymensingh	31.7	18.5	38.3	11.5	100
Kishoreganj	30.8	17.0	42.7	9.4	100
Tangail	27.3	23.4	41.0	8.3	100
Noakhali	33.2	20.8	40.6	5.4	100
Comilla	26.1	13.0	54.6	6.3	100
Sylhet	31.2	23.5	34.6	10.6	100
Kushtia	36.6	14.9	35.2	13.3	100
Khulna	29.2	26.9	33.3	10.6	100
Rajshahi	30.0	24.9	31.7	13.3	100
Dinajpur	31.1	25.6	28.5	14.9	100

Source: Chowdhury (1980: 15).

concentration of land in the upper layer over the years had been at the expense of gradual decrease in the bottom layer.

Regional differences constitute an important aspect of the agrarian structure in Bangladesh. There are regional differences in relation to soil fertility, population density, incidence of owner-cultivators, tenancy and wage labour. The differences are drawn along geographical lines (Wood, 1980a; 1981).

Table 4.5 shows the regional differences. In Comilla, owner-cultivators accounted for 54.6 per cent, landless 26.1 per cent (the lowest in Bangladesh), sharecroppers 13.0 per cent and big farmers (each having more than 5 acres) 6.3 per cent. The other Districts in the Dhaka-Comilla belt such as Dhaka, Noakhali and Tangail exhibited a similar pattern, though less extreme. In this region, high soil fertility is accompanied by high population density. But in Dinajpur, in the North-West, the landless people were 31.1 per cent, sharecroppers 25.6 per cent, owner-cultivators 28.5 per cent and big farmers 14.9 per cent. The Districts in this region, such as Kushtia, Rajshahi, Rangpur and Khulna, show more or less similar patterns of agrarian system. They also have the poorest soil fertility and the lowest population density.

Although there are regional variations in the rural labour market, over the years the growth in the rural labour force has been quite impressive. The 1974 BIDS study reported

about 80 per cent of cultivators hiring at some time or other (Hossain, 1978: 59). Boyce's (1989) compilation of data by district does not show that much intensity.

Table 4.6. Incidence of Wage Labour

District	Per cent of farms using wage labour
Dhaka	46.4
Mymensingh	54.5
Faridpur	41.4
Chittagong	55.8
Noakhali	62.3
Comilla	56.5
Sylhet	35.2
Rajshahi	49.0
Dinajpur	40.8
Rangpur	45.4
Bogra	48.2
Pabna	43.3
Khulna	43.9
Bakerganj	54.6
Jessore	40.2
Kushtia	46.2

Source: Compiled from Boyce (1989: 489)

Rahman and Das (1985) present an elaborate discussion of the

pattern of the rural labour market in four villages in Noakhali. The factors determining the growth of the labour market are many. The peculiarity of rice cultivation requires labourers within narrow segments of the crop cycle, irrespective of the size of holding. The size of holding may be larger than can be managed with family labour alone; in that case additional labour has to be hired. The changing occupational structure of the rural households also tends to increase the use of hired labour. This is evident through disguised absenteeism, as in the case of the cultivator-household whose male member(s) have become dependent on non-agricultural salaried positions. The cultivator unit may become partly dependent on hired labour. In Bangladesh society, social status is strongly associated with a disdain for manual labour. However, large landowners in particular and status-conscious households in general tend to rely on hired labour for their cultivation. The labour-hiring system does not automatically imply to capitalistic forms of agricultural production (Rahman and Das, 1985: 143-144). Irrespective of the nature and organization of production, the use of wage labour is inevitable.

The above case study (Rahman and Das, 1985) shows that casual hired labour is much more prevalent than permanent hired labour. This relates to the survival strategy of the labourers. The 1980s showed a proliferation of non-agricultural employment opportunities. Since none of these offers the possibility of year-round productive

engagement for labourers, they try to organise an optimal portfolio of earning opportunities; hence a premium on casual labour from the labourers' perspective (Rahman and Das, 1985: 134-135, 147). Other studies (Osmani and Rahman, 1986; Islam and Rahman, 1986, cited in Rahman et al., 1988: 62) offer another explanation. Entrance to the casual labour market and the prospect of finding a new job are restricted by the segmentation of the market into various localized units, by the existence of the sardari system or patron client relations. The segments may have become more organized over time, restricting new entrants into the casual labour market, and monopolizing the control of new job opportunities (Rahman et al., 1988: 62).

Moreover, rural interlocked transactions (informal credit, mortgage and dadān) and other patronage networks have an important bearing on the labour market. There is evidence that the small farmers/tenants or labourers receive loans for consumption from the rich peasants in return for the pledging of their future labour to the creditor (Rahman, Atiq, 1979: 25-26; Jansen, 1987: 188). Here it is reasonable to conclude that the present pattern of the rural labour market does not conform to the exigencies of capitalist agricultural production. Adnan aptly observes that 'unlike capitalism, the underlying relation of production here is such that growth of the labour market is neither a necessary nor a systematic consequence' (Adnan, 1986a: 17, emphasis original).

Usury has been well-documented in several case studies (Wood, 1978a; Hartmann and Boyce, 1988; Rahman, Atiq, 1979; Taslim, 1988; Arens and Beurden, 1977; Siddiqui, 1982). These studies show that a substantial part of peasants' surplus is siphoned off by the moneylending class. It has been an important economic diversification. The interesting aspect is that this type of exploitation, to varying degrees, permeates the entire class structure (Adnan, 1986a: 24). A small fraction of the poorer classes is involved in moneylending and usury mortgage contracts. But the poorer classes operate on a smaller scale than the richer ones. In response to Bertocci's (1972) thesis that small farmers' upward mobility is bolstered by lending activities, Wood argues that these families could not compete with already established families. Moreover, the economic and political relationship between the two classes in the village does prevent such competition (Wood, 1978a: 143).

Another variation of usurious capital is the dadān system. Under this system, loans are advanced against standing crops, with an obligation to sell to the creditor (Rahman, Atiq, 1979: 25). The prices fixed are much lower than the prevailing market prices. Crow recorded some 'plain tales' of the dadān system, which involved a chain of interest groups. The victim is a poor peasant who sells his future standing crops for meeting either production costs or consumption needs. For instance, a thousand taka is advanced in return for pledging eight maunds of paddy. Under this system, a poor peasant producer takes a cash loan

some weeks or months prior to the harvest. When the harvest is over, the lender takes his crop and sells it in local markets for 210 to 255 taka per maund. Crow estimates that the implicit rate of interest is between 200 and 800 per cent (Crow, 1988: 7).

The sketch of the agrarian structure pictured above now helps us to draw some inferences which will be useful for analysing power relations in rural Bangladesh. The arguments here are developed to a great extent from Adnan's (1986a) article.

The most important aspect of the agrarian structure is the dissociation between surplus appropriation and production activities. The surplus appropriator does not take any operational responsibility. Those who appropriate surplus as landlords, merchants, usurers and bureaucratic functionaries typically do not bear the costs and risks of production outcomes, i.e., operational accountability. The implication is that since they do not have to invest in production costs, the occurrence of production losses or even failures does not necessarily drive them out of business. Nor are they compelled to invest in productivity - raising innovation. This situation can be distinguished from that of capitalist agriculture. A capitalist farmer assumes the full operational responsibility of production. Whatever the production outcome in Bangladesh, the landowner gets his share. Even when the productive unit of sharecroppers incurs losses, the landowner is able to have

positive returns (Adnan, 1986a: Table 2, p.9). Likewise, other classes of surplus appropriators such as moneylenders and bribe-collecting officials make 'positive' gains. Adnan, however, sketches mainly three frontiers where pre-capitalist exploitation takes place in rural Bangladesh. Firstly, landlords and merchant-usurers appropriate surplus without incurring real costs of production. They do it by dint of their respective command over the means of production (land and water) and the means of payment (money-capital). Secondly, exploitation takes place without any outlays. This type of exploitation is not based upon the means of production and means of payment, but rather upon control over access to formal institutions. Instances in rural Bangladesh are: (a) 'tolls' demanded for mere entry to market places; (b) bribes extorted by officials controlling access to development inputs and (c) the 'margins' extracted by officials responsible for paying support-prices for peasant produce. Thirdly, landlords and merchant-usurers can take over production decisions from the actual operators. The prime examples are provided by interlocked market transactions where a creditor or lessor contractually stipulates the input-output mixes of the peasant or the advance sale of his produce. Since they do not actually contribute to production costs, landlords and merchant-usurers in such cases can control the process of production without being accountable for it. Actual producers, the exploited classes, become subordinate operators, compelled to produce and surrender surplus without much say in production decisions (Adnan, 1986a:

13-15).

After discussing the production relations sketched above, it is now possible to analyze power relations in the countryside. Following Herring (1984: 217), I argue that power relations in the countryside involve two components: structural and conjunctural. Structural power relates to the production relations. Conjunctural power is configured by ideology, policy and actions of the state. But these two components are not isolated, in a peasant economy they are enmeshed in a direction which is conducive to the interests of dominant classes in society.

While there are some glimpses of 'capitalist farmers' in Bangladesh (Jahangir, 1979; Rahman, 1986), much more typical of the rural 'interior' is the existence of rich peasants who combine operational and non-operational exploitation of the other classes of the peasantry. Different micro-level studies identify 'a class which operates on a large-scale, using both family and wage labour, as well as having sufficient command over land, credit and other resources to function as landlords and moneylenders' (Adnan, 1986a: 15).

There are two types of organisations which shape the power structure, and these constantly interact with economic and non-economic relations. At the general level in the village, the samaj (little community) is the main structure of power. The samaj regulates the personal conduct of its members, 'anti-social' activities. The samaj is controlled

by the matabbars (headmen), who are typically rich peasants. Thus they combine dominance of property relations (economic) in social life and the dominant role of authority (political) (Jahangir, 1982). The samaj apparently projects 'village solidarity' which is simply a mystification of relations in rural Bangladesh. It is an effective device of social control, which also legitimates social inequalities (Siddiqui, 1982: 269). For instance, White cites a case in which a girl of poor peasant family was made pregnant by a young man of a rich family. The samaj took responsibility for dealing with the issue. Instead of punishing the man, the samaj ostracized the girl and her family (White, 1988: 73-74). There are numerous studies which portray the ruthless face of rural elites and their samaj (Arens and Van Beurden, 1977; Hartmann and Boyce, 1988; BRAC, 1983).

The formal aspect of the rural power structure relates to organisations such as the Union Parishad, Upazila Parishad, village co-operatives, irrigation groups and so on. There is evidence that individual members of the rich class dominate these organisations (Rahman, 1981; 1986; 1988a; 1988b; Blair, 1974; 1985; Muhammad, 1987). Accordingly, their strength in these organisations enables them to influence the allocation of development resources made available by state agencies and external agencies (Adnan, 1986a: 19; Wood, 1978a; 1988b). Adnan persuasively argues that this broad-based control over the means of production, the means of subsistence, and the means of administration enables the rural dominant classes 'to make available, or

deny, crucial resources to other peasant classes in general, and the numerous landless and semi-proletarian in particular' (Adnan, 1986a: 20).

Jahangir (1979) found 'class struggle' in a peri-urban village. More typical of the rural social structure is a patron-clientage system. "The result is the 'dense' interweaving of social, political and economic ties amongst the peasantry in multiple bonds" (Adnan, 1986a: 20). I contend that the analysis must go beyond the simple approach of assuming 'reciprocity'. Control over the means of production and other resources creates a fertile ground for nurturing and reproducing such a clientelist structure. Clientelism is not confined to the villages, it pervades the whole society, enabling the power holders to accentuate their hegemony over civil society. Periodic organisational attempts by the state power holders in creating rural clientelist networks for establishing support bases and alternative political constituencies (as opposed to urban coalitions) have been a dominant trend in the political economy of Bangladesh. Following theoretical discussion in the first chapter, I argue that a clientelist structure cannot be counter-posed to class structure. Moreover, while the solidarity amongst the exploited classes may be impaired, the horizontal solidarity between dominant classes is rather strengthened.

Nevertheless, lateral bonds, actual or latent, between those who share common conditions of existence and face common

mechanisms of exploitation may be observed in contemporary Bangladesh. Wage labourers, sharecroppers and poor peasants have made sporadic and often uncoordinated efforts to enhance their command over the means of production and their share of the agrarian product in the form of real wages or the 'retained product' (Adnan, 1986a: 20). Wood (1983) recorded a series of struggles waged by the workers in government-sponsored Rural Works Programmes against the dominant hierarchies in the rural areas for establishing organisational rights. The struggle of landless people over the rights of khas land against the oppressive landowners in a northern District is another example (Muhammad, 1988). Such attempts necessarily threaten the interests of existing exploiters. There is evidence that the exploiting classes adopt covert or overt forms of violence. They draw upon the repressive apparatus of the state as well as their own private armies of retainers to keep the 'unruly' sections of the peasantry at 'bay' (Adnan, 1986a: 20).

The exploiting classes complement their violence by manipulating the cultural and ideological beliefs of subordinated classes. There are also cleavages within the peasantry along communal, ethnic, sectarian, caste or regional lines. Even the tenets of religious belief have not been immune to being used for diverting attention away from the issues of economic exploitation, by invoking metaphysical equality between the exploited and the exploiters (Adnan, 1986a: 20; Siddiqui, 1982: 235-236).

4.2 Agrarian Structure and the State

The nature of state power in post-liberation Bangladesh has undergone changes during the last eighteen years. The Awami League, which led the struggle for independence, ruled the country till August 1975. Since then, a combination of military and 'civilian' rule has pervaded Bangladesh society. The development strategies pursued in the period under review have also not been uniform. But some commonalities can be found in all regimes.

The Awami League was basically a petty bourgeois party (Sobhan and Ahmed, 1980; Islam, 1979; Westergaard, 1985; Hossain, 1979; Bertocci, 1982; Shahidullah, 1985). The social and economic classes that constituted the hierarchy of the party at different levels were the rich farmers, the traders, small industrialists, and urban professional classes. The Awami League was a prototype of an intermediate or petty bourgeois regime that has been elaborated in Chapter 1.

Jahan's (1980a) survey of the members of parliament clearly reveals that the majority of members belonged to the urban middle class professions, ie. law, business, teaching and medicine. The lawyers constituted the largest single group, followed by increasing numbers of businessmen, surplus farmers and other professionals. Sobhan and Ahmed observe that, even though the party rank and file and party leadership might have been of petty bourgeois origin, the

middle and top leadership were from higher up in the rank of the bourgeoisie and at least a quarter could be positively classified as upper middle class (Sobhan and Ahmed, 1980: 87). An interesting finding was the representation of landowning interests at the policy making level. 4.47 and 12.68 per cent M.P.s elected in 1970 categorized themselves as landlords and farmers respectively. In the 1973 election, they constituted 2.82 and 14.84 per cent respectively. In so far as landownership is concerned, 71.2 per cent of 1970 M.P.s and 75.08 per cent of 1973 M.P.s could be placed in the category of big farmers. It appears that the majority was in the category of absentee landowners. It was also found that many of them combined two or three occupations (Westergaard, 1985: 78). Nevertheless, the rising of the jotedar class was spectacular. Van Schendel observes:

This development was of great importance, and it is perhaps unique. Whereas in most peasant societies in recent times we can observe an expansion, a growing distance between peasantry and state and a lengthening chain of intermediaries, in Bangladesh the opposite is true. The state, in colonial times almost obscured by layer upon layer of zamindari landlords, came much closer to the peasantry in Pakistan times, and again after the breaking away of Bangladesh. Thus, while the state became a smaller and weaker unit, a process of **compression** could be observed: the distance between peasantry and state decreased and the power of dominant village groups vis-a-vis the state increased. This process contributed to the strengthening of the position of these groups within the peasantry (Van Schendel, 1981: 277-278).

The state apparatus dominated by the petty bourgeoisie can be an ideal ground for populist rhetoric. 'Socialism' was one of the state principles of the Awami League government. In pursuance of the long-range goal of a 'socialist

economy', the government in 1972 nationalized all commercial, industrial, insurance and banking enterprises of Pakistani and Bengali entrepreneurs. Some important steps were taken to diminish the role of the private sector. The important areas of private enterprise were trading, both internal and foreign trade, and agriculture (Islam, 1979: 30).

In so far as the rural economy was concerned, the policy pronouncement was clearly aimed at combining growth with distribution (GOB, 1973: 78-87). But the reality was far from the policy declaration. Contemporary observers demonstrated that the jotedar class was in a better position to impose its own interpretation of village affairs on government policies and programmes (Jahangir, 1979; Blair, 1978; Lindquist, 1978).

The era of shaikh Mujib could be termed the heyday of clientelism and corruption. The plundering of resources, corruption, patronage distribution and mismanagement were colourfully documented by contemporary observers (Umar, 1980; Islam, 1979).

The party was in this respect setting itself up as a bureaucratic bourgeoisie. Smaller enterprises often went directly to party members. The government also distributed licenses and import and export permits to party members who resold them to genuine producers and traders. A lucrative smuggling operation developed which took rice and jute to India, and brought back manufactured goods, an operation which depended on the protection of important people in the party. And finally, full use was made of the opportunities to extract percentages for the award of contracts (Lindquist, 1977: 14).

Islam, the Deputy Chairman of Shaikh Mujib's Planning commission elaborated the ways by which the petty bourgeoisie made fortunes.

By 1974 there were a number of factors which had contributed to an accumulation of surplus funds in private hands. For one thing, high profits were earned in domestic and import trading activities, including illegal trade such as trade in contraband goods and in smuggling jute and other exportables across the border. Since the transactions were illegal, the risk premium was high and hence profits, once realized, were high. In addition, many residential buildings and trading or commercial enterprises, abandoned by Pakistanis, were illegally occupied by private persons, in some cases under the cover of political protection. The "caretakers" of such commercial enterprises, hastily appointed by the government in 1972 immediately after independence, made large fortunes through the undeclared sale of assets. Moreover, there were gains to be obtained from rental and sales proceeds of the abandoned houses which were illegally occupied by private persons (Islam, 1979: 244).

The economic consequence of smuggling, hoarding, black money for the general people was an inflation rate that climbed to 75 per cent in 1974. The rice price jumped to nearly ten times its pre-independence level for a few months in late 1974. Economic chaos, hoarding and smuggling coupled with floods meant death from starvation for tens of thousands of people in late 1974 (Stepanek, 1979: 10; Hartmann and Boyce, 1988: 189; Alamgir, 1978).

The rhetoric of the Awami League government in respect of rural development (emancipation of impoverished peasants from exploitation) was soon apparent. I will argue in the next chapter that the land reform was itself class-biased. The co-operative strategy had an apparently egalitarian posture but distortion at the implementation stage was the

ultimate outcome. Jahangir from the differentiation and polarization thesis examined the 'class character' of the Awami League in so far as the rural development policy was concerned. He maintained that a 'rural bias' operated in favour of the rich peasants who benefited from favourable terms of trade, subsidies at the expense of other social groups and exemption from an associated set of taxes. Land legislation and government agricultural and trade policies changed the agrarian structure and tilted it in favour of the rich peasants (Jahangir, 1979: 73-74). I will argue that 'class power' should not be confused with clientelist pressure. There is evidence that there was pressure within the decision-making structure against egalitarian land reform and the reduction of subsidies on inputs (Islam, 1979: 206; Sobhan and Ahmed, 1980). The rural elites got a lot of patronage. But it has to be seen in a context where political chaos and confusion within the ruling party itself and in the country as a whole became overwhelming (Lifschultz, 1979; Maniruzzaman, 1982; Jahan, 1980b). The Mujib government was struggling to generate either a party machinery or a system of control. The regime relied on a strategy which consolidated power at the centre and circumscribed political opposition. In order to ensure continued support from the countryside, rural elites were allowed to extract surpluses from development programmes. For instance, immediately after independence, relief and rehabilitation were given priority. Union and Thana Relief Committees were formed. Many members of the Awami League were appointed as Relief Committee members. The influx of

resources distributed through committees provided considerable scope for patronage and self-enrichment of local elites (Sobhan and Ahmed, 1980; Blair, 1978; Hartmann and Boyce, 1988). It would be fair to say that the tradition of rural clientelism inherited from the past was largely guided by the dictate of political necessity on the part of the political elites.

Despite the contemporary view that in the post-colonial state the bureaucracy is the dominant force in society, the bureaucracy during Shaikh Mujib's regime played a subordinate role (Ahmed, 1980a). By and large, the bureaucracy represented the petty bourgeois class. According to the logic of the analysis of the intermediate regime (see Chapter 1), emphasis on the involvement of the public sector in economic management is supposed to enhance the role and power of the bureaucracy, a trend evident in other developing countries (Meillassoux, 1969; Von Freyhold, 1977). Contrary to this phenomenon, in Bangladesh, political leadership openly denounced the higher echelon of the bureaucracy, particularly members of the generalist civil service (Ahmed, 1980a). Sobhan and Ahmed (1980) and Islam (1979), from their first-hand knowledge, have colourfully demonstrated the conflicts between two broad groups: (a) public sector managerial cadres and the technocratic 'socialist' Planning Commission under the leadership of the 'radical' petty bourgeoisie; and (b) the Bengali entrepreneurs who were dispossessed due to the nationalization measures and rapidly expanding new

privileged class under the leadership of the bureaucracy. The local-level bureaucracy also experienced a setback (see next chapter).

The reason why higher-level bureaucrats aligned with private capital is difficult to ascertain. Nevertheless, the interpretations given by Islam (1979) and Sobhan and Ahmed (1980) seem to be convincing. Islam (1979: 247) opines that, to many of them, a private enterprise system, subject to controls and regulations which gave them power and authority in the 1960s, was the preferred alternative to public ownership. Sobhan and Ahmed hold that (a) bureaucrats had a negative attitude towards the ideological premise of the nationalization policy, (b) they had marital relationships with the families of businessmen, (c) they had shared material interest with the business community and shared perspective developed in the 1960s, and (d) they were denied power and privileges (Sobhan and Ahmed, 1980: 172-176). The government made many political appointments in the central secretariat and public sector corporations.

It is remarkable that Shaikh Mujib, who denounced the bureaucracy so vehemently in the early days of post-liberation Bangladesh, came in the later period of his rule to be increasingly dependent on the bureaucracy, particularly on members of the ex-civil service of Pakistan. Mounting economic crises and political chaos were largely responsible for the resurrection of the bureaucracy in the course of 1973 and 1974 (Ahmed, 1980a; Westergaard, 1985).

In 1975 Shaikh Mujib started his 'second revolution'. In January he announced the presidential form of government in place of the parliamentary system. The Awami League was dissolved. A new party was created, known as BAKSAL (Bangladesh Peasants and Workers Awami League). As Mujib put it, 'free style democracy' had failed (Khan, M.H., 1989: 266). Shaikh Mujib announced reforms which were intended to end corruption, to achieve industrial and agricultural self-sufficiency, to control higher growth rate of population, and to bolster an eroding sense of national unity (Stepanek, 1979: 9).

Khan persuasively argues that Shaikh Mujib's reform was an attempt to restrict the petty bourgeois organisational rights using a petty bourgeois-dominated machine (Khan, M.H., 1989: 267). Jahan argues similarly and holds that, by introducing his 'second revolution', Mujib managed to threaten the major social groups in the country (Jahan, 1980b: 135). Mujib's 'second revolution' could not be tested in practice. He was slain in August 1975 by the army.

By the end of 1975, General Ziaur Rahman, amidst coups and counter coups (Lifschultz, 1979), emerged as the 'strongman' in the polity. The 1975 coup d'etat brought about certain changes in the politics and economy of the country. There was an explicit commitment to economic growth based on the private enterprise system. The army and the bureaucracy,

which were alienated during the Shaikh Mujib regime, were brought to the forefront of state craft. In one sense, the intervention of the army was 'autonomous' in that it had the ability to deny the dominant classes; the power was with the military and the bureaucracy. In the course of time, when Zia started 'civilianizing' the polity, he had to develop clientelist groups throughout society.

Zia's military government first tried to resolve the conflicts within the civil bureaucracy. The conflicts between the generalist and the specialist over the question of service mobility had long been a problem. The Pay and Service Commission recommended rationalization of the pay structure and the criteria for promotion within the public services. An 'open' civil service was created and the pay structure was transformed into 21 grades and scales. In the course of rationalizing the service structure, the government faced considerable opposition from different categories of civil servants, in the form of demonstrations and strikes (Maniruzzaman, 1982). Despite intra-service rivalry, the bureaucracy enjoyed enormous power. In 1981 Zia's 24-member cabinet included 6 retired military officers, 5 civil servants, 6 technocrats, 4 businessmen, 1 landlord and 2 lawyers (Islam, 1988: 123). Likewise, important policy making and policy implementing bodies were manned by civil and military bureaucrats (Ahmed, 1980a). Franda, a long time observer of Bangladesh politics, compared the Zia regime with the Suharto regime of Indonesia where the military and ex-military officers were in charge

of strategic bureaucratic and economic positions in an ostensibly non-military regime, and where corruption became institutionalized (Franda, 1980: 278).

The denationalization policy reflected the state's commitment to economic growth, based on the private enterprise system. Between 1976 and 1983 a total of 217 public sector enterprises were wholly or partially sold to the private sector or returned to their former Bengali owners (Khan, M.H., 1989: 268).

The rural development policy focused on agricultural growth. The Second Five Year Plan (1980-85) envisaged:

The corner stone of rural development will be agricultural development...The strategy for agricultural development will be to broaden the modern agricultural base for rapid transformation of the traditional agriculture.. All efforts.. will be geared to give a major thrust to raising agricultural production. The main thrust to the agricultural production will be increased irrigation coverage combined with expanded cultivation of HYVs...Subsidies to inputs will be reduced...It is not, however, necessary to interfere with the ownership of land...A large increase in employment...is envisaged in agriculture. This will materialize partly through increasing cropping intensity i.e., multi-cropping, but much more substantially through the spread of high-yielding varieties...The main emphasis of the...Plan is on short term gains in terms of output and employment so as to significantly reduce the level of poverty in the country (quoted in Van Schendel, 1988: 64).

The policy asserted the orthodox strategy: development meant technologically induced higher productivity which would bring trickle-down benefits to the rural poor. To realize the objective, the agricultural policy was revitalized. A commercial strategy was pursued which was

based on the 'perception' that individual farmers would respond to prices for inputs as well as produce. The policy imperative was more an outcome of international pressure than any serious consideration of local constraints (Wood, 1980a). Van Schendel and Faraizi observe:

After 1975, when the military captured state power and the aidgivers signalled their approval by pouring more money into Bangladesh, rural policies became even more strongly aligned to zotdari interests. Successive military-dominated governments, which toppled each other with increasing frequency, traded short-term political support from the zotdars for continued development aid-promoted support for no-nonsense zotdari appropriation in the countryside...By 1980, as international interest in supporting primary producers against the zotdars waned, the latter could once again count on strong state support in upholding their system of surplus appropriation (quoted in Jahangir, 1986: 88-89).

The distribution of clientelist pay-offs was an essential part of Zia's 'civilianization' and 'democratization' programme which resembled Ayub Khan's political strategy (Jahan, 1980a). There occurred a splitting and lumping process, in which parties in actual or potential opposition to the regime were variously (1) co-opted into the Bangladesh Nationalist Party, (2) isolated, or (3) subject to repression (Bertocci, 1982: 998). Zia's Bangladesh Nationalist Party comprised people from different parties with different ideological underpinnings, both 'right' and 'left'. These people could best be identified as 'opportunists' who thronged around Zia to have a share of government patronage and power (Bertocci, 1982). Khan cogently describes it:

This institutionalized the political process through which political pressure translated into surplus appropriation. Zia's belief that problems could be solved by distributing resources was

quite possibly a confidence which political realities compelled him to display (Khan, M.H., 1989: 272).

Like his predecessors, Zia too resorted to creating a rural support base. Wood succinctly describes the phenomenon. The urge for developing and maintaining a loyal and quiescent mass base in the post-famine crisis of 1975 held the decision-makers in search of an institutionalized formula for rural mobilization and incorporation. Swanirvar (self-reliant) villages, Gram Sarkar (village government), canal digging, the Ulashi programme were many of the ingredients of the rural mobilization strategy (Wood, 1985b: 455). More important was the innovation of the Gram Sarkar. It seems, however, that before his assassination in 1981 Ziaur Rahman was engaged in a major restructuring of agrarian power. By shifting power from the Union to the village level, Zia was trying to disassemble the Awami League machine in the countryside and create new vested interests and a countervailing political constituency (Franda, 1980; McCarthy, 1987). Siddiqui (1982: 346-347) summarizes the experience of state rural development efforts of that period. Firstly, state rural development focussed on increasing productive forces without changing the social relations which hold back these forces. Secondly, state resources were channelled through the rural elite with no participation by the mass of the people. Thirdly, there was rampant misappropriation of these resources by the rural rich and the bureaucratic elites. Government development measures, despite good intentions, helped strengthen the political and economic stranglehold of an unproductive rural

rich over the rural society. Fourthly, rural development, therefore, encouraged further pauperisation.

The military's take-over of power in March 1982 was again an 'autonomous' intervention to carve out numerous clientelist groups that pervaded Bangladesh society. Social and political indiscipline, unprecedented corruption, a devastated economy, administrative stalemate, extreme deterioration of law and order and a frightening economic and food crisis constituted the elements of General Ershad's speech in March 1982 (Bertocci, 1982: 989). While many of the reasons resemble standard explanations of military intervention in any polity of the Third World, there is evidence that corruption and patronage reached an unprecedented level during Zia's time (Franda, 1980).

Ershad completed his 8 years' term in March 1990. He has enjoyed the longest tenure as the President of Bangladesh. This period has been marked by constant political instability, the demise of numerous innocent lives and violent political confrontations between the state apparatus and large mobilizations of the urban middle classes (Khan, M.H., 1989; Khan, 1985; Bertocci; 1982; 1985; 1986).

Immediately after taking power, the regime formulated policies and formed several committees to restructure the economy and administration. The New Industrial Policy of 1982 structured the industrial policy of the BNP government, which meant more denationalization of public sector

enterprises and liberalization and fiscal incentives to private investors. Despite the liberalization policy, the development of industrial capitalism did not take place. Non-repayment of loans remains widespread in the arena of industrial finance. One possible explanation is the poor performance of the private sector (Sobhan and Mahmud, 1980: 36). Hashemi points out an important constraint: loans are granted without proper scrutiny of the feasibility of a project, probably on the basis of illicit pay-offs (Hashemi, 1988: 125). Khan's study reveals that clientelist coalitions developed over the years have been binding constraints on the path of capitalist development (Khan, M.H., 1989).

It is reasonable to argue that industrial capital is at an infant stage. Rather unproductive capital accumulation is found to be rampant. Chowdhury (1989) reports that the Public Accounts Committee has a record of the misappropriation of resources worth taka 20,000 million in different ministries and autonomous bodies. According to a reliable study, the black money (incomes originated from illegitimate economic activities such as smuggling black-marketing and bribery including political kickbacks) of Bangladesh has become autonomous and self-propelling, and estimates indicate that its size may have exceeded one third of the country's GDP (Reza, 1989). The experience of the 1980s suggests that other state institutions, particularly the army, have been subject to wide criticisms for its distribution of contracts (Khan, M.H., 1989).

The rural development policy of the Ershad regime does not differ significantly from that of the previous government. Since the early 1980s, a debate has been concentrated on the nature of the involvement of the donor agencies. While the World Bank and the USAID have been in favour of an elitist farmer-biased privatization policy, the Scandinavians are more inclined to focus on the 'target groups' (Wood, 1988b; Jahangir, 1989). In the next chapter, I will argue that target group oriented reformist rural development efforts have also been sources of accumulation for the rural elites.

Ershad's political mobilization strategy seemed to follow the path blazed by his predecessors. Once more, the government resorted to the creation of rural clientelism to counter the urban political opposition and to create an effective support base. Khan observes:

The costs of creating rural clientele had also increased as decades of involvement in urban politics had created an intelligent jotedar, who was quite adept in using the tensions in the towns to increase his bargaining power (Khan, M.H., 1989: 267).

The regime's decentralizing reform of local government was remarkable in that it not only made the jotedar class a countervailing political force but also increased its voice in rural development management vis-a-vis the bureaucracy under the overall hegemony of the military (see Chapters 5 and 6). Khan notes that one of the objectives of the reform seemed to be to divide and weaken major political parties opposed to the regime (Khan, 1987).

There are tensions, feuds and contradictions within the state structure itself. During the Zia period there was an attempt by the military bureaucracy to present a civilian facade. But the present regime has failed to reach a viable political solution with the opposition. The process of mediation between different interests has become far more complex than before under the hegemony of the military bureaucracy. Certainly the number of clientelist coalitions has increased but, given the limited resource base, it is difficult to meet the demands of all groups. It is clear that clientelism can give temporary relief for the regime in power but it cannot provide a long term solution. This is evident in the proliferation of political movements (Jahangir, 1989).

Since the structure of public accountability is totally absent, the civil and military bureaucracy enjoy a monopoly position within the regime. Since the 1975 coup d'etat, antagonism has been sharpened between the military and the civil bureaucracy. There has been large scale lateral entry of military officers into civilian administration. Although this phenomenon started during the Ziaur Rahman regime, it has become habitual since 1982. The post-Zia period reveals that military officers are posted in many strategic positions in the civil administration. The military has further crippled the monopoly position of the bureaucracy by deputing a large number of civil bureaucrats at the Upazila level to work under the Upazila Parishad. The military's hegemony is further enhanced by (a) the presence of the

zonal martial-law administration within the civil administration and (b) its involvement in public works and charities during famine, flood or cyclone. Like other major social classes, the bureaucracy has also become a junior partner to the military (Hashemi, 1985: 79). It appears that, in order to contain pressures from various social groups, the military has endeavoured to build its administration with the civil society. This way civil authorities are crippled and increasingly isolated from their responsibilities. The increasingly central role of the military in the civil society guarantees the survival of the overall military organization as a competitive element within the society as a whole (Jahangir, 1989).

Political process in Bangladesh is certainly at a critical juncture of history. Jahangir (1989) observes that a process of 'redemocratization' is going on in Bangladesh politics. The military is an objective partner in domination. According to Westergaard (1990), the political system in Bangladesh is best characterized as 'depoliticized'. Since there is no accountability and democracy, the ruling elites without legitimacy look for a local power base, bypassing the majority of the people. The 'depoliticization' of the political system is also evident through the use of violence in local elections. It appears that the zonal martial administration in combination with the civil administration plays an important role in 'shaping new electoral alignments in bringing the playboy gangster force to power in many of the upazila parishad' (Jahangir,

1989: 71). Rahman observes that violence is resorted to 'not primarily to engage in political competition but to exclude the local society from participation in the political process altogether' (quoted in Westergaard, 1990: 2).

While the above analysis gives a good picture of the current state of Bangladeshi politics, I am not satisfied with the nomenclature of 'depoliticization'. The process is not one of 'depoliticization', rather a new kind of politics is emerging. The regime in power was, however, unsuccessfully trying to develop a political system which could give structural continuity to the hegemony of the military, as is found in some South east Asian countries.

Conclusion

In this chapter, I have tried to delineate the basic features of the agrarian structure and its relationship with the state in post-independence Bangladesh. The intention has been to analyze how the activities of the state are influenced by what happens in the rural areas and how the state in turn affects the processes of agrarian change. More specifically, explicit attention to structures of state power and national accumulation is central to understanding the forces at work within rural society.

That Bangladesh has a minifundist agrarian structure does not give sufficient insights into the actual nature of

production relations and their bearing upon the rural class structure. The concentration of landownership is fairly high. The most distinctive feature of the agrarian structure is the disjunction between the structures of production and distribution, which means that the beneficiaries of the system do not bear the costs and risks of production outcomes. We have identified landlords, merchant-usurers and bureaucratic functionaries who benefit from this system. The dissociation between the structures of production and distribution has a very important implication. The pre-existing structure imposes formidable barriers on rural transformation. Since surpluses can be extracted without contributing to output or productivity levels, the exploiting classes are not compelled to undertake expanded reproduction on an increasing scale. Moreover, the social and political premises of the existing production system make it difficult for the landlords or merchant-usurers to switch to expanded production. For instance, money-lending, trade and land-leasing are based as much upon 'social contracts' between and within classes, as upon individuated contracts. Correspondingly, village or samaj-based mechanisms of social control imposed by rich peasants as a class upon the subordinated classes also assume significance. If they switch to capitalist production, undercutting the existing social arrangements, they are likely to face the prospect of resistance from fellow members of their own class and the loss of clientelist followings (Adnan, 1986a: 21).

The macro-level political scenario in the post-independence period indicates the instability and the shifting balance of power at the local level associated with it. Mobilizing political support from within rural society has been a key element of the political strategies of successive regimes in the post-independence period. The larger context is inherently conducive to more powerful groups' attempting to forge a base of support within village society (Hart, 1988: 263). However, there is a structural basis for the persistence of vertical patronage relations in Bangladesh. State policies in effect have contributed to the resilience and persistence rather than to the eventual demise of the rural parasitic classes, as they provide vote banks, act as an alternative political constituency and ensure law and order at grass-roots level where the state apparatus cannot always be present in strength.

Chapter Five: Programmes for Rural Development: A Review

Introduction

The programmes under discussion are local government reform, land reform, the co-operative strategy, the Rural Works Programme (RWP) and the privatization policy of agricultural inputs. These programmes stretch over a long period of time, connecting critical historical periods and political events. Local government in its modern sense originated in the nineteenth century. Land reform was the first village reform measure of the Pakistan state. Co-operatives and the RWP were parts of a total strategy of 'green revolution' in the 1960s. The privatization policy of agricultural inputs at the local level started in late 1970s. It received top priority from the government in the 1980s.

These programmes, in one way or another, represent the political, economic and ideological priorities of successive regimes of Bangladesh. These programmes also combine bureaucratic intervention and local initiatives. Various dilemmas are identified here: the contradictions within the policy objectives, a lack of coherent strategy for implementing policies, the limitations of bureaucratic intervention and the continuing dominance of the rural elites. Moreover, the divergence from the real intentions of the policy is not simply an administrative failure, although a plethora of complexities and competitiveness has pervaded the total institutional design of rural

development. I will argue that the nature of intervention and rural class structure directly or indirectly have influenced the implementation of the programmes.

5.1 Local Government and Decentralization

The significant aspect of the history of local government and decentralization in Bangladesh has been the enmeshing of local politics with national political issues. The decentralization of power to the rural constituency under the hegemony of the bureaucracy as an effective mechanism of social balance was carefully orchestrated by the British raj. Broadly speaking, the balance strategy right from the raj to this day has made a trade-off between local administration and centre-based political administration. However, the magnitude of this balance has not been uniform over a long history of local government in Bangladesh. This is largely due to the exigencies and mode of functioning of the state apparatus in different historical periods.

Local self-government is believed to have existed in pre-British India in the form of the 'little republics' that Charles Metcalf romanticized in the early nineteenth century (Blair, 1974: 99). What the 'little republic' paradigm suggests is the existence of 'village solidarity' in pre-colonial India. But contemporary historiography precludes such an idealized picture and confirms the existence of village oligarchy in Bengal (Roy, 1937).

In modern times, local government may be said to date from the Village Chaukidari Act of 1870. Under the Act, a village Union was to be created and each Union was to be placed under a Panchayet - a body comprising five villagers selected by the District Magistrate, the executive of a District. The Panchayet was charged with the task of maintaining village peace and order. It was given authority to appoint the village chaukidars and to assess and collect tax from the villagers to pay the salaries of the chaukidars (Choudhury, 1987: 7-8).

Different interpretations of the creation of this local body are found in the literature. Rashiduzzaman argues that the zamindars, being responsible for maintaining peace and order, failed to abide by the obligations of local administration (Rashiduzzaman, 1968: 1). Tharaj's own version of the imposition of the formal political system corresponded to their 'ignorance' of the traditional forms of self-rule and enthusiasm for creating institutionalized groups. The Bengal Administration Report of 1871-72 provides a picture of the situation:

the zamindari agent supplants the old model and the landlord takes the place of indigenous self-rule....it has happened that in the province we have held the longest... we have less knowledge of or familiarity with the people than in any other province, that the British authority is less brought home to the people, that the rich and strong are less restrained and the weak less protected than elsewhere (quoted in Jahangir, 1982: 18).

The colonial state's own version gives a backdrop against which such a formal local government system was imposed. Following the discussion in Chapter 3, several ramifications

can be identified. It was one aspect of the colonial state's endeavour to deny the customary leadership of the village community under the hegemony of the zamindars. A formal administrative linkage was established between the village and the colonial state under the supreme command of the District Officer.

Later reforms, particularly the Act of 1885, were initiated to meet the requirements of the colonial administration. Under the Act of 1885, three tiers of local bodies were created in Bengal: the District Board in the District, the local Board in the sub-division and the Union Committee in a group of villages. The District Board was the main unit with financial power. Union Committees were divested of financial power. These committees were invested with the management of local ponds, schools and roads. But the management of rural police remained with the Chaukidari-Panchayets. The local Boards, like the Union Committees, were merely the agents of the District Boards (Rashiduzzaman, 1968: 3). The real authority remained with the District Officer. Nevertheless, the participation of the village oligarchs in the councils was ensured. They mediated the articulation of power between the village and the colonial administration. Again this is a pointer to the contradictory aspect of colonial administration which I have discussed in Chapter 3.

The 1919 Village Self-government Act was a significant development. It was enacted as the Muslim jotedar class

started asserting itself in the countryside; peasant movements and communal riots became routine and rural economic conditions further deteriorated (Choudhury, 1987: 11). An important element of the situation at the time was continuing pressure from the urban constituency for a representative government (Ahmed, 1988).

Under the Act, the three-tier system was replaced by a two-tier system: the Union Board and the District Board. This system continued until India and Pakistan gained independence in 1947. A Union Board usually consisted of 9 members. The Act provided for the nomination of one third of the members, but it was abolished in 1946. The Union Boards were invested, apart from police functions, with powers and functions necessary for the management of village administration (Rashiduzzaman, 1968: 4).

While the reform could not ensure the operational autonomy of local councils from bureaucratic control, it had far-reaching political implications. Political parties entered energetically into the arena of national politics and established ties with the leaders of rural factions. In the articulation of power, a new channel was established between the rural faction leaders and politicians at the urban level, a channel in operation parallel with the older channel between the rural notables and the colonial administration (Jahangir, 1982: 20). Rajat and Ray describe the contemporary situation:

there was a growing self-assertiveness among the prosperous Muslim jotedar class in East Bengal

which reflected itself in their attempt to capture union boards and local boards from the high caste Hindus who monopolized those local-self-government bodies. The ally of the Muslim rural rich in this attempt to capture local power was the urban Muslim service and professional class, which made a determined bid for capturing political power in the province as a whole...(Rajat and Ray, 1975: 101).

The basic pattern of local government remained intact until the creation of the Basic Democracies (BD) in 1959. The BD order of 1959 was one of the important acts of the new military government of General Ayub Khan. It was essentially intended to create a new constituency of political power. Ayub Khan clearly understood that the traders and industrialist were small in number and they provided insignificant political support for the military government (Khan, M.H., 1989: 253). Over the years, the Basic Democrats, overwhelmingly jotedars in the East and the West, emerged as a viable political constituency for Ayub Khan to balance the political pressures. The BD also helped create legitimacy for the regime. The BD helped the regime to survive one Presidential and two assembly elections (Jahan, 1980b: 12). Tepper puts it in the following manner:

Basic democracies shifted power to a rural elite, away from urban centres. The most unique non-evolutionary aspect of Basic Democracies was the use of local councils to alter the basic formulae by which the state was governed. Ayub used the Basic Democrats as an electoral college to choose the head of state and the national and provincial assemblies. This had the effect of politically decapitating the urban centres and institutionalizing rural notables as important actors in the national arena (Tepper, 1976: 49).

While the political aspect was significant, the administrative and developmental aspect was no less important. Table 5.1 shows the structure of the BD. Only

the Union councils were 'representative' bodies. All other tiers were mostly dominated by the bureaucracy. For all practical purposes, the District administration occupied a pivotal position in the structure of the field administration under the leadership of the District Commissioner (Ali, 1982; Tepper, 1976).

Table 5.1. Structure of Basic Democracies

Unit	Chairman	Members
Divisional Council	Commissioner (Govt. officer)	Half officials, half non-officials
District Council	District Commissioner (official)	Half officials, half from UC/TC Chairmen
Thana Council	Subdivisional Officer. In his absence, C.O. (Dev)	Half officials, half UP Chairmen
Union Council	Elected by members	Elected by universal adult franchise

Source: Jahan (1977).

Perhaps the most important contribution of the BD was the

Thana Council (TC). In fact, the Thana became the focus of rural development administration. Here it is essential to distinguish between the colonial and the post-colonial approaches to field administration. While the structural continuity of the control function did not change, the assignment of development responsibility to the field bureaucracy was an added dimension. It has been argued in Chapter 3 that the colonial state extended the police apparatus to the Thana level in the late eighteenth century. The creation of a new post, Circle Officer, in the early twentieth century was an attempt to bridge the gap between the District Officer and village people. One of his functions was to 'watch over, guide and supervise, the working of the Union Boards (Anisuzzaman, 1963: 17). In essence, the position was 'imperial', hierarchical and top-down. There was nothing 'democratic' about the way they operated.

A political and economic requirement of the Ayub regime was the transformation of the local bureaucracy and civil service. As a move to bring development to the rural people, the Thana administration felt the presence of a number of government officers. All Thana level officers were brought together at one site, the Thana Training and Development Centre (TTDC), which served as the locus and focus of Thana based administration and inaugurated the changing relations of government bureaucrats to the countryside. Functionally diversified but administratively consolidated, Thana administrators came to serve as the

critical linchpin in the national administrative structure. Politically, this served to strengthen government operations and extend its influence and authority (Feldman and McCarthy, 1984: 14).

The post of Circle Officer (Dev.) was the most important one in relation to rural development. He had to carry out the function of 'development'; a role that emphasized 'boosting' rural development works (Anisuzzaman, 1963: 17). He was the main focus of development administration at the Thana level. State resources were flowing into the Thana from the centre through him. Although he operated in a 'traditional' fashion, - 'aloof, prestige-conscious and administrative' - his function was not to control the rural population through the exercise of force, nor to extract a surplus from them, but, on the contrary, to 'develop' them in some sense. There was a control aspect to his function, but it was a latent one, or at least it was not control through force (Lindquist, 1978: 20). Regarding the class background of these Thana level officers, Feldman and McCarthy observe:

These civil servants represented petit bourgeois urban and rural landowning interests as appointment to government was based on educational qualifications limited only to those who could afford it. For these new officers, government service offered a vehicle for both upward and lateral mobility as well as income and asset diversification. Despite convergence on some matters, the interests of new cadres, and their increased control of local resources generated more diversified administrative interests which generally excluded the interests of small and marginal landholders and those dependent on wage labour.....The trade-off in the expansion of administrative apparatus, and efforts to diffuse political opposition to the regime, was the increase in local authority and the control of resources that bureaucrats came to enjoy (Feldman

and McCarthy, 1984: 13).

Thus Ayub's local government reform gives us two important dimensions. On the one hand, bureaucratization became imperative. On the other hand, the rural jotedar class was brought to the political forefront. The BD system provided the opportunities for the rural elites to be involved at the lower echelon in decisions on local issues. To counter this, the bureaucracy was given authority to supervise the RWPs implemented through Union Councils dominated by jotedars. In the course of time, this duality of political administration held the bureaucracy and the jotedar class together, strengthened their alliance and coalition and provided enormous opportunities for misappropriation of state resources (see discussion on the RWP).

In post-liberation Bangladesh, the Awami League government set up Relief Committees at Union level to handle the distribution of relief goods in place of the old and discredited Union Councils until a new structure could be put into place. These committees were mostly manned by party workers who plundered resources on an unprecedented scale (Blair, 1978; 1985).

The new constitution of Bangladesh had provisions for representative bodies at all levels of local government. The first election for the Union Parishad was held in December 1973. The evidence, however, shows that many non-Awami Leaguers did capture the positions of the Union Parishad functionaries. The elections to the Thana

Development Committee and the District Boards were suspended. Nevertheless, the pattern of elite dominated rural formal power structure remained unchanged (Blair, 1985).

Perhaps the most ambitious local reform of the Shaikh Mujib regime was the system of District Governor under the Bangladesh Krishok Sramik (Peasant-Worker) Awami League (BAKSAL) scheme. This provided for the replacement of the District Officer as the head of the District by a President-appointed governor and the Zila Parishad by a District Administrative Council. The reform empowered the governor to exert control over both regulatory and development administration. The governor was in fact given discretionary authority with very little accountability to the Council. He owed his allegiance only to the President of the country. Equally important was the replacement of the Union Parishads with compulsory multi-purpose co-operatives. Under the arrangement, the provision was equal division of the produce between the government as inputs supplier, and the owners and the actual tillers of the land (Jahan, 1980b).

The new military government in 1976 issued an ordinance to provide for the constituencies of local government institutions: Union Parishad for a Union, Thana Parishad for a Thana and Zilla Parishad for a Zilla. The structure and functions of these bodies resembled those instituted in the 1960s. The elections to the Union Parishads were held

in 1977. The jotedar class ensured their domination in the Parishads (Rahman, 1981). The elections did not give a positive result for Zia in terms of loyalty (Rashiduzzaman, 1978). But things seemed to have changed when Zia finally involved himself in party politics. A case study of that period revealed the changing motivation of the UP leaders and their allegiance to Zia's Bangladesh Nationalist Party (BNP).

Thus it is quite common to find that people engaged in local politics in the Union Parishad have shifted allegiance from Muslim League, under the Ayub Khan regime in the 60'ties, to Awami League of Shaikh Mujib, and are now members of BNP (Arn and Mannan, 1982: 68-69).

In 1980, Zia's rural clientelist policy finally centred on tens of thousands of villages. Gram Sarkars (village government) were set up throughout the country. The basic objective was to gain direct political support for the regime and to minimize the hold of the Awami League on UP members and chairmen (Feldman and McCarthy, 1984: 17). More importantly, this new institution was supposed to reduce the dependence on urban political constituencies and to infuse party ideology among its members, thus completing the task of social control (Ahmed, 1989: 508). There is evidence that Zia faced bitter criticisms within the senior ranks of the army for his inclination to 'democratization' (Franda, 1980).

Gram Sarkars were composed of 12 members, selected on the basis of consensus evolved in a specially convened meeting. The provision made it clear that executive committee members would be from different occupational groups (peasant,

weaver, fisherman, woman, blacksmiths and so on), including disadvantaged ones. The Gram Sarkar was responsible for increasing food production, popularizing population control and family planning, encouraging mass literacy and maintaining law and order (Ahmed, 1989: 508).

Zia could not go ahead with his ambitious plan. The Gram Sarker as an institution died with Zia's death in 1981. This short-lived experiment produced the same trend: rural elites dominated the rural organisations (Khuda, 1982; Muhammad, 1987; Huque, 1988).

Ershad's experiment of administrative decentralization is the most important event in the history of local government in Bangladesh. Soon after coming to power in 1982, the military government appointed the **Administrative Reorganisation/Reform Committee** which suggested a three-tier representative local government system. The Upazila as an upgraded form of the previous Thana was made the focal point of rural development administration.

The Upazila administration is one of the areas of my empirical investigation. Here I outline the major features of this system. A comprehensive analysis from the political, administrative and developmental perspectives will be made in the next chapter on the Upazila system.

The Upazila Parishad (UZP) is a representative body headed by an elected chairman. The UZP consists of representative

members (all chairmen of the Union Parishads and Paurashavas within the Upazila), three women members (nominated by the government), the chairman of the Upazila Central Co-operative Association, one nominated member (to be nominated by the government from among the residents of the Upazila), and official members (government officials serving in the Upazila and nominated to the UZP by the government). The number of official members is determined by the government. Officials participate in Parishad decision making, but they do not have any voting rights (Ahmed, E. et al., 1988: 69).

The UZP has a wide range of functions. Previously inputs, programmes, and planning were passed down through a well-defined administrative hierarchy. Under the reorganisation scheme, governmental activities have been classified as transferred and retained. Transferred subjects placed under the control of the UZP include agriculture and irrigation, primary education, health and family planning, rural water supplies and sanitation, rural works, disaster relief, food-for-work programmes, co-operatives, fisheries and livestock development. The formal administration controls the retained subjects which include law and order, justice, central revenues, large-scale irrigation, large-scale industries, higher and technical education and (see Appendices 1, 2, 3 and 4).

Critical to the Upazila system is the power of locally elected officials (Upazila chairmen and UP chairmen) to

control staff and to formulate plans, allocate funds, and to execute, supervise and evaluate rural development programmes. The Parishad, dominated by elected officials, does not require the approval of any government authority in

Table 5.2. Changes in the Allocation of Development Resources to Agriculture after Decentralisation (% of total ADP allocation)

Year	Agriculture (fisheries, crops, forestry & livestock	Water resour- ces	Rural dev.	Upazila dev. grant	Total agri.& rural dev.
1977/78	12.8	11.9	4.2	á	28.9
1978/79	14.6	10.8	3.9	á	29.3
1979/80	12.6	12.8	3.2	á	28.6
1980/81	11.9	17.3	4.1	-	33.3
1981/82	13.2	15.4	4.2	-	32.8
1982/83	15.5	11.9	3.9	0.3	31.6
1983/84	13.3	13.1	3.0	9.6	39.0
1984/85	9.0	14.7	6.2	12.1	42.0
1985/86	4.7	11.7	2.8	10.4	29.6
1986/87	5.7	11.5	3.2	7.4	27.4
1987/88	7.0	11.1	3.6	7.3	29.6

Source: GOB, Ministry of Planning, Annual Development Programmes, various issues, Reproduced in Hossain (1988: 109).

this respect. The role of government officers is merely technical and supervisory. District officers are to give technical advice, while Upazila officers implement the Parishad's plan. The DC and the UNO, representing the central government at the District and Upazila levels respectively, serve in a supportive role in transferred subjects. But they have administrative authority over retained matters. There is still confusion in respect of the division of the two types of activities between the UNO and the UZC (McCarthy, 1987: 4).

The UZP has significant resources under its control. The Parishad has three types of funds under its control: (a) the central government block grant, (b) local revenue comprising funds generated from hats (periodical markets), bazaars and fish pond leases; and (c) the food-for-work wheat. Table 5.2 shows the central government grant to the UZP. The mean monetized value of food-for-work wheat was about taka 7.5 to 10 million per Upazila. Local revenue was worth taka 0.2 to 1 million (McCarthy, 1987: 4). In contrast to the present Annual Upazila Development Plan for a fiscal year, under the old Thana Parishad structure, few Thanas had more than taka 0.4 million under their direct control (McCarthy, 1987: 4).

Another significant aspect of the Upazila system is the strengthening of project implementation capacity. Overall staff size now exceeds 250 people. An expanded and more

highly technical and administrative staff has been deputed by the Ministries at the Upazila level. An important aspect is the deputation of a number of class 1 officers. This is a significant departure from the old Thana administration. Deputation has meant lending out these officials under the control of the UZC (McCarthy, 1987: 5; Ali, 1986b: 101-105).

The UZC is responsible for the execution of all transferred subjects. The UNO, an all-purpose generalist civil servant, functions as the chief staff officer to the elected chairman. In terms of rank, he is superior to other officers and has general supervisory control over the latter. He is responsible to the chairman and assists him in implementation of policies and decisions of the Parishad (Ali, 1986b: 103-104).

In the planning and implementation of projects at the Upazila level, a number of committees are supposed to be set up: (1) a Project Selection Committee, consisting of representative and official members. (2) a Tender Committee, with the UNO and the Upazila Engineer as its chairman and member-secretary respectively. The Upazila Finance Officer and an officer of the concerned department will be the other members. (3) a Project Inspection Committee, consisting of elected or official members of the UZP (GOB, 1987a).

The foregoing discussion reveals that the Upazila chairman

in particular and the Upazila Parishad in general has enormous control and power over development funds and staff. This is a unique feature in the history of local government. This decentralization is a break with the past to the extent that it has distributed the civil state, its infrastructure and resources, much more widely in the countryside (Crow, 1989: 10). Political control over the bureaucracy is further enhanced as the UZC writes the Annual Confidential Report (ACR), signs paycheques and approves casual leave for each officer. The District line officer stands only in an advisory role to his Upazila officer; any contact between them is mediated by the UZC.

5.2 Land Reform

The issue of land reform in Bangladesh has been on the top of the priority list of all successive regimes, but it is strewn with much paper legislation and statement of intent. Nothing has been done about implementing land reform proposals which have been legislated, nor are any fresh attempts to be made.

Here the main concern is that nothing has been done about changing the structure of landownership - the critical 'initial conditions' which are held to be the major barriers to the rational and productive reorganisation of the agrarian system (Adnan, 1986b).

The first systematic attempt at land reform was made in

1950. Following the end of British rule in 1947, the Muslim League government enacted the East Bengal State Acquisition and Tenancy Act in 1950, which abolished the zamindari system and subinfeudation as it had evolved historically in the mould of Permanent Settlement. The land ceiling was placed at 33.3 acres. In 1961 the ceiling was raised to 124 acres. The economic effects of the reform were restricted to an enhancement of government revenue. For instance, receipts from land revenue were Rs. 17.4 million in 1947/48. In the years between 1965/66 to 1969/70, receipts seemed to have stabilized between Rs.130 and 150 million (Abdullah, 1976: 86).

The redistribution effects were rather insignificant. The ceiling was fixed at so high a level that land made available for redistribution was a little less than 1 per cent (Abdullah, 1976: 83). Apart from this, land was not given away free. The criteria for redistribution were not fixed. Siddiqui observes that "frequent changes in the priority bred not only utter confusion but also corruption, delay and 'discretion' on the part of the implementing officials" (Siddiqui, 1981: 17). The Land Revenue Administration Enquiry Committee Report of 1962/63 found out that local officials adopted dilatory tactics in the disposal of khas (government-owned) land and applicants were wrongly selected (cited in Siddiqui, 1981: 19). The same report also revealed the tyranny of lower government functionaries (tahsildar) responsible for rent collection in dealing with the poor peasants.

We were told in many places by ordinary people that the **tahsildars** are really **Zamindars** in a new garb with all their oppressions and that they are all the more powerful and dangerous as they have the authority of Government behind them' (quoted in Abdullah, 1976: 86).

Abdullah observes that there was a redistribution and it was of income from a class of rural intermediaries to the urban-based provincial government (Abdullah, 1976: 85). But the purported ends of benefiting the actual tillers were never realized. The ownership and control of land was transferred to the wealthiest stratum of the peasantry, the jotedars, who held intermediate tenures in the erstwhile hierarchy of rights (Abdullah, 1976: 80-89; Jannuzi and Peace, 1980).

In post-liberation Bangladesh, the Awami League initiated land reform. The land ceiling was fixed at 33 acres per household. But this ceiling was disproportionately so high that land for redistribution from such ceiling limit was bound to be extremely meagre. Sobhan and Ahmed recall their experience in the Planning Commission and reveal that despite the Planning Commission's proposal for fixing the land ceiling at 10 acres, the regime moved in the other direction. In fact, the Prime Minister himself did not want to threaten the heartland of his party. The party roots were much more closely related to the surplus farmers (Sobhan and Ahmed, 1980: 145). Blair summarizes the whole situation:

Land reform had been conspicuously absent from the 'Six Points' that formed the ideological underpinning of the Awami League during the Pakistan period, but when independence came, land reform became an integral part of the rhetoric.

The leadership made strong statements in favour of land reform in the early days of the new regime, but when the dust settled the proposed 'radical reform' turned out to be merely a return to the 33 acre ceiling set in the 1950s. Only 4.5% of the land was held in units even as large as 25 acres in 1968, so the amount of land over the new ceiling would have to be rather small indeed. By the end of 1973, the government announced that fully 900 acres had been redistributed as a result of the reform. Clearly, the surplus farmers who dominated the rural machinery of the Awami League were not going to countenance anything serious in the way of land redistribution (Blair, 1978: 70-71).

The issue of land reform was no more than drawing-room talk during the Zia regime. The Ershad regime in 1984 promulgated another land reform ordinance. The basic features of this latest legislative intervention are: (a) imposition of a ceiling on acquisition of new land and provision for distribution of khas land among landless households; (b) introduction of Tebhaga (three shares) and of other rules assuring the rights of sharecroppers; and (c) introduction of a minimum wage law for agricultural labourers (Datta, 1990: 1-2). Following the recommendations of the Land Reform Committee, the government fixed a ceiling on landownership at 20 acres. Considering the mean size of the farm below 3 acres, this did not seem to be a serious attempt. Abdullah observes that provision for the rights of sharecroppers and wage labourers is certainly contrary to the interests of the rich peasants. He further argues that it is within the purview of the government that this reform would not be implemented (Abdullah, 1985: 135). This statement needs further clarification. It has long been the practice in Bangladesh that rich peasants adopt precautionary measures such as the

nominal transfer of land to another, in co-operation with local officials. This can be interpreted in terms of a dominant coalition between the jotedar class and local bureaucracy. There is a lack of empirical data about the implementation of this latest land reform measure. In his study of two villages, Rahman (1986) found that sharecroppers were being evicted from rented land, wage labourers were not getting proper wages and khas lands were under the grip of the rich peasants. Datta's (1990) empirical research in two villages reveals that tenurial relations have remained the same. The insecure and exploitative basis of crop sharing still persists (see Chapter 4). In fact, the dismal picture of land reform reveals the real, not the formal intent of the government. Hossain and Jones put it succinctly:

That the existing inadequate land reform legislation has not been implemented and that agrarian reform has not enjoyed a higher place on the development agenda over the past thirty years is hardly surprising, given the nature of the state in Bangladesh. National politicians and bureaucrats are often themselves large landowners and if they are not, they depend on rich peasants both for political support and to ensure that the countryside remains reasonably tranquil. To attack the interests of this dominant class would be political suicide for any of the main political parties (Hossain and Jones, 1983: 180).

5.3 The Co-operative Strategy

Agricultural growth has been given primacy in rural development efforts in Bangladesh. Rural co-operatives have been the consistent instrument designed to achieve this objective. The present co-operative strategy is the product of the famous Comilla experiment, popularly known as the

Comilla model. It was pioneered by the well-known founder of the Bangladesh Academy for Rural Development (BARD , Akhtar Hameed Khan. The programme, started in Comilla Kotwali Thana in 1961, was extended to three Thanas of Mymensingh, Rangpur and Rajshahi in 1963 and to the whole of Comilla District in 1968.

Development intervention in the 1960s in the rural economy of Bangladesh took cognizance of the fact that agricultural growth was inhibited by existing patterns of indebtedness, landholding and traditional forms of wet rice cultivation (Feldman and McCarthy, 1984: 13). Moreover, agricultural growth was indeed needed to feed the rising demands of industrial development in West Pakistan.

The Comilla experiment coincided with the green revolution. The experiment became an important organisational vehicle through which new agricultural resources and technology, necessary to increase production, could be channelled. It is appropriately called 'co-operative capitalism' (Khan, 1979: 153).

The originators focussed on small farmers who were urged to get organised in co-operatives in order to mobilize savings, accumulate capital and free themselves from the clutches of moneylenders (Khan, 1983: 153). There was no intention to put an end to private possession. The originators also became very cautious about the large proprietors, moneylenders and traders.

Initially we worked quietly around them, suggesting not that they should be excluded from the new cooperatives, but that they should not be allowed to dominate...(Khan, 1983: 153).

The Comilla model essentially represented a three-tier system: individuals and villagers constituted the bottom tier, ministries the top, and development institutions the integrative middle tier. The model had four components which constituted together an 'integrated approach' to rural development: the Two-Tier Co-operative, the Thana Training and Development Centre (TTDC), the Thana Irrigation Programme (TIP), and the Rural Works Programme (RWP). The two-tier co-operative structure consisted of village-based Krishi Samabaya Samitis (KSSs) or agricultural co-operatives, which were federated at the Thana level in the Thana Central Co-operative Association (TCCA). The KSS was the 'focus' of development. While the managing board of the KSS was elected from among the co-operators, the TCCA's Managing Committee comprised elected representatives and the Thana level government officials, with the Thana Project Officer (TPO) in the chair. The TCCA would provide production inputs, training, credit and banking and other services to the primary societies.

The TTDC served as a centre for the coordination of different government organisations, for the diffusion of new technologies to the farmers, and for the training of KSS chairmen, managers and model farmers by officers from different government departments. The TIP was launched to provide irrigation facilities through the formation of small irrigation groups. The RWP was designed with the twin

objectives of building physical infrastructure in the rural areas and generating employment opportunities for the landless people during the slack agricultural season. RWPs were administered through the Thana and Union Councils.

The successes and failures of the Comilla experiment have been discussed in detail elsewhere (Raper et al., 1970; Blair, 1974; 1978; Bose, 1974; Khan, 1979; Abdullah et al., 1976). The co-operative model was initially successful in raising agricultural production. The average production of paddy per household nearly doubled in 6 years. The expansion of irrigation facilities was very impressive. The small and medium farmers seemed to have benefited from the programme. In the early years, large landowners looked upon the experiment with suspicion and they were content with their moneylending business. Once the benefits of credits and input programmes were demonstrated, they began to join the co-operative movement (Blair, 1978: 67).

The reasons behind the success have been elucidated differently by different scholars (Raper et al., 1970; Blair, 1974). The dynamic leadership of A.H. Khan is believed to be the most important factor. Khan, a former member of the Indian Civil Service, successfully infused dynamism into the programme. He kept the programme aloof from bureaucratic jealousies. He managed enormous funds from the government and the Ford Foundation. A balanced combination of supervision and autonomy became possible under his leadership. Concentration of highly subsidized

inputs was one of the motivating factors behind agricultural growth (Blair, 1978: 66). It was essentially an isolated programme, a small experimental area where research, money and administrative skills could be concentrated (Abdullah et al., 1976: 225).

Critics, however, found the success of the programme in a different way. Khan argues that the significant gain in production was due to the abundance of inputs, rather than any intrinsic ability of the co-operative (Khan, 1979: 120). The number of loanees decreased over the years. The reason for this dramatic change was that large landowners came forward to hold the leadership of co-operative societies, directed loans to themselves and received a disproportionate share of highly subsidized irrigation water (Wood, 1978a; Bose, 1974; Asplund, 1979; Khan, 1979). In the early years, the small farmers gained from the programme; as time passed, however, the programme failed to protect the small farmers from increased impoverishment (Khan, 1979: 133).

The fundamental weakness of the Comilla approach was the exclusion of marginal peasants and landless people. Membership was restricted in practice to people operating at least half an acre of land. The assumption that increased agricultural production would generate trickle-down benefits proved sterile. Over the years, the real agricultural wage rate declined and wages in Comilla District were not significantly different from those elsewhere in Bangladesh.

The RWP was to give full employment for the poor. A.H.

Khan himself was very skeptical about it.

it could neither furnish full employment nor lessen the disparity between the 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 (Khan, 1983: 151).

A low rate of savings coupled with the deterioration in the co-operative members' repayment behaviour made the entire structure dependent on state funds to cover the deficits (Khan, 1979). In fact, the number of loan defaulters was increasing day by day, which was also admitted by the architect of the experiment (Khan, 1983: 134-136). The conclusion is that the founder's dream of developing self-sustained 'penny capitalists' was never realized and died at the birthplace. Khan observes:

The whole exercise constitutes a lesson in the futility of 'cooperation' in a situation of inequality...it is impossible to prevent the big farmers from dominating cooperatives if they are allowed to enter them. In fact, it is impossible to prevent them from domination if they are allowed to exist (Khan, 1979: 144).

Haque et al. argue that individual goals and competition, rather than co-operation, constituted the basis of the Comilla experiment. Being a competition between unequals, the inevitable happened: the benefits tended to become more and more skewed (Haque et al., 1977: 28).

In summary, the Comilla model encouraged rural stability by incorporating rural elites and, if only nominally, the interests of the small farmers. While there has been

elaborate discussion of the negative effects of the green revolution, internal differentiation has seldom been discussed. Feldman and McCarthy note that the savings and credit component was premised on a joint production, credit and savings programme. Loan deposits and utilization remained individualized as each member maintained responsibility for his own resources. The larger farmers benefited from the capital mobilized from the entire group. In the same way, the signatures of the small farmers were used to access subsidized water resources for the interests of the large farmer (Feldman and McCarthy, 1984: 15).

In post-liberation Bangladesh, the Comilla experiment was replicated by the Integrated Rural Development Programme (IRDP) throughout the country. By 1986/87, 449 Upazila Central Co-operative Societies were formed, having 64,201 KSSs and 2,383,796 members (Table 5.3).

Despite the flaws, the Comilla model was replicated. Jones identified three 'economic' reasons behind this move: Firstly, the two-tier co-operative structure with decentralized management, which had some success in terms of agricultural growth in Comilla, was probably seen as the easiest way of achieving this since it did not involve any fundamental change to private property. Secondly, given the small and fragmented landholdings, a way of bringing together farmers living within the catchment area of the Low Lift Pump was needed to jointly manage the new technology for achieving the goal of agricultural growth. Thirdly, it

Table 5.3: Development of the UCCA-KSS system,
1963/64-1986/87

Year	Upazilas covered	Primary Societies	Members (in thousand)	Shares & Savings (ml.tk.)	Loan Issue Yearly	Loan Issue (ml. tk.) Cumulative	Overdue (ml. tk.)
1963-64	3	140	4.0	0.09	0.27	0.27	
1964-65	3	235	7.5	0.23	0.53	0.80	0.02
1965-66	10	655	18.0	0.70	1.44	2.24	0.13
1966-67	10	1046	27.0	1.19	2.02	4.28	0.30
1967-68	10	1601	41.5	2.34	5.28	9.56	0.32
1968-69	23	2293	60.0	4.50	9.96	19.51	1.47
1979-70	23	3215	80.5	6.80	13.87	33.39	4.20
1970-71	23	4119	11.0	9.12	16.84	50.23	9.00
1971-72	33	5680	136.5	11.04	11.85	62.00	17.70
1972-73	86	10171	261.0	16.76	20.84	82.92	27.15
1973-74	151	14690	387.5	23.00	24.14	107.00	30.27
1974-75	161	17691	840.5	28.50	31.77	136.83	34.72
1975-76	162	18975	525.5	34.40	50.32	189.15	33.00
1976-77	200	21874	649.0	40.20	75.10	264.25	38.71
1977-78	250	27548	844.5	54.33	128.13	392.37	58.13
1978-79	267	33511	1042.0	70.32	123.47	515.84	83.80
1979-80	300	39629	1297.0	98.82	253.00	768.74	117.00
1980-81	350	44859	1508.5	127.56	260.52	1039.26	191.66
1981-82	430	49046	1720.5	155.45	386.00	1415.18	222.00
1982-83	431	53843	1950.0	192.20	413.00	1838.23	283.36
1983-84	431	58276	2128.5	238.00	505.27	2335.50	388.00
1984-85	448	63001	2312.5	322.50	1099.80	3433.27	617.70
1985-86	449	63584	2333.5	371.70	969.70	4402.94	921.80
1986-87	449	64201	2384.0	404.50	764.45	5167.40	675.50

Source: BRDB (1987:56-62)

was hoped on the basis of the same assumption that the green revolution technology was 'scale neutral', that small farmers would benefit as much as large farmers and therefore co-operative capitalism would satisfy some 'equity' considerations (Jones, 1979: 56-57).

While economic rationales were quite explicit, political reasons were no less important. They can only be understood by taking account of the political economy of the Mujib regime. In so far as the green revolution was concerned, the cumbersome institutionalization process and the dominance of the local-level bureaucracy was guaranteed by the government in the pre-liberation period. But, in the post-liberation period, the administration of rural development underwent some major changes. The most important change was brought about in the management of the TCCA. The Shaikh Mujib government 'decentralized' and 'democratized' the TCCA. Under the new arrangement, the TPO, a government officer, had to work merely as an executive officer more or less under the direction of an elected 12-member Managing Committee. Lindquist describes the changing balance of power in an Upazila:

Waheed Ali (TPO), it seems, still has a bitter taste in his mouth from the whole Dalapur experience. The former TPO frankly admitted his failure to check the Chairman and other directors in their improper activities and said with a tone of defeat in his voice, 'we gave up trying to fight them' (Lindquist, 1978: 82).

From the inception of the IRDP, scholars questioned the replicability of the Comilla model in other regions of the country. Keeping in mind the regional differences of

agrarian structure discussed in Chapter 4, it is reasonable to conclude that even in Comilla, where owner-cultivators were large in number, KSSs and TCCAs were dominated by large farmers. In the case of other Districts, where landownership was more skewed, the domination of large farmers in the co-operative structure was entirely predictable.

Another set of difficulties was encountered in the replication. The government could not provide sufficient administrative, extension and manpower resources. Supervision became more and more difficult (Jones, 1979: 65). The distributional consequences were not likely to be any better than those in Comilla. There was nothing in the IRDP that could reduce the control of the rich and powerful over the co-operative organisation. The case studies carried out in the 1970s demonstrated a common phenomenon: large and medium farmers dominated the KSS/TCCA system. They reaped the benefits of the state-sponsored green revolution package (Abdullah et al., 1976; Hamid et al., 1977). Jones' case study demonstrated that

Large farmers obtain a disproportionate amount of credit (more than can be explained by their larger holdings), contribute the smallest percentage of savings mobilized by the cooperatives, and are the biggest defaulters on loans. Such defaulting can affect the credit-worthiness of the entire KSS and therefore can stop the smaller farmers who repay credit more punctually from receiving further credit (Jones, 1979: 67).

In their evaluation of the performance of the IRDP in the 1970s, Feldman and McCarthy maintained that differential access to credit and other inputs among the IRDP membership

resulted in a dramatic differentiation between those with and those without access to HYV package. Landholding patterns became skewed among members. The green revolution served to heighten the disparities between rural people (Feldman and McCarthy, 1984: 17). Islam (1978: 26) observes that large farmers proved in practice powerful competitors in pre-empting resources of the co-operatives for their own use.

The late 1970s and 1980s saw a proliferation of foreign-aided area development projects which also adopted a two-tier co-operative structure. In 1982 the IRDP was replaced by the Bangladesh Rural Development Board (BRDB). The overall performance has demonstrated a familiar phenomenon: the rich peasants dominate the co-operatives. A high-powered committee appointed by the government in 1984 to review the performance of co-operatives observed:

This Committee was concerned to see the dominance in some UCCAs by some well-to-do locally powerful people. Some of them according to various reports and statements are touts and some of them are thoroughly dishonest who indulge in corruption, mis-appropriation of funds etc. thus rendering the societies inactive losing concern and destroying the goodwill for such society (GOB, 1984a: 21).

A number of studies conducted in the 1980s on the area development projects reveal a common phenomenon: there is no discernible impact of the co-operative approach on agricultural growth; management of project area co-operatives is dominated by the rich peasants; economic performance of the KSS members is not significantly different from that of non-members; the poor rate of loan

recovery is caused overwhelmingly by political influence and wilful default; clan interest or village power structure is the determining factor for the access to irrigation (GOB, 1985: 210; CDS, 1983: 21-35; Ahmed, S.M. et al., 1988: 51, 56; Rahman, 1988: 31, 35).

A number of factors can be identified that constrain the performance of co-operatives. The co-operative strategy involves a network of organisations. Administrative failures of supervision, coordination, bureaucratic rigidity and corruption have engulfed the whole programme. On the other hand, the decentralized power accorded to the elected UCCA Managing Committee has further enhanced opportunities for the rural elites for misappropriation and accumulation. In this way, democratic decentralization serves the real interests of the rural power brokers.

5.4 Rural Works Programme (RWP)

The RWP was introduced in Bangladesh in the early 1960s. Its importance in a comprehensive rural development programme is well-founded. The Third Five Year Plan considers the RWP the most important component of rural development programmes based on decentralized participatory planning (GOB, 1985: 211-217).

The RWP has two objectives: (a) to build essential physical infrastructure relating to agriculture and communication; and (b) to generate temporary employment opportunities for

landless labourers in the lean season through physical infrastructural development projects. The RWP has several components. Here I will mainly focus on the normal RWP and Intensive RWP. There will also be sporadic reference to the Food For Work Programme (FFWP) which was introduced in 1974 as a response to the famine and flood situation. The FFWP is characterized by relief orientation and wages in kind paid out of wheat grants from abroad.

The planning and administrative structure for the RWP has remained unchanged since its inception in Comilla in 1961. Local government bodies, the Upazila Parishad (UZP) and Union Parishad (UP), are responsible for planning and implementation of the projects in co-operation with local-level officials. The projects are implemented by either Project Committees (PCs) or contractors. It is within the jurisdiction of the UZP to decide the means of project implementation. It should be mentioned here that the RWP is now a component of the UZ development plan. The FFWP is planned and implemented in the same way. In theory eligible members of the PC include UP members, head teachers of local school, one model farmer, co-operative manager, representatives of landless labourers, a social worker, a village leader and a member of the Village Defence Party.

It is asserted from the government side that the RWP is the most viable programme through which employment opportunities and the participation of the poor can be ensured. It is true that the RWP and the FFWP have contributed something to

employment generation. For instance, Table 5.4 shows that, in 1978-79, 8.8 million man-days were created through the RWP. In 1982-83 these increased to 10.1 million. But employment opportunities are very limited in relation to requirements. Until 1982/83, only 5 per cent of the total employment requirement could be met.

Table 5.4. Employment created through RWP (employment in million mandays)

Year	A	B			C	D	E
		Kutchha	Pucca	Total			
1978-79	254.6	89.0	133.0	220.0	0.8	8.0	8.8
1979-80	317.2	128.0	148.0	276.0	0.9	10.6	11.8
1980-81	335.7	79.0	214.0	293.0	1.2	8.7	9.9
1981-82	365.6	63.0	244.0	307.0	0.8	5.5	6.3
1982-83	477.0	146.0	235.0	381.0	0.8	9.3	10.1

Source: GOB (1984: 22).

A: ADP Allocations (million taka).

B: Construction Work Component.

C: Employment for Skilled Labourers.

D: Employment for Unskilled Labourers.

E: Total.

The RWP and the FFWP have been subject to criticism primarily on the grounds of leakage and mal-distribution of benefits. Commonly, UPs have served only as further levers

of power in the hands of the rural elite and instruments of their enrichment through leakages from the RWP and FFWP (Abdullah, 1987: 38). The structure of the PC is controlled by the representatives of the rural dominant classes. A 1981 study for the SIDA demonstrated that 64 per cent of the PC members owned more than 5 acres of land,

Table 5.5. Employment created through FFWP (employment in million man days)

Year	A	B	C
1978-79	6.2	62.0	70.8
1979-80	6.1	61.0	72.5
1980-81	9.6	96.0	105.9
1981-82	7.7	77.0	83.3
1982-83	9.8	98.0	108.1

Source: GOB (1984b: 23).

A: Amount of Wheat (millions maunds)

B: Employment for Unskilled Labourers.

C: Total Employment Created through RWP and FFWP.

while only 6 per cent owned less than 1 acre. The provision required the representation of a landless labourer. Of the ten committees studied, only one had landless members, and they were rich farmers' sons who had not inherited their fathers' lands. In reality, the UP chairmen and their close allies dominated the PCs. Of the labourers employed in the

projects, none had knowledge whatsoever of the existence of the PCs, and not a single labourer was aware of the provision under the RWP for a representative of the landless to be on the committee (SIDA, 1981: 13-16).

The domination of rural elites in the PC results in biases in favour of activities that either offer maximum opportunities for leakages or enhance the value of lands owned by the bosses of the PCs. Road construction schemes are an example of the former bias, since they give maximum scope for misappropriation (Asplund, 1979: 195). The target for criticism in the latter case is the unfavourable distribution of benefits from capital assets through public works. Inevitably, the distribution of longer term benefits reflects the distribution of rights in and control over assets within the society (Boyce, 1987: 236). An expatriate researcher narrated his experience of the RWP in a village:

Many of the planned rural work projects for which money was allocated and spent were never executed, and the rural rich in Bhaimara and its neighbourhood benefited from this. Two big ponds on the land of two landlords in neighbouring villages of Bhaimara were excavated by rural work projects. It is, of course, only the rich peasants and their nearest family members who have access to these ponds.

Many times we asked them, (like an UN bureaucrat!) what benefits they felt they gained from the various Government Rural Development Programmes. The strong impression we received from them was that they were not at all surprised to see it was in the main the rural rich who benefited from the Government programmes....This pattern of allocation only confirmed their deep-rooted suspicion that the Government would not do anything for them...at least not directly (Jansen, 1987: 263-264).

Asplund estimates that 15-40 per cent of all work funds disappeared on their way through the system, appropriated partly by officials, partly by locally elected bodies. The same thing happened to the FFWP in which 15-30 per cent of total funds ended up illegally in the pockets of government officials, local leaders, contractors and so on (Asplund, 1979: 193, 198). The misappropriation of public work project funds is hardly a new phenomenon. Sobhan (1968: Chapter 7) and Umar (1985: 60-90) documented the plundering of RWP resources by the Basic Democrats in the 1960s. The misappropriation drama involves a number of actors. In so far as the RWP is concerned, the relationship between low level officials and local power-holders results in a dominant coalition. It enhances the trade-off between these two groups.

Over time, the alliance of Union Council Chairmen and thana officers generated a new element in the local power structure which facilitated the incorporation and support of rural elite families into one of the major Comilla components, the Rural Works Program (Feldman and McCarthy, 1984: 14).

The leakages have positive consequences for some and negative consequences for others. The low quality of work and underpayment of labourers are the most visible negative consequences (Asplund, 1979: 195; McCarthy, 1983).

It is well-documented that, since its inception, the RWP has been systematically used by successive regimes for political ends. The RWP has been institutionalized as a mechanism for channelling resources to those who dominate the countryside and for incorporating village elites into the government

patronage system (Sobhan, 1968; Rasiduzzaman, 1968; Blair, 1985). The RWP directly or indirectly helps the rural elites to consolidate their positions. According to Alamgir,

It is doubtful that the public rural works programmes of Bangladesh affected any fundamental change in social organization at the local level, rather they seem to have formalized the existing institutions and contributed to the strength and solidarity of the dominant classes in the village power structure (Alamgir, 1983: 36-37).

Another set of consequences is the strengthening of the dependency ties rural dominant classes have established over poorer dependent groups. The rural rich are not only moneylenders and leasers of land but also the dispensers of jobs and fringe benefits (Sobhan, 1968: 243).

The Intensive Rural Works Programme (IRWP), started in 1981, was a distinctive programme of intervention aided by the Swedish International Development Agency (SIDA). Its organisation involved government officers and elected representatives. These had the responsibility for the Upazila Planning Committees set up to manage the schemes (Wood, 1988a: 58).

The programme was distinctive for its long term target group objectives 'for' the rural poor. This involved the building of rural infrastructure to improve productivity and the economic security of marginal, small and medium farmers. The programme promised to undertake labour-intensive schemes in which the wage component would be 70 per cent of the total cost and members of landless and marginal peasant

families would be included in it. The programme was also committed to benefit the rural poor beyond short-term wage employment, through the creation of organisational rights and access to related production activities. As a way of ensuring these rights, the programme wished to involve workers in the planning and implementation of the schemes (Wood, 1985b: 462-463).

The good intentions of the programme soon faded away. The use of traditional local bodies for implementing such redistributive programmes 'for' the poor created the same set of problems experienced in the normal RWP and FFWP. The PCs were effectively an extension of the patronage system of the UP chairmen (Wood, 1983: 10). The case studies (Shahabuddin and Khan, 1983; Wood, 1983) revealed that the UP chairmen became the chairmen of the PCs. Other members were either unaware of the membership, or of their duties, or selected for strategic political reasons by the UP chairmen. The participation of the target group was negligible.

The second set of problems concerned the enforcement of the rights of workers. According to one set of estimates, no more than 10-15 per cent of the total project funds actually went to site workers in the form of wages (Wood, 1988a: 58). Some sort of militancy or organised action on the part of labourers was necessary for the enforcement of the organisational rights conferred upon labourers. But the very process of project planning, implementation and labour

recruitment was enough to undermine the potential bargaining capacity of labourers. Wood argues that it was the Upazila Planning Committees which had the final say over scheme selection and design. Expected beneficiaries had little to say. And the project selection was an outcome of 'negotiation' between the rural elites and lower level officials. Moreover, longer term benefits designed for the rural poor were easily diverted to the interests of the rural elites. For instance, funds were used for re-excavating fish ponds which were intended to be the long term sources of income of the rural poor. It was found that, of 27 reexcavated fish ponds in one of the programme Districts, only three were 'superficially' managed by the target group (Wood, 1988a: 59).

The right of fair wages was never met (Wood, 1983; 1985b; 1988a; McCarthy, 1983). In her study area, McCarthy found that women RWP workers received on average only 68 per cent of their nominal wages, and male labourers 75 per cent (McCarthy, 1983).

The very problem of how to be effective claimants is related to the survival system and recruitment of labourers. Labourers were recruited through the sardar (Labour leader) and patrons who were connected to the local administration. Labourers were dependent on local patrons for consumption loans and other needs. These patrons were managing the schemes (Wood, 1985b). This very instance of dependency cut short the bargaining power of labourers. Bureaucratic

intervention such as the RWP could not appreciate a poor man's social survival network. A temporary militancy can put a question mark on future survival. At this point it is necessary to look at the origin of the sardari system. This system evolved in social situations which were characterized by the dominant presence of feudal-type large landowners. They maintained a group of lathials (stick-wielders) for the dual purposes of extra-legal power and having a labour-reserve for the bulk labour-requirement on their agricultural holdings (Rahman, 1985:137). The system still prevails in contemporary rural Bangladesh but in a different form. As an aspect of the labour market, sardars perform a brokerage role.

There were other factors that undermined the unity of workers. Under the conditions of rural unemployment, workers were divided among themselves, competing for scarce resources (Jansen, 1987; Wood, 1985b). Irregular and temporary employment, the use of semi-migrant labourer whenever possible and different labour gangs were the factors that jeopardized the possibility of militancy needed for pursuing claims effectively.

The discussion of the RWP indicates the limitations of decentralized rural development programmes. The assumption that a given administrative structure tied into local and national political networks could be turned into a redistributive instrument 'for' the poor is not readily justified. The assumption is largely based on a belief in

the 'benign' nature of state intervention, reinforced by a formalistic understanding of bureaucratic practices and outcomes. The administrative structure and its political context determine the translation of good intentions into stark reality. Under the existing socio-economic and political arrangement of Bangladesh society, by placing a large amount of resources at the local level, the patronage rather than the representational character of the local bodies is stimulated. It offers more avenues of accumulation for the rural rich. The participation of the rural poor is simply a myth.

5.5 The Policy of Privatization of Inputs

The system of irrigation management has undergone a gradual evolution through the following steps: public ownership with bureaucratic management, public ownership with co-operative management and private ownership with private management (Osmani, 1985: 19). Since the early 1980s, a significant policy shift has been observed in respect of inputs distribution management. The overwhelming thrust has been the withdrawal of input subsidies and the privatization of inputs distribution. This implies the reduction of bureaucratic involvement in agricultural development. Here I will confine the discussion to the privatization aspect, with an emphasis on the minor irrigation sector. The policy of privatization is an outcome of pressure from the World Bank and the USAID. The arguments put forward in favour of such a policy are couched in terms of the biased and corrupt

practices of local-level officials and the comparative efficiency of market forces (Hossain and Jones, 1983).

The policy thrust in the first two decades of the green revolution, until the early 1980s, was the bureaucratization of the irrigation programme. The Thana Irrigation Programme (TIP) had long been an institution established as a component of the Comilla experiment, and later of the IRDP. The formation of the irrigation groups was a protracted process. In the early years, these groups remained outside the co-operative structure. Later, by a policy decision, they were integrated into the two-tier co-operative structure. In order to be eligible to rent irrigation equipment, a duly constituted irrigation group or co-operative would submit a plan through the Union Agricultural Assistant to the Thana Agricultural Development Committee (TADC) (headed by the local M.P., in practice the Agricultural Officer as the secretary was the main spring of the committee). All TIP schemes were then forwarded to the District Approving Authority (DAA) headed by the ubiquitous District Commissioner (DC). After the scheme was approved by this authority, it would go to the TADC who then requested the BADC to supply the number of pumps required as well as the corresponding amount of spare parts. Furthermore, the BADC was responsible for the maintenance of pumps as well as their storage during the off-season (Abdullah et al., 1976: 242).

The BADC was the principal organisation responsible for the

purchase and distribution of minor irrigation equipment. The government, through the BADC, retained full ownership of the irrigation equipment and rented it out at a highly subsidized rate (50-75%) to co-operatives and irrigation groups on an annual basis (Khan, S.A., 1989: 27). Because of the subsidies given to these inputs, they were not effectively allowed to be marketed privately. The World Bank Report of 1980 remarked that the BADC itself developed into a formidable bureaucratic organisation, employing more than 22,000 staff (cited in Khan, S.A., 1989: 27).

When such a system was in operation, the donor agencies intervened with specific criticisms: Firstly, the rental programme involved a huge subsidy; privatization would reduce the burden on the government exchequer. Secondly, capacity utilization would be better with privately owned machines. Thirdly, farmers did not take much care of rented machines. Fourthly, group management led to underutilization of capacity due to both factionalism and poor training in group management (Osmani, 1985: 22). Fifthly, officials were corrupt, and preferential access was given to rich peasants and those with bureaucratic connections (Hossain and Jones, 1983).

Under the new system operating since the late 1980s, BADC sells irrigation equipment to groups and individuals, in contrast to the earlier practice of renting out to irrigation groups. Private traders can also procure machines and sell to individuals or co-operatives through

dealers. Owners of the machines can sell water at their own discretion.

The policy of privatizing access to irrigation water has been followed by decentralized irrigation management, which tends to reduce the lengthy procurement, installation and operating procedures. The new management system is known as the Irrigation Management Programme (IMP). The applications for machines can be processed and finalized at the Upazila level. The Upazila Irrigation Committee (UZIC) and the Upazila Implementation Team (UZIT) involving people's representatives in the chairs and government officials in these bodies have been formed to carry out pre-siting and post-siting activities respectively. The pre-siting activity includes the issuing of licences to the farmers for irrigation. But before issuing the licence the UZIC must consider whether the concerned area will be benefited; whether there will be any ecological imbalance due to the siting of the tubewell; and whether the coverage of the area has been in accordance with the capacity of the machine. The post-siting activity includes the training of the farmers and the machine operators, the supply of necessary inputs and the maintenance of the machine.

State intervention in the irrigation system, nevertheless, produced negative results which could be attributed to the cultural and class-based problems of access (Wood, 1980a: 34). There is evidence that irrigation groups were dominated by large landowners and these people benefited

from the state-sponsored irrigation system (Abdullah et al., 1976: 232-242; Boyce, 1987; Blair, 1974: 68-74; Aminuzzaman, 1980; Howes, 1985). For instance, Hartmann and Boyce narrated their experience of one village:

the tubewell near Katni was considered the personal property of one man: Nafis. The cooperative irrigation group, of which Nafis was supposedly the manager, was no more than a few signatures he had collected on a scrap of paper. Nafis was the only person in the union to receive a deep tubewell, a distinction he owed mainly to his connections with the ruling Awami League. He told us that the tubewell cost him only 1500 taka, but he was rumoured to have also spent several hundred taka on bribes to local officials (Hartmann and Boyce, 1988: 256).

Critics, however, argue that these criticisms of state intervention should not result in the advocacy of a commercialization strategy. On various grounds, technical or equity, the privatization policy has been subject to criticism. Critics argue that the donor agencies' assumption of perfect markets in the countryside is not valid. Rural markets are highly imperfect and likely to be dominated by a small number of colluding landlords-traders. Farmers would have to pay more for their inputs (Hossain and Jones, 1983: 173).

Critics doubt that capacity utilization will improve under private ownership in the absence of group management. It should be noted here that co-operatives still get preferential treatment in buying the machine. Moreover, given the fragmentation of agricultural plots, some sort of group management is indeed needed even when the machine remains under private ownership. However, the problem of group management cannot be solved merely by the simple

expedient of privatization. Capacity utilization may also be affected by the intricate power politics in the village and monopoly pricing of water (Osmani, 1985: 22).

Table 5.6. Irrigation Coverage by Irrigation Machines by Ownership (Area irrigated in acres per cusec)

Types of machine	BADC owned	Co-operatively owned	Individual/group owned	All owners
DTWs	48.68	36.48	46.20	43.49
STWs	-	13.20	10.58	11.38
LLPs	13.20	14.25	9.80	10.62

Source: Quasem (1987: Table 26, p.32).

Quasem's comparative study reveals that rented machines had better coverage per cusec than privatized ones. The proportion of land left unirrigated was much higher with privatized machines than with rented machines (Quasem, 1987: 33).

Technical problems are no less important. Wholesale privatization has led to the complete breakdown of the local-level planning process in so far as it relates to planned and rational utilization of ground water resources. The induction of the private contractors has led to flagrant violation of spacing and siting criteria and thence the inappropriate concentration of wells and a mis-match of

equipment (Ali, 1985: 98).

While on the production front the policy has offered little, in the social context, the policy is likely to aggravate inequality. Quasem's study reveals that smaller farms were least represented in the case of individual/group owned machines. The co-operatively-owned machines ensure better coverage of smaller farms (Quasem, 1987: 23-24). The most disturbing aspect of the privatization policy is the level of water charges that waterlords make. Quasem's comparative study reveals that in the case of all three types of machines, the water charges levied by individual/group owners were higher than those of the BADC and the co-operatively-owned machines.

Table 5.7 Per Acre Water Charge Paid by Irrigators (in tk.)

Ownership of machine	DTWs		LLPs		STWs	
	Diesel	elec.	Diesel	elec.	Diesel	elec.
BADC	960	469	1025	481	-	-
Co-operative	1285	425	901	-	1472	-
Individual/ group	1891	600	1115		1602	684

Source: Quasem (1987: Table 22, p.28).

There are several aspects of the present practice to be considered: the level of profit, the pattern of investment

and the repayment of loans. A government evaluation report reveals that the present margin of profit in the case of the privatized machines is 40 per cent. The lion's share of the profit is taken by managers and a small percentage is given to the concerned officials. Moreover, there is a general apathy towards the repayment of loans (GOB, 1987b: 17). Only 55 per cent of the total institutional loans were repaid. The proportion was lower in the case of the co-operatives (Quasem, 1987: 58-59).

While state intervention in rural development has biased outcomes, market forces cannot correct the deficiencies. I contend that both growth and equity will be impaired. While small farmer groups have reasonable access to fertilizer and irrigation, they do less well in terms of ownership of fertilizer trades and irrigation machines. Over 95 per cent of fertilizer dealers and about 50 per cent of irrigation entrepreneurs are large landowners (Quasem, 1986a: 17). By and large, input trading has been an important avenue for capital accumulation. The pattern of investment also does not corroborate the policy assumption regarding agricultural growth. The principal investment priorities of entrepreneurs are purchase of agricultural land, non-farm business, housing and money-lending (Quasem, 1986a: 14-15).

The over-all situation leads one to question the fundamental premise of rural development. Wood argues that the present efforts concentrate on foodgrain supply with a notable lack of attention to the structure of demand for food. Where

there are increasing numbers of landless and unemployed people with declining purchasing power, there is a disincentive to increasing food production (Wood, 1980b: 33). However, the avowed objective of food self-sufficiency is not likely to be achieved unless major efforts are made to increase the effective demand of tens of thousands of impoverished people.

The second area of concern is the transformation of non-productive capital. Rural capital investment largely involves usury and trades and the land leasing. The rates of profit from these activities have been higher than investing in agricultural production. Rural differentiation is also caused by the presence of these phenomena. Wood, however, points out that the recent strategy has failed to note the adverse terms of trade which exist in rural Bangladesh between small marginal farmers and rural elites, the alternative forms of capital investment available to the latter group and the adverse consequences that an increase in capital controlled by the elite rural groups will have on the existing exploitative system (Wood, 1980b: 34).

However, the privatization policy is likely to give rise to negative consequences. Wood observes that sharecroppers are likely to be dispossessed at a faster rate, and small cultivators to become more dependent upon credit (informal or formal institutional), in order to compete in the markets for inputs. Informal sources of credit include local patrons - landlords and moneylenders. Formal institutional

sources of credit include nationalized banks, agricultural bank and rural co-operatives. Where small farmers fail to obtain cheap sources of credit at the right time, productivity will be thwarted, resulting in more landlessness. It is now increasingly clear that the rich peasants reap the benefits of institutional credit. Small farmers have to take credit from informal sources, notably moneylenders, at an exorbitant rate (Adnan, 1986a). These problems contain risks for both production and equity objectives: greater rural exploitation, a further increase in landlessness, a high incidence of rural unemployment and a reduction in effective demand for agricultural products (Wood, 1984c: 58).

Conclusion

The arguments in this chapter have tried to provide a reinterpretation of the analysis of rural development programmes in Bangladesh. The objective has been to interpret the historical material, using the indicators which were developed in the previous chapters. The analysis helps us to understand the real orientation of state intervention in rural development.

The official objectives of most rural development programmes have been economic growth, the reduction of poverty and inequality, the participation of the poor and increased local democracy. I have showed that, on the whole, rural development programmes have failed to achieve their avowed

objectives. A class of rich peasants dominate local development organisations (local government units, co-operatives and irrigation committees), which enable them to influence the allocation of extra-market development resources provided by the state and other external agencies. I have argued that land reform, a centrally planned programme, has only benefited the rural elites; impoverished peasants have remained outside the rules of the game. Likewise, the recent privatization policy of agricultural inputs has helped the class of rich peasants to diversify economic activities and to consolidate their positions. Their broad-based control over the land, development resources and the means of administration make it possible for the rural elites to provide or to deny crucial resources to the rural underclasses. This fact also provides the basis for the development of a clientelist structure.

From the discussion in Chapters 3 and 4 of the relationship between the state and rural society, it appears that state patronage has been a key to the economic and political dominance of the rural elites. They cannot accumulate profit and exercise power on their own. It is ultimately the state that guarantees the consolidation and accumulation of the rural exploiting classes. The system of patronage is intricately related to the maintenance of state authority.

PART THREE: EMPIRICAL INVESTIGATION AND ANALYSIS

Chapter Six: Issues in Development Intervention: The Upazila Parishad in Perspective

Introduction

The government has committed itself to promoting rural development through the Upazila Parishad (UZP), with a number of explicit policy objectives. Non-economic objectives are (a) the reduction of the dependence of rural people on the national government for meeting local needs, and (b) the withdrawal of the national government from planning and implementing projects which are purely local in nature. Economic objectives include the promotion (a) of crops vegetable and fruit production; (b) of livestock, fisheries and forest production; and (c) of employment generating activities, including the FFWP for the rural poor (see Appendix 4). It is assumed by the government that, by vesting operational responsibility with the elected UZP, rural development projects can be need-based and properly designed, which will improve both the output and the standard of living of rural people.

This chapter is an attempt to investigate different aspects of development intervention carried out by the UZP. The first section looks at the actors in terms of their socio-economic and political characteristics. Here I refer primarily to representative members of the UZP. The Upazila

chairmen (UZC) and Union Parishad (UP) chairmen fall within this group. The investigation will reveal how far these people are representative of the poorer classes in any real sense.

The second section is an attempt to analyse the pattern and trend of development expenditure, in the form mainly of block grants allocated by the central government, and their possible effects on rural development. This analysis will help to understand the continuing divergence between normal allocations at the centre and actual outcomes at the periphery. Moreover, there is room for manoeuvre over planning at the local level, which is shaped by conflicts and alignments within the UZP between various groups of actors (the Upazila chairman, the Union Parishad chairman and government officials) concerned with Upazila operations. This is discussed in Section 3. The remaining sections reveal who gets what from Upazila decentralization. The fourth section reveals that the rural elites are the major beneficiaries. The fifth section focuses on government officers. I will argue that the division of responsibility between elected officials and government officers has been designed in such a fashion that government officers cannot be ignored by representative members in so far as misappropriation is concerned. The sixth section identifies the contractors and rural touts as new groups of beneficiaries. The seventh section assesses the impact of Upazila decentralization on the rural poor.

6.1 The Background of Representative Members

The investigation concentrated on the representative members' family background, landholding, economic diversification, political, administrative, and urban connections, kinship relations with other power-holders, their roles in the UZP and factional conflicts and alignments.

The main findings are summarized in Appendix 6. Two Upazila chairmen and fifteen Union Parishad chairmen were interviewed. The study reveals that fifteen members were in their forties. Only one member was above fifty and one was in his twenties. In terms of academic qualifications, all representative members were educated by Bangladeshi standards. Of seventeen representatives, three were graduates, seven and six completed higher secondary and secondary education respectively. Only one member had not completed secondary education. The occupational backgrounds of fathers of the members reveal that, in the case of eleven members, their fathers were rich peasants. Fathers of five members were middle and small peasants. Only one representative member reported his father's occupation as small business.

The majority of the people's representatives were from large land-owning strata, and could be identified as large landowners themselves. The use of both wage labour and sharecropping as the mode of cultivation was mentioned by

the interviewees. The overwhelming practice was that none was directly involved in cultivation. Sharecropping as a mode of cultivation was evident in sixteen cases. Four respondents exclusively depended on sharecroppers. There are two main explanations for substantial dependence on sharecropping. Firstly, cultivation by wage labour consumes considerable time. Members were so busy with their local politics and non-agricultural activities that they could not spare time to farm directly. Moreover, since they would get 50 per cent of the produce without contributing capital or labour, they did not feel it necessary to cultivate by wage labourers. Secondly, every representative member had dependent groups. From the interviews it emerged that leaving land to poorer groups on a sharecropping basis meant keeping them under an obligation. An important aspect of this economic relationship is that sharecropping cements the dependency relationship between the landowners and the tillers; the latter contribute to the former's strengths in factional politics.

Economic diversification plays the most vital role in the socio-economic and political behaviour of representative members. All but one reported earnings from non-agricultural activities. Eleven members combined multiple non-agricultural occupations. Running the DTW or STW command area was evident in six cases. The proliferation of water business can be attributed to the recent policy of privatization of irrigation equipment. It is a very lucrative business for capital accumulation. The

water charges made by these members were quite exorbitant. For instance, the Jabber family in Ranipur bought a DTW from the Bangladesh Agricultural Corporation (BADC) through a loan from the Krishi (Agricultural) Bank. They ran a command area of 60 acres. Each grower had to pay 500 taka and the fuel required for getting his one bigha of land watered in one season. If he could not afford to pay in cash he must pay in kind - one quarter of the harvest. Abed was another important case of waterlordism. His peasant co-operative society (KSS) got its DTW from the BADC on a rental basis. It is a case which demonstrates that the DTW was used as if it was his personal property and he was making profits by using a government-owned DTW.

Certainly water is a critical input for High Yield Variety (HYV) cultivation. Apart from making a profit, the water business was used as a political weapon, which implied that those small farmers within the command area must prove their loyalty to the waterlords, otherwise there was every possibility that their lands would not be irrigated.

Other non-agricultural sources of income include dealerships in fertilizer and cement, foodgrain business, running a shop, dadān, moneylending, teaching and shipping. Of these, dadān and moneylending are very critical because they have a direct impact on the lives of the rural poor, particularly in Ranipur. The poorer classes engage themselves with the moneylender when they need money either for consumption or cultivation or both. The interest rates range from 100 per

cent to 200 per cent. The dadān system involves a more or less similar process. Consider the following case which I found in Ranipur. Nazrul is a UP chairman. He combined four economic activities - cultivation, water business, food grain business and dadān. In so far as the dadān system is concerned, Nazrul advances a cash loan, for example taka 1,000 to the poor peasants before the harvest in return for a promise to pay a fixed quantity of paddy (8 maunds per taka 1,000) at harvest time. The calculation is that if there were no interest involved, that would imply a transaction by which each maund of paddy was worth taka 125. But the actual sale value of 1 maund of paddy at harvest time is taka 200, ie. 8 maunds are worth taka 1,600. The implied rate of interest over a nearly 4-month period is thus 60 per cent.

This discussion indicates that representative members were not dependent on one source of income for their livelihood. The combination of sharecropping, moneylending, dadān and illegal accumulation from development schemes are typical of accumulation in rural Bangladesh (see Chapter 4). Moreover, certain types of non-agricultural activities strengthen urban connections. The procurement and installation of irrigation equipment, dealerships and construction work involve constant interaction between rural and urban elites. In all these cases, patronage and corruption play a decisive role. The involvement of the rural elites in multiple economic activities is a recent phenomenon. It is likely that in future the mere ownership of land will be reduced in

significance as an arbiter of power. The new class combining multiple critical economic functions has strengthened its economic and political positions in a way inconceivable to the former zamindars and jotedars. It is also difficult to designate the rural rich as traditional agrarian elites. They can be termed a rural petty bourgeoisie.

The occupational structure of the family is correspondingly diversified. Eight members had their brothers and one member had his son in government service and five members had their brothers in business. These not only bring additional income from outside but also contribute to the strengthening of rural-urban alliances and the consolidation of economic and political positions. In Belpur, Mansur and Kashem gained considerable strength in local politics, which can partly be attributed to their brothers being in government service. In Ranipur, Belal, Mahmud, Hakim, Abed and Nuruzzaman had similar connections. Belal enjoyed special privileges from officials. Mahmud managed to lease a ferry ghat (landing-stage). The additional Deputy Commissioner, a friend of Mahmud's brother, gave Mahmud preference over other bidders. The majority of the respondents also reported urban linkages through kinsmen other than brothers.

Seven respondents reported that they had urban property. On the one hand, this indicates a preference for urban over rural investment. On the other hand, it reveals their urban

networks. More importantly, it is a critical element or long-term strategy, reflecting one leg in the city, so to speak, and one leg in the village. At one point it seemed to me that Anis and Afsar came to the village with specific interests. Local power politics gave them not only political strength but also opportunities for private accumulation from government development schemes.

The above discussion demonstrates that, by and large, representative members belong to the rural dominant classes. Economically they are in a very strong position. They have extended their accumulation network beyond cultivation. It seems that these elites are more interested in non-agricultural arenas, which give them the best opportunities for accumulation and the exercise of power.

That these elites are power-holders is hardly a new phenomenon. At the village level these elite families have been dominant for generations. Broadly speaking, they are factional leaders in their respective areas. Likewise, the representation of the elite families in rural formal power structure was reported to be evident in the past. In some cases, the practice was prevalent in 1988-89. Agricultural co-operatives, irrigation groups and Union Parishads are were mentioned in several cases. Another important aspect was the representation of the same lineage in formal organisations.

Thirteen respondents reported their representation in other

rural organisations, of which ten were engaged in formal development organisations such as co-operatives and irrigation groups. The rest were service-oriented organisations. It appears that this same class is able to monopolise power in various organisations, which enhance their accumulative capacity and mediating role as power brokers between the government and the masses.

The diversifying class thus becomes intimate with the urban classes through the clientelist political process in Bangladesh. The crucial point is that party politics and their influence on local-level politics seem to be more linked with influential persons than with substantive interests and issues.

The political parties represented in both Upazilas were the ruling Jatya Party (JP), Awami League (AL), the former ruling party, Bangladesh Krishak Sramik Awami League (BAKSAL), Jamat-e-Islam, the most fundamentalist party, and the Communist Party of Bangladesh (CPB). Eleven members reported connections with the ruling JP. The AL, BAKSAL, Jamat-e-Islam and CPB were represented by one member each. One member did not disclose his affiliation and another had no political affiliation. A very interesting dimension is the changing political allegiance of representative members. Seven members were with the former ruling parties, AL and Bangladesh Nationalist Party (BNP). The case of Samad, the UZC of Ranipur, is a classic one in this respect. In 1978 Samad was merely a school teacher. When General Ziaur

Rahman was trying to build up party units throughout the country, Samad came forward to avail himself of the opportunity with the help of Sattar, an industrialist and a minister in Zia's cabinet. Samad contested the parliamentary election of 1979 but conceded defeat to Sagir, a veteran Awami League leader. Despite his defeat, Samad remained the chief of Ranipur Upazila BNP. When General Ershad came to power in 1982 and started building his party, Samad was the first person in Ranipur who joined the party with his central-level patron, Sattar. Such changes in political allegiance simply indicate the opportunistic character of the people's representatives. It is likely that if another regime comes to power they will not hesitate to change their allegiance again.

It can be argued that the political environment at the local level in general and the UZP in particular is influenced by factional groupings, in which the critical factor is government resources. This is not surprising in the light of alignments between different leaders belonging to different parties. The political affiliation of the UZC is the most important factor. Since he is the most powerful actor in Upazila development planning, other members have to consider seriously the political affiliation of the UZC. The dominant factor revealed from interviews with the UP chairmen linked to the JP through the UZC was that they supported the UZC and the ruling party only to obtain their due share of resources. However, this political affiliation not only gave them an adequate share of development

resources distributed by the UZP but also enhanced their capacity to negotiate with the local development bureaucracy and law enforcing agency (the police and the Magistrate). They might not be harrassed by the latter for the misappropriation of government resources. Within the UZP, an alliance was also found between the Upazila chairmen and the Union Parishad chairmen belonging to other parties. In Belpur, for example, the alliance between Anis (JP) and Afsar (AL) is noteworthy. In Ranipur the alliance between Samad, an opportunist local political leader, and Hakim, a veteran communist party worker, drew attention from local knowledgeable observers. At the local level, this sort of alliance is guided by the necessity of the UZC to strengthen his factional group. Development resources poured into the rural areas have contributed most to this type of alignment and realignment. Likewise, conflict between them is related more to competition for government resources than to any fundamental difference in ideology.

The participation of the rural dominant groups in party politics is not a new phenomenon. The relationship between the urban power centre and local dominant groups was reflected in the recruitment of political leaders from the dominant lineages in the past. Seven members out of seventeen reported the involvement of their fathers or elders in local party politics. Involvement with the ML in the 1960s was mentioned in five cases. The case of Anis's father is an example. The tradition established by his father and uncle is still felt to this day in Belpur.

Anis's uncle, Shahed Ali, is a veteran central-level ML leader. He has been with the ML since the mid-1950s. He became a member of the national assembly in the 1960s, representing the Belpur constituency.

Suruj Mia, Anis's father used to live in Belpur and established a linkage between the ordinary people of Belpur and his brother, Shahed Ali. When Ayub Khan introduced the Basic Democracy system, Suruj Mia became the first chairman of Belpur Union Council. This helped him to extend his patronage network in local politics and to cement the connection between Shahed Ali and Belpur. Shahed Ali also extended his patronage network by providing employment to many people of Belpur in his business enterprises in Belpur and Dhaka.

Between 1972 and 1975 the whole family had to remain outside formal party politics because of its anti-liberation activities during the war of liberation. After the coup d'etat of August 1975, anti-Awami leaguers came into prominence. As Anis's father died in 1974, Anis and his brother formally entered the local political arena of Belpur and started making connections with their allies. Their political resurrection gave dividends. Shahed Ali won the parliamentary election of 1979 for the Belpur constituency. And finally it was his family tradition that brought him the position of the UZC. After gaining this office, Anis affiliated himself with the ruling party, reorganised the Upazila committee and became the president of Belpur Upazila

JP. This helped him to make contact with Harun, a minister in Ershad' cabinet at the time. This close connection helped Anis to seek a nomination for his older brother in the parliamentary election of 1987.

The foregoing discussion reveals multifarious aspects of the socio-economic and political backgrounds of representative members. They hold dominant economic positions, which are reflected in their large land-owning and economic diversification. This economic strength has also been a precondition for their success in the rural power struggle and in making urban connections.

These elites are agents of the state. They occupy a critical juncture, integrating the village to the central state and playing the role of power brokers. Here in lies a fundamental contradiction. These elites achieve their positions through the subjugation of the poorer classes in the village; and through their connections with the central state they become the 'champions' of the vast majority of those poorer classes. I will describe in detail the ways in which these people misappropriate state resources, that were intended to help the poor, for their own interests. This will give adequate testimony to their disregard for the poor. It is questionable how far the power brokers are representative of the people. They are in very different socio-economic positions from the mass of the ordinary people whom they politically represent. Subsequent discussion will reveal that decentralization for carrying

out development tasks has only consolidated the socio-economic and political positions of the rural elites. The emancipation of the rural poor still remains a rhetorical flourish only.

6.2 Development Expenditure for Rural Development

This section deals with the trend of development expenditure in Belpur and Ranipur. My own criteria of judgement are: (a) whether the plan allocation conforms to an explicit economic policy goal such as agricultural development; (b) whether the plan allocation has any component of redistribution; (c) if these are not at issue, what are the actual outcomes of development intervention. The analysis presented in this section will be substantiated by the discussion in subsequent sections of this chapter.

The Annual Development Plans (AUDPs) are prepared by the UZPs within the framework of policy guidelines circulated from time to time by the Planning Commission. The first set of guidelines regarding the utilization of Upazila Development funds was circulated by the Planning Commission in July 1983, and remained valid until July 1985, when new guidelines were promulgated. The guidelines were revised again and a new set was circulated in June 1988.

The guidelines provide criteria for the distribution of block provision between the Upazilas and the sectoral

Table 6.1 Criteria for Distribution of Block Provision
between the Upazilas

Policy Variables	Weight Assigned		
	July '83- June '85 (1)	July '85- May '88 (2)	After June '88
a. Population	0.5	0.4	0.2
b. Area	0.1	0.2	0.2
c. Backwardness	0.2	0.2	0.3
d. Performance	0.2	0.2	0.3

Source: For column 1 and 2, Maniruzzaman (1986: 114), for column 3, GOB (1988: 3).

block provision between the Upazilas and the sectoral distribution pattern of Upazila development funds. A comparative picture of the three guidelines is shown in Table 6.1 and 6.2. The policy variables in Table 6.1 need further clarification. While variables a and b are quite measurable and reasonable for allocating resources between Upazilas, variables c and d are essentially subjective ones and therefore subject to argument and manipulation. It is not possible to identify an agreed index of backwardness and performance. Moreover, the dominance of decision-makers from particular regions is also reflected in manipulation of the backwardness criterion. There is evidence of regional

inequality of development, which could be partly attributed to the factor of regionalism in the central decision-making structure (Ahmed, 1980b).

Performance is evaluated in two ways: periodic reports sent by the UZP to the ministry, and annual inspection by the government audit team. Both of these methods are in fact manipulated, which was admitted by the UZC of Belpur. For instance, in both Upazilas, if block grants are not utilized fully in a particular fiscal year, false statements are made, showing the ongoing nature of the projects. When the audit team comes to inspect development expenditure the same false statements are submitted. In reality, the money remains idle and may be used in the next fiscal year. In practice, the performance criterion does not provide an adequate basis for the rational allocation of resources between Upazilas.

Table 6.2 suggests that, within the Upazila framework, the policy of the government towards agriculture cannot be justified. The percentage of funds allocated for agriculture is quite low as compared with other sectors. Before June 1988, 15 per cent to 25 per cent of the resources could be diverted to agriculture. Since the fiscal year 1988-89 the percentage has declined (12 per cent to 20 per cent).

At this point a distinction can be made between productive and non-productive sectors. Production-oriented schemes

Table 6.2. Sectoral Allocation Pattern (Percentage)

Name of sectors	Distribution Criteria					
	Upto june '85 (1)		June '85-May 88 (2)		After June '88 (3)	
	Minimum share	Maximum share	Minimum share	maximum share	Minimum share	Maximum share
1. Agriculture, Irrigation & Industries	30	40	20	35		
a. Agriculture & Irrigation			15	25	15	25
b. Industries			5	10	5	10
2. Physical Infrastructure	25	35	27.5	47.5	27.5	47.5
a. Transport & Communication			17.5	30	17.5	30
b. Housing & physical plan			10	17.5	10	17.5
3. Socio-economic Infrastructure	17.5	27.5	12.5	27.5	12.5	27.5
a. Education			5	12.5	5	12.5
b. Physical, mental & cultural dev. of children						
c. Health & soc. welfare			7.5	15	7.5	15
4. Sports & culture	5	10	2.5	7.5	2.5	7.5
5. UPS RWP			5	7.5		
6. Misc.	2.5	7.5	2.5	5	2.5	5

Source: For column 1 and 2, Maniruzzaman (1986:114), for 3, GOB (1988: 4-5).

will give immediate returns. The schemes which are non-productive might have effects in the long run, but will not give immediate returns. Under this categorization, investment in agriculture, irrigation and cottage industries can be termed productive. According to the guidelines of the Planning Commission, the share of these two sectors should be within the range of 20 per cent to 35 per cent (agriculture and irrigation - 15 per cent to 25 per cent; and rural industries - 5 per cent to 10 per cent). The 1988 guideline has further limited this range (17 per cent to 30 per cent).

Now I examine the budget allocation of Belpur and Ranipur. Here figures for three fiscal years have been taken into consideration. Let us first compare actual allocations with the guidelines. Table 6.3 shows that, in both productive sectors, investments have been made within the limit suggested by the guidelines. In fact, they are far below the upper limit. Within the agreed limit, in Belpur, the proportion in agriculture, irrigation and rural industries has declined from taka 1,039,000 (25.85 per cent) in 1985-86 to taka 784,500 (18.5 per cent) in 1987-88, with a slight rise in 1986-87 (27.76 per cent). In Ranipur, the proportion of these two sectors is found to have declined from taka 1,603,426 (23.08 per cent) in 1985-86 to taka 1,006,362 (20.13 per cent) in 1987-88. The same trend is observed in agriculture and irrigation sectors alone.

In my discussion infrastructural development schemes are

Table 6.3. Planning Commission Guideline vs. Actual Allocation of Upazila Development Fund (in taka), Belpur and Ranipur (amount in nominal terms and percentage).

Sectors	Planning Commission Guideline	1985-86		1986-87		1987-88	
		Belpur	Ranipur	Belpur	Ranipur	Belpur	Ranipur
Agriculture & Irrigation	15-25	853,000 (21.22)	1,147,343 (16.51)	925,000 (23.13)	948,000 (18.96)	784,500 (18.5)	936,000 (18.72)
Cottage Industries	5-10	186,000 (4.63)	456,081 (6.57)	185,000 (4.63)	235,000 (4.70)	-	70,362 (1.41)
Transport & Communication	17.5-30	1,007,000 (25.49)	1,301,918 (18.77)	1,110,000 (27.75)	1,292,500 (25.85)	1,126,642 (26.57)	1,375,769 (27.52)
Housing & Physical plan	10-17.5	372,000 (9.25)	921,188 (13.28)	370,000 (9.25)	587,500 (11.75)	136,000 (3.21)	729,764 (14.70)
Soc.Econ. Infrastructure	12.5-27.5	465,000 (11.57)	1,027,851 (14.82)	462,000 (11.55)	718,000 (14.36)	1,713,000 (40.40)	670,363 (13.41)
Health & social welfare	7.5-15	279,000 (6.94)	500,523 (7.21)	277,500 (6.94)	352,500 (7.05)	50,000 (1.18)	132,647 (2.65)
Sports & culture	2.5-7.5	93,000 (2.31)	210,832 (3.04)	92,500 (2.31)	117,500 (2.35)	-	50,000 (1.0)
RWP	5-7.5	279,000 (6.94)	483,264 (6.97)	185,000 (4.63)	352,500 (7.05)	-	336,315 (6.72)
Misc	2.5-5	186,000 (4.63)	298,164 (4.30)	92,500 (4.63)	96,500 (1.93)	106,000 (2.5)	90,000 (1.80)
Construction & repairing		300,000	591,021	300,000	300,000	324,000	608,000
Total		4,020,000	6,938,185	4,000,000	5,000,000	4,240,142	5,000,000

Source: Compiled from UADP, 1985-86, 1986-87, 1987-88, Belpur and Ranipur.

considered non-productive in the sense that they do not have an immediate impact on production. The AUDPs of both Upazilas have attached importance to physical and socio-economic infrastructure sectors. In both Upazilas the proportion of infrastructural schemes to the total allocation has increased gradually. In Belpur, the share of infrastructural sectors was taka 2,423,000 (60.51 per cent) in 1985-86, taka 2,427,000 (60.68 per cent) in 1986-87 and taka 3,299,642 (77.82 per cent) in 1987-88. In Ranipur the share of the same sectors was taka 4,325,242 (62.36 per cent) in 1985-86, taka 3,250,000 (65.01 per cent) in 1986-87 and taka 3,720,211 (74.41 per cent) in 1987-88. Here infrastructural schemes have included physical infrastructure, socio-economic infrastructure, RWPs and construction and repairing works of the Upazila complex.

Now I examine the investment pattern in the agriculture and irrigation sectors. Table 6.4 shows the investment in sub-sectors within the agriculture and irrigation sectors. It is clear that here also infrastructural schemes occupy an important position. This is particularly evident in Belpur. Some potential schemes such as intensive crop production, land development around irrigation command areas, derelict tank re-excavation, canal digging, fish cultivation and livestock development could have been undertaken. These areas have remained untouched in the AUDPs of Belpur.

Unlike that of Belpur, Ranipur Upazila Parishad undertook some potential schemes such as irrigation channels for the

Table 6.4. Expenditure (in taka) in Different Areas of Agriculture and Irrigation (actual amount & percentage)

Sub-sectors	1985-86		1986-87		1987-88	
	Belpur	Ranipur	Belpur	Ranipur	Belpur	Ranipur
Drainage-culvert	608,000 (71.28)	497,575 (43.37)	785,000 (84.86)	342,500 (36.13)	295,000 (37.60)	377,500 (40.33)
Irrigation-channel		192,000 (16.73)	86,100 (9.31)	260,000 (27.43)		160,000 (17.09)
Channel for drainage					60,000 (7.65)	31,000 (3.31)
Livestock dev.		87,000 (7.58)		52,500 (5.54)	40,000 (5.10)	
Upazila Nursery	62,500 (7.33)			58,000 (6.12)		20,000 (2.14)
Poultry farms	150,000 (17.58)	109,926 (9.58)		103,000 (10.46)		
Fertilizer & seed		157,000 (13.72)			389,500 (49.65)	240,000 (25.64)
Fruit & vegetable cultivation	13,500 (1.58)					11,500 (1.23)
Soil testing centre			31,000 (3.35)			32,000 (3.42)
Training for farmers	9,000 (1.06)			24,000 (2.53)		15,000 (1.60)
Canal digging			23,000 (2.49)			
Demonstration farm	10,000 (1.17)					49,000 (5.24)
Derelict tank				15,000 (1.58)		
Fisheries		103,470 (9.01)				
Intensive crop cultivation				93,000 (9.81)		

Source: Compiled from the UADP, 1985-86, 1986-87, 1987-88, Belpur and Ranipur.

DTW command area, which could at least contribute to productivity. Between 1983-84 and 1987-88, 27 schemes on irrigation channels for the DTW command area were implemented. Some other 'soft projects' such as *intensive* crop production, fisheries development, demonstration farms, poultry farms, and an Upazila nursery were also undertaken.

That the UZPs do not go for 'soft projects' vigorously can be substantiated by the fact that these projects do not give a visible and immediate return. Moreover, the implementation of some potential schemes such as irrigation channels cannot be justified on equity grounds. Given the nature of private ownership of DTWs, the disbursement of government resources for developing command areas would rather strengthen the accumulative, exploitative and patronage character of the waterlords.

The reason why the UZPs go for construction schemes is understandable. The effects are both political and economic in nature. In both Upazilas, representative members in general and the Upazila chairmen in particular are actively involved in factional and party politics. They have political clients and maintain bands of lathials (literally stick-wielders). Empirical evidence suggests that construction schemes enable these elites to accumulate for themselves and to distribute patronage between political clients and lathials.

Given the concentration of landownership and economic

diversification, infrastructural facilities such as culverts, roads and markets will benefit the rural elites. Other facilities such as clubs, cultural centres, educational institutions etc. are also enjoyed by the rural elites.

The pattern of investment over the years suggests that redistributive programmes are rare in investment portfolios in both Upazilas. Investment priorities have not been oriented to income-generating activities for the poorer classes. The poorer classes are considered to benefit from the trickle-down effects of different development schemes. No doubt these schemes give the poorer classes opportunities for employment. Given the capital intensive nature of the schemes, labourers are least benefited. The wage component has been within the range of 10 per cent to 14 per cent. A few redistributive programmes such as re-excavation and lease of derelict tanks, skill training on income-generating activities, and the distribution of fertilizer and seeds between poor peasants were undertaken. The case studies reveal that these schemes are afflicted with corruption and patronage. A group of rural elites and touts in co-operation with the local bureaucracy systematically subverted these to their own interests.

The most labour intensive programme for the rural poor is the Food-for-Work Programme (FFWP). In both Upazilas, considerable amounts of wheat have been invested. I will argue that it is difficult to find a positive relationship

between the plan formally made and observable outcomes. Since its inception, the FFWP has been afflicted with corruption and patronage (see Chapter 5). Belpur and Ranipur are no exceptions. The decentralization of administration has further stimulated the process of corruption and patronage due to the proliferation of more interest groups.

The above discussion on the pattern of investment in Upazila development makes it clear that the poorer classes have very little to gain from decentralised development. On the one hand, the policy is afflicted with dual problems: it contributes neither to growth nor to distribution. On the other hand, it is likely to consolidate the socio-economic and political position of the rural elites. I will argue in subsequent sections that observable 'development' outcomes have no relation to the formal allocation of budgets.

6.3 Politics and Competition for Scarce Resources

Decentralization of development activity from the centre to the UZP has changed the institutional environment of development planning and generated new sets of relationships within and around the UZP. The changing relationship between elected officials and representatives of the central government is a new phenomenon in the history of local government initiatives in Bangladesh. The second set of relationships concerns the factional struggle and alignments between elected representatives within the UZP. The third

set of relationships focuses on the interaction between elected officials and government officers and elite (both people's representatives and officials) and underdeveloped local constituencies. The latter is composed of non-elite segments of the rural population, including the landless or near landless class. The fourth aspect is related to central-level political elites who represent diverse elite and government interests impinging on Upazila activities and operations.

The most important aspect of decentralized development is the politicization of the development delivery system. It has happened not only because the control over public spending has been vested with the UZP, dominated by elected officials, but also it has established the linkage between the delivery system and national party politics. It has led to the channelling of government development resources to strengthen the hold of the rural elite upon the rural base through new avenues of politics, patronage and graft. Given the domination of the agrarian and political structure by the rural elites in the rural areas, decentralization to the Upazila has meant a decentralization of power to their hands.

Apart from government guidelines that constitute the criteria for the allocation of resources, there is room for manoeuvre in project identification, plan preparation, project selection and implementation. Normally projects are invited from the UPs and the officials involved in rural

development activities. The projects can be proposed by others such as the UZC. Table 6.5 gives a comparative picture of project proposals in Belpur and Ranipur for the 1987-88 fiscal year.

Table 6.5. Proposer of Projects, 1987-88.

Proposer/Source	Number of Projects	
	Belpur	Ranipur
UZC	2	5
UNO	1	-
UP Chairmen	21	27
Women members	-	-
Officials	6	5
Ordinary people	-	-
Other Sources	1	1
	31	38

Source: Report prepared for the Evaluation and Monitoring Wing of the Ministry of Local Government, Rural Development and Co-operatives, by the UZPs of Belpur and Ranipur, 1988.

Development planning at the Upazila level represents an arena of struggle and competition for scarce resources. In so far as the schemes proposed by the UPs are concerned, the

UP chairmen seldom consult the people at large. Nor UZP gives any scope for the poor to clamour for development schemes. Table 6.5 is a testimony to this fact. The whole exercise is essentially one of projecting the wishes of the UP chairmen and their allies. The UP chairmen of both Upazilas confessed to have played the dominant role in project selection. Sometimes the UP chairmen are under pressure to give preferences to others who are close in terms of wealth and political and factional alliance. Emphasis put on the construction schemes corroborates this argument. The negligence towards income-generating or asset-building activities for the poor is also due to a lack of pressure from the under-classes.

The real struggle begins when the schemes are brought into the UZP for final selection and approval. Voting members of the Parishad (particularly the UP chairmen) are very active. Apparently the non-voting members - the line officers play a marginal role. Authority to allocate funds and approve schemes rests with the voting members. My experience of participation in the UZP meetings of both Upazilas reveals that actual negotiation and competition for resources takes place between the UP chairmen and the UZC. The technical feasibility of the projects or any other bureaucratic criteria are superseded by the skill, status, power and political position of the UP chairmen and the UZC. It was revealed by the development officers of both Upazilas that many potential schemes proposed by them were rejected by the UZC and the UP chairmen in the UZP meeting. Likewise, many

schemes denounced as technically infeasible by line officers were approved. Although the Project Selection Committee consisted of elected and official members in both Upazilas, in reality government officers had to surrender to organized action of the UZC and other representative members. An important aspect is that I did not find any woman member in the UZP meeting. The UNO of Belpur reported that women members had rarely participated in the UZP meeting.

The UZC is the dominant figure in the Parishad. His power is enormous. He is the key to Upazila operations and provides legitimate access to the development funds diverted through block and wheat grants of the central government. Apart from the formal mechanisms, he decides who gets what. The chairmen of both Upazilas were aligned with the ruling party. In fact, they represented the central-level power structure at the local level. From intensive interviews with the UP chairmen, it was clear that the most important criterion for getting projects was political loyalty to the UZC. Those who could not get along this line were deprived of the due share of development resources. Negotiation thus centred on the division of projects supported by block grants by the central government and earth work projects supported by wheat grants. The UP chairmen were inclined to have more FFWDs than construction schemes because the former would give them an absolute control over the schemes. This is largely due to the fact that only 5 to 7 per cent of the block grants is spent on the RWPs, which are implemented by the UPs. Nevertheless, the UP chairmen try their best to

bring as many schemes as they can into their respective constituencies.

The UP chairmen are equally important for the UZC. The UZC must seek loyalty from the UP chairmen at any cost. There are many reasons for this. Firstly, the support is essential for the re-election of the UZC. Secondly, strengthening the support base would mean a good position of the UZC at the central level. Thirdly, the support is needed for the smooth running of Parishad affairs. However, the best way to seek political loyalty is to distribute patronage between the UP chairmen. My own observation is that, in both Upazilas, the Upazila chairmen were, on the whole, successful in maintaining good relationships with the UP chairmen.

In Belpur factional conflict and alliance within the UZP determined the distribution of schemes between different constituencies. From intensive interviews with the UP chairmen, it emerged that the relationship between elected officials was not uniform. Abel and Afsar were enjoying their second term in the Parishad and the rest were elected in February 1988. Anis as the UZC joined Abel and Afsar in 1985. Before 1987 Anis and Afsar maintained a cordial relationship although they belonged to different political parties. The reason was to corner Abel, a long time political rival of Anis's family. Afsar was rewarded by Anis for the support he gave in the Parishad. In 1986 Afsar got the highest allocation of wheat and block grants and

Abel got the least amount. In 1987 the distribution was reversed. The relationship between Anis and Afsar became tense when Afsar supported wholeheartedly an AL candidate against Anis's brother in the parliamentary election. This time Anis made a strategic alliance with Abel and influenced the Parishad to allocate more schemes to Abel's constituency. Afsar was deprived of his due share. Not only this, Anis filed a corruption case against Afsar, which was about the misappropriation of funds for two culvert schemes. The cordial relationship between Anis and Abel did not last long. Political rivalry and violent confrontation between the supporters of the two men became severe. Mansur, Kashem, Rafiq and Ali began their terms in February 1988. Among these four, Ali was the victim of political manoeuvring by the UZC. He received a minimum share of resources for his constituency. The rest were politically allied with the UZC. Ali was a political opponent of Anis as well as least important because Bardhul Union (Ali's constituency) had a low population (only four thousand people). Moreover, Ali was not adept in clique formation, which gave Anis a respite within the Parishad. Ali confided that Anis's discriminatory policy in resource allocation badly affected the developmental work of his Union. In his own view, the UZC assumed total command over the scheme selection committee. The Upazila Nirbahi (Executive) Officer (UNO) seemed to have fallen under the trap of the UZC. Ali complained several times to the UNO about discrimination. The UNO told him that he had nothing to do with the developmental matters of the Upazila.

The Belpur experience suggests that factional conflict and conflict along party lines were interwoven. It is really difficult to distinguish leaders on the basis of simple party affiliation. They belong to the same social and economic interest groups. They fight each other and again become friends. Their friendship depends on whether they can reach a consensus on their respective shares of government development resources.

In Ranipur, the conflict and cohesion between representative members determined the allocation of resources. But unlike Belpur, the UZC in Ranipur enjoyed a more stable position. This was partly due to the ability of the UZC to bring seven UP chairmen under the umbrella of party politics. Nevertheless, competition for scarce resources prevailed. For instance, in the fiscal year 1987-88, 38 schemes were undertaken under the AUDP of which Belal received 5 schemes for his constituency, Palabandha Union. The remaining schemes were distributed between the rest, ie. 11 constituencies. No specific criteria were followed. Those who could lobby and shout got preference. Among them, Abed, Manikul and Jabbar became successful in getting preferences over others. During my field visit, 23 road construction schemes were distributed. Again the people mentioned above were successful contenders. Goaler Char was the least benefited Union. Nazrul, the chairman of the Union, complained that the UZP had paid little attention to the upliftment of the Union. Road communications in particular

are very bad. Nazrul says, "Even if you use bicycles, it takes four hours to reach Ranipur from Goaler Char".

The above discussion clearly reveals the politicisation of development planning at the Upazila level. This is particularly circumscribed by the intensity of party political activities. Enormous resources and allocative authority given to the UZP and the designation as chief officer makes the UZC responsible for funds and responsibilities. While there are considerable options for the exercise of power, there are pressures from different actors - the UP chairmen, the UNO and other important line officers. The process of mediation depends on the skill and manoeuvring capacity of the actors and also the intensity of political pressures.

I will argue that Upazila decentralization provides a fertile ground for personal accumulation and patronage distribution. Ever since the state entered the village as the mainspring of rural development action, private accumulation of state resources by the rural elites has been a systematic phenomenon. Nevertheless, a distinction has to be made between the periods before and after the 1982 administrative reform of the Upazila system (see Chapter 5.1). In the pre-administrative reform period, in so far as the UZP as a development unit was concerned, a low endowment of resources coupled with minimum controlling authority limited the scope of accumulation. After the introduction of the Upazila system, the UZP in general and the UZC in

particular was vested with enormous controlling authority over development resources. Here lies the significance of the devolution of power to elected local bodies.

When state officials are in charge of providing goods and services to the people, at least there is an ideological posture of equal access to public goods and services. But when the practical responsibility for the management of state resources is vested with the rural elites, the rural development delivery system becomes an instrument of their private accumulation and patronage distribution.

The devolution of authority is not an easy choice on the part of state decision-makers. Historically local bodies have never been alternative units of development. These have always been within the purview of bureaucratic intervention. From merely technocratic standpoint, the devolution of planning authority to local bodies may be interpreted as an attempt to fill the gap created by the past failures of bureaucratic intervention to reach the rural poor. A wider political economy approach suggests that the tradition of clientelism as a means of political balance and of creating a political support base orchestrated the state's attempt to decentralize rural development planning. The case studies reveal that the development of clientelism and personal accumulation go hand in hand.

In view of the general empirical evidence sketched above, in

subsequent sections I will discuss in detail various aspects of Upazila development intervention, with emphasis on the identification of beneficiaries. The arguments will be substantiated with the aid of the following case studies, summary particulars of which are presented in Appendix 7.

1. Raagpur Khas Pukur Co-operative Society, Belpur.
2. Construction of a Class Room, Belpur.
3. Deep Tube Well Command Area, Belpur.
4. Training for the Landless on Income-generating Activities, Ranipur.
5. Rabiul and Upazila Administration, Belpur.
6. Falgunipur Derelict Tank Reexcavation, Belpur.
7. Fertilizer and Seed Distribution among Small Farmers under the Agricultural Rehabilitation Programme, Belpur.
8. Construction of a Community Centre, Ranipur.
9. Construction of a Culvert, Belpur.
10. Tapagari Canal Re-excavation Scheme, Belpur.
11. Food-for-Works Programme, Belpur.

In addition to these case studies, I will refer to other empirical evidence.

6.4 Rural Elites Reap the Benefits

At this point I argue that, given the domination of agrarian and political structure by the rural elites in the rural areas, decentralization of power to the UZP has strengthened

their hands in accumulating for themselves and distributing patronage.

The UZC is at the top of the hierarchy of interests. He is in a commanding position to distribute patronage as well as to accumulate for himself. He would always retain a certain percentage from all the schemes supported by both block and wheat grants. For instance, one contractor of Belpur said, "It is given that 5 per cent had to be paid to three persons". This was a common factor in both Upazilas, that 5 per cent of the total cost involved in the construction scheme was distributed between three giants: the UZC, the UNO and the Upazila Engineer (XEN). At this point I can refer to Case Study 7. The devastating floods of 1988 made it urgent on the part of the government to undertake a massive agricultural rehabilitation programme through the UZP for small farmers. Particular emphasis was put on two inputs - seeds and fertilizer. The supplier got a special preference from the UZC, the UNO and the Agricultural Officer. Despite this preference, the supplier had to give 5 per cent of the total cost of fertilizer and seed to the three giants.

The most lucrative area of misappropriation is the FFWP. It depends on how far the UZC can maintain an 'intimate' relationship with the UP chairmen and the UNO. The factional alignments between the UP chairmen and the UZC are not only important for the political survival of the latter, but also for systematic misappropriation of the FFW funds.

The UNO is particularly important when the UZC goes for special projects. There is also evidence that the UZ chairmen took bribes from concerned parties when various types of lease contracts such as hats (periodical market) and bazaars were made.

Although the UP as local planning unit has lost its importance since the introduction of the Upazila system, the UP chairmen as voting members of the UZP have become more powerful than before. The UP implements the RWP component of the AUDP and the FFWP. In terms of resource endowments, the FFWP is more lucrative as it gives the elites an increased opportunity for misappropriation. A detailed biographical study of 15 UP chairmen of both Upazilas reveals that all but one involved themselves in the misappropriation of government resources.

The first point considered here is the formation of the Project Committee (PC). According to government rules, PCs should include elected members of the UP, the head teacher of the local school, a model farmer/manager of Peasant Co-operative Society (KSS), a representative of disadvantage group - a landless, Village Defence Party member, one woman representative member and a social worker or village leader.

Empirical evidence suggests that the PC was formed arbitrarily. The schemes under review in this respect are Case Studies 1, 6, 8, 9, 10 and 11, which were implemented by the UP PCs. In all but one case, the UP chairman played

the dominant role in PC formation. They were also made the PC chairmen. Case Study 6 reveals that the PC was formed according to government guidelines, but all decisions were taken by Razzak, the PC chairman, who was also a UP chairman. All other PC members remained virtually inactive. For instance, Bijoy, the PC secretary, reports that, although he was formally responsible for drawing and disbursing money, Razzak did everything.

In all cases, the membership of the PC was determined by factional and political alignments. The UP chairman gave priority to loyal UP members. Actually one sort of complementarity of interests was found. PCs are formed at the Union level where the UP chairmen play the most decisive role. When project proposals are brought into the UZP for scrutiny and approval, the UZP can disregard the projects on various grounds - technical infeasibility and faulty PCs. The UNO in particular and line officers in general can create obstacles. As the case studies indicate, none of the projects faced such obstacles. Nor did the administration feel the necessity to inquire whether people included in the PC knew about their inclusion. For instance, Rajuddin, the head teacher of the local high school, was included as a PC member (Case Study 10), but he did not know anything about his membership in the PC.

Formal control of local bodies by the rural elites has opened avenues for misappropriating government resources and distributing patronage. Case Studies 1, 6, 7, 8, 9, 10 and

ll corroborate this argument. An interesting aspect of the misappropriation game is the involvement of several actors. For instance, within the UP, the chairman has to maintain a cordial relationship with members in order to avoid a vote of no confidence. However, the UP members also have a substantial stake in the resources involved. This was admitted by most representative members interviewed. At this point I can refer to Case Study 1, which illustrates the way the rural elites subverted a redistributive scheme to their own advantages.

Case Study 1: Raagpur Khas Pukur Co-operative Society

Raagpur Co-operative Society was formed in 1982 by Razzak on the eve of the UP election. All the members were landless fishermen, belonging to a low-caste Hindu community. Sanjoy Lal was the chairman and Bijon was the secretary of the society.

Razzak ran for the position of chairman in the UP election. He assured the fishermen that, were he elected, he would lease the khas pukur (government-owned tank) to them. In the UP election of 1983, the fishermen supported Razzak and he won the election. In December 1983 Razzak took taka 30 per head for the registration of the society with the UCCA-BRDB. In October 1984 Razzak took the fishermen to the UNO. The fishermen requested the UNO to lease the khas-pukur to their Co-operative Society. The tank was occupied illegally by Abul, an influential faction leader in

the area. The UNO assured the fishermen that he would try his best to lease the tank. Being informed of the situation, Abul went to Sirajganj and got the official permission from the Additional Deputy Commissioner (ADC) to retain the tank. In Belpur the UNO ordered the Revenue Officer to make a lease contract with the Co-operative Society. When Razzak along with the fishermen went to occupy the tank, Abul showed the documents. Being puzzled, Razzak informed the UNO of the situation. One week later the UNO went to Sirajganj and raised the issue with the ADC and requested him to hand over the tank to the Co-operative Society. The ADC vacillated to do so on the legal ground. The UNO took the matter to the DC. The DC agreed with the UNO. The ADC issued a cancel order to Abul and asked the Revenue Officer to make a fresh lease contract with the Co-operative Society.

The tank was handed over to the Co-operative Society in June 1985. In the mean time Razzak placed a proposal for the re-excavation of the tank before the UZP. The budget estimate was taka 17,000. A PC was formed, consisting of 10 members - 5 members from the executive committee of the Co-operative, 3 UP members and one representative member from the Village Defence Party. Razzak himself was the PC chairman and Bijon was the PC secretary. Bijon reports that the PC was nothing but a one-man show. Taka 5,000 was drawn as advance. Razzak employed professional earth-cutters. Muster rolls show that 20 labourers worked for 27 days and the daily wage rate was taka 25 per head. Bijon says Razzak

actually cheated the labourers. Instead of paying them in cash, Razzak gave them wheat, which he got from the UZP for the road construction scheme. The labourers came to know from the fishermen that a cash payment was supposed to be made. This conspiracy was made jointly by Razzak and the labour sardar. However, at the first instance taka 17,000 was 'lost'.

Every year Razzak would throw little fish into the tank. He was taking back his investment before any profit to the Co-operative. Fish cultivation is very profitable. The responsibility for cultivating, catching and selling fish lay with the fishermen, but half the profit was diverted to Razzak. Bijon utters, "We are poor people. It is beyond our imagination to fight against a giant like Razzak. We keep ourselves quiet as we do not want to lose what we are getting now".

Instead of taking investment money from Razzak, the fishermen tried to borrow from the Bangladesh Rural Development Board (BRDB). Sanjoy and Bijon discussed the matter with an inspector of the BRDB who assured them of the necessary help. They raised the issue with Razzak, who refused the proposal. He told the fishermen that, should they take a loan, the profit would be reduced substantially after paying the interest. Sanjoy and Bijon calculated that, even after subtracting interest of 12 per cent a year, there would be a good margin of profit. The ultimate objective, Bijon confided, was to reduce the dependency on

Razzak. The whole plan was undermined.

In August 1988 the Co-operative received a request from the revenue office to pay the lease money and to repay 50 per cent of the excavation cost (taka 8,500) in 10 instalments at an interest rate of 13 per cent. Since the Co-operative had substantial savings, it would not face any problem. The first instalment was paid in October 1988 from the savings of the fishermen, whereas Razzak was reaping half the profit of fish cultivation. As it was, being trapped in the patronage system, the fishermen had to accept the reality.

While the rural elites within the formal local bodies reap the benefits of Upazila development schemes, the elites remaining outside the UZP also benefit from direct plundering through their co-optation in different UP and special Project Committees. The UZC plays the pioneering role in this respect in order to strengthen his political and factional alliances. The rural elites belonging to the ruling party, mainstream opposition parties (mainly the Awami League and the Bangladesh Nationalist Party) and strong factional groups at the village level fall within this category. The following case is an illustration of how the local Awami League leaders were accommodated within the patronage network.

Case Study 2: Party Politics, Political Balance and Development Outcome: Construction of a Class Room For Belpur Shishu Academy

In Belpur the former UNO, Mr. Khan, was very careful in discharging his responsibilities in a politically volatile area. Being a freedom fighter, he had an inclination towards the Awami League (AL) workers. Moreover, he saw the UZC accommodating the JP workers within the development arena of Belpur Upazila. However, the UNO wanted to make a balance in local level politics. In doing so he came to terms with the UZC and accommodated local notables aligned with the AL.

The scheme, proposed by the UNO, was estimated at the cost of taka 85,000. A PC was formed, comprising five persons Zahid (PC chairman), Hossain (PC secretary), Afsar (member), Maidul (member) and Salam (member). All but Hossain belonged to the AL. Hossain was co-opted into the PC as a teacher at the Academy.

Abel, the chairman of Daulatpur UP, vehemently opposed the scheme and the PC when it was proposed in the UZP meeting. Rafiq of Dhkuriabera, Kashem of Rajapur, and Ali of Bardhul supported Abel. The UNO argued that, since Zahid, Maidul and Salam were on the Managing Committee, the scheme would be implemented properly. Suddenly the UZC took the part of the UNO. Afsar remarks that the UZC did not support the UNO on logical grounds, but pursued a strategy to disparage Abel

and to ostracize him politically from both the JP and the AL.

The objective of the involvement of the PC was to deny a profit margin, which is granted normally to the contractors appointed to execute the scheme. Hossain, the PC secretary and a teacher at the Academy, confided that the PC squad made a profit of around taka 15,000 from the scheme. This fact was substantiated from the discussion with the labourers who informed me of the low quality of construction materials and the underpayment of wages.

The above case study shows the inclination of the former UNO towards the AL people. It was unusual for the opposition group to have 'someone' powerful within the Parishad. Nevertheless, outside the Parishad, the influence of the opposition party workers was observable. Case Studies 4 (see section 6.6 for illustration) and 7 show that factional and party linkages were more powerful than simple bureaucratic criteria in determining the outcome of redistributive schemes.

In documenting these Case Studies I found that factionalism was pervasive in both Upazilas. It is generally argued that factional politics becomes prominent when new resources are poured into the rural areas (Wood, 1978a). Factional leaders compete with each other for new resources in order to accumulate for themselves and to retain the loyalty of their followers.

Factional leaders operate differently at different levels. The UZC has to be cautious in dealing with factional politics because he has to consider many factors relating to party building and his own future political prospects. He always tries to keep as many lower-level factional leaders as he can under his domain. In the Upazila context, the UZC is a big patron primarily because of his command over enormous development resources. Under him there are small leaders who fight with each other for control over governmental resources. They also make solidarity under the active involvement of their higher-level patron, the UZC. The following case reveals different aspects of factional linkages. It demonstrates that the UZC was 'obligated' to one of his urban patrons. This obligation compelled the UZC to choose a site for the project which was technically infeasible. This was one way of disregarding the technical criterion for the project, the issue raised by the Agricultural Officer (AO) and the Sectional Officer (SO). The UZC's attempt to choose the project site was essentially directed towards strengthening factional ties.

Case Study 3: Deep Tube Well (DTW) Command Area in Belpur

The sanction of a DTW for Belpur is a part of the government policy to increase the acreage of HYVs cultivation and to 'acquaint' the small farmers with improved technology. According to the circular of the Ministry of Agriculture, the machine would be provided by the government. The costs

of boring the machine would also be borne by the government. The UZP would undertake schemes relating to the construction of a channel, land development and bench-mark survey.

In the first week of November 1988, the UZC, along with the AO, the Rural Development Officer (RDO) and the SO visited three sites and selected the Daulatpur site, which was situated in Abel's constituency. In the second week of November the UZC informed the AO, RDO and SO of another site in the village of Manpura. The AO and SO told the UZC that nothing was wrong with the Daulatpur site. The UZC insisted on them visiting the site. The AO reported that the quality of soil was very fine but there were several plots of high land within the proposed command area. This type of land structure is not suitable for irrigation by DTW. It would involve extra cost either to level the high land or to make the channel high enough for sufficient water to flow to those plots. Thus, in terms of technical feasibility, the Daulatpur site was more suitable than the Manpura site. However, the AO, RDO and SO gave their verdict in favour of the Manpura site due to the constant insistence of the UZC.

In the UZP meeting, it was decided that the scheme would be a non-profit enterprise. Only the costs of fuel would be borne by the growers. It was also decided that a BS would be employed full time at the site for supervision. The growers would form a Managing Committee in consultation with the AO.

Basically there were two reasons behind the selection of the Manipur site. One reason was the UZC's reluctance to give any favour to Abel, and commissioning the DTW in Daulatpur would automatically boost the image of Abel. The other reason was the factional obligation of the UZC. In Manpura village, Zahir is a faction leader. His younger brother, Moinul, is a business man in Dhaka. Moinul has been in touch with the family of the UZC for many years. He extended financial help to the UZC in the 1985 Upazila election. This somewhat obligated the UZC to change the site. At the same time, it strengthened his factional ties with Zamir.

There were two factional groups in the village led by Zamir and Ramiz. Both of them were rich peasants. Factional conflict between them dated back to the 1960s over the questions of leadership, village welfare measure and land-grabbing. In 1985 an attempt was made to minimize the conflict. Ramiz's son married Zahir's daughter. There was a harmonious relationship for two years. It did not last long. In 1987 a severe clash took place following a competition of holding control over a canal for catching fish.

The UZC was maintaining a good relationship with both factions, because he got support from both factions during the 1985 Upazila election.

While visiting the site, I came to know from the BS about

the formation of the Managing Committee under the leadership of Zamir. Zamir also admitted it. The next day I asked the AO about the MC. He shook his head and narrated the story. He had talks with the people of both factions, but failed to form a unified committee. He received proposals from two faction leaders. The proposal of Zamir revealed that he himself was the chairman. The BS identified other people on the MC: Zahir's eldest son was the manager and the third son was the treasurer. Other members of the committee were his close relatives. The proposal contained a few suggestions for making the scheme more viable. One was that one third of the produce would be taken as rent, from which the costs of fuel, labour, the remuneration of the driver and the honorarium of the manager could be met. Another was that the profit could be used for the development of the scheme. The proposal submitted by Ramiz showed that he himself was the chairman of the MC. He did not include any of his sons. At the end of the discussion the AO commented, "The government has given the DTW to educate the farmers through the demonstration of modern agricultural technology but the people here have started thinking how to reap commercial benefits from it".

All this happened when the process of boring the machine was going on. The UZC found himself in a dilemma. He could not isolate Ramiz. At the same time he was a little bit biased towards Zamir. In mid-December 1988, the UZC consulted concerned officials. It was decided that the scheme would be run exclusively by the administration and two BSs would

be engaged for full-time supervision.

I visited Belpur for the second time in the first week of April 1989. The scheme was then under threat. A violent clash had taken place between the two rival groups in the last week of January 1989. Zamir submitted an application to the UZC with the signatures of 61 growers with a statement that, unless management responsibility for the DTW command area was assigned to the villagers, the administration would not be allowed to commission the machine. The situation became worse to the extent that it necessitated the direct intervention of the Upazila administration. With the active involvement of the UZC, UNO, Magistrate, AO and Upazila level political leaders, a consensus was reached and the MC was formed, incorporating people from both factional groups. Out of 11-member MC, only two were small farmers. The intervention of the UZC and government officials, however, could not solve the problem. A sub-factional group emerged under Gani, a rich peasant, who was earlier in Ramiz's faction. The primary cause of the emergence of this sub-group was that Gani was not included on the MC. I was unable to discover the ultimate outcome.

I can refer to the Tapagari canal re-excavation scheme Case Study 10). In 1985 Anis, the incumbent UZC, went to Tapagari to campaign. Karim, a UP member of Dhukuriabera Union, openly told Anis that he would manage votes for him (Anis), but he must give a commitment that, if he was

elected, he would implement the scheme. Anis firmly promised that he would do so. After Anis was elected, Karim raised the issue. That was the beginning of the scheme. Karim was made the PC chairman. In February 1987 the scheme and the PC were passed in the UZP meeting. The scheme required the cutting of land belonging to two landholders for the purpose of excavating the canal. These two landholders gave their written consent to this.

Karim started the scheme in June 1987 and within one month 70 per cent of the work was completed. Suddenly the UZC and the UNO received a petition from six persons, who complained about the cutting of their land. Surprisingly the names of Joinal and Hamid, who allowed the PC to cut their land, were not in the petition. Rashid, the Accountant of the engineering department, told me that those six persons had no stake in the scheme, but they were mobilized by Kobad master to lodge complaints. Kobad master was a retired primary school teacher and a rich peasant in the area. He was an old rival of Karim. The politics was essentially based on krishak-karigar rivalry (see Section 4 in the Introduction). Receiving the complaints, the UZC stopped the bill, and the UNO sent the XEN to investigate the implementation of the scheme. The XEN gave a positive report. The UNO could not deny the UZC's order for stopping the bill. Abel and Manir, a local journalist and also my research assistant, gave an interesting explanation of the situation. Kobad master was a distant relative of the UZC. Kobad master convinced the UZC that a Karigar was going to

have a successful scheme which could have undermined the strength of Kobad's legitimacy in factional politics. The UZC turned back and threw fuel on already aggravated crisis.

Karim in the meantime offered taka 5,000 to the Kobad group to mitigate the tension. They did not agree to the proposal. On the last day of cutting earth, when Karim's labourers were working at the site, Kobad's group under Anower attacked them. There was a severe clash between two groups. Anower on behalf of the defendants filed a murder case against Karim and his people in the Upazila court. On that particular day one person died in Tapagari. That dead body was shown to the police. But when the post-mortem report came in, it was revealed that the dead man had a chronic ulcer and it was a natural death. The case was dismissed by the court.

The primary reason for Anower's involvement in the conflict was that he requested Karim to include him in the PC. Karim did not agree. Instead Karim co-opted Sarwar, his cousin, as a 'social worker'. Karim offered him taka 500. Instead of agreeing to the proposal, Anower joined the Kobad group to denounce Karim. The tension was cooled down for the time being. The UNO sent the AO and the Magistrate to the scheme area to tell the people that the administration had interests in the scheme given its production potential in agriculture.

Case Studies discussed above give some insights into the

working of empirically observed factions. Certainly factional strife is a hindrance to the achievement of broad-based rural development objectives. The survival of factionalism has to be seen in terms of a changing socio-economic and political environment (for its historical basis, see Chapter 3). On the one hand, the expansion of development activities stimulates factional divisions. On the other hand, it is also true that economic expansion becomes the focus of factional organization (McGregor, 1989). The DTW and Tapagari Canal Reexcavation Scheme reveal that factional groups were already there prior to development intervention. More importantly, empirically observed factions stimulate the pace of interaction between various actors right from the village to the urban centres. This phenomenon has been specifically observed in the case study of the DTW command area. This can be substantiated by McGregor's observation of contemporary rural Bangladesh:

While the institution of factionalism is inevitably a product of change, its *raison d'être* is more to do with the relationship between village order and external power and domination. In the study of contemporary development efforts, one lesson which has clearly been learned is that, at the level of the individual, there is an intimate relationship between economic expansion and connection with external power and resources, such as markets, services, training, development credit etc. In this sense, then, pivotal to the balance between the internal and external roles of the institution of factionalism is that factions are central to the organisation of access to external resources and institutions (McGregor, 1989: 44).

6.5 The Involvement of Government Officers in the Coalition

The changing relationship between elected officials and

government officers evolved around the newly constituted Upazila system has increased the opportunity for accumulation for both parties. The division of functional authority between these two parties has been made in such a fashion that there should be a mutual understanding in discharging Upazila responsibilities. For instance, the UZP takes major decisions relating to planning. Government officers deputed at the Upazila level have been made accountable to the UZC, who not only gives instructions to different line officers but also writes their Annual Confidential Reports (ACRs). The UNO, a generalist civil servant, has been employed to assist the UZC in particular and to oversee whether development functions are carried out in accordance with government rules and regulations. The provision includes the allocation of block grants according to the criteria set by the Planning Commission, the formation of the PC in a proper way, the distribution of the construction schemes between the contractors according to formal bureaucratic criteria and ensuring the rights of the poor. Line officers have a substantial formal role to play on the technical side.

The extent and nature of the devolution of planning authority to the UZP clearly suggests that people's representatives are in a commanding position to decide about development outcomes. Nevertheless, government officers are also systematically engaged in misappropriation. Empirical evidence suggests the existence of a dominant coalition. The coalition develops at different levels between different

categories of people, depending on the nature of the schemes and the volume of resources. For instance, for the construction schemes carried out by the contractors, a dominant coalition develops between the UZC, the UNO and XEN. The contractors, sub-Assistant Engineer, touts and sardars are tail-enders of this coalition (see Section 6.7). When a construction scheme is carried out by the UP PC, the UP chairman becomes a part of the dominant coalition. The incorporation of line officers into the dominant coalition depends on the nature of the scheme. For instance, for agricultural development schemes, the AO joins with the UZC and the UNO (Case Study 7). For minor irrigation schemes, the SO and UO become a part of the dominant coalition. Perhaps the FFWP involves the most complicated network of actors. The UZC, the UNO, the Circle Inspector (CI), the Project Implementation Officer (PIO) and the UP chairmen constitute the dominant coalition. Members of the technical inspection team, UP members and rural touts also have a substantial stake in the schemes. Afsar, the chairman of Belpur UP, cited an example of a dominant coalition: "The official team visits the scheme area to verify the estimate made by the UP. Even if it is done properly, they demand bribes without which they will submit a conspicuous report stating 'technical difficulties'. However, these are officials who advise to overestimate the scheme, from which they will get a share. Apart from concerned officials, the UNO and the UZC stretch their invisible hands for their 'due' share. The Circle Inspector of the Police does the same". It is difficult to quantify the amount every actor

takes. It is mainly determined by the relative power of actors and their bargaining capacity.

6.6 New Groups of Beneficiaries

Perhaps the most spectacular impact of Upazila decentralization is the mushroom growth of new groups of people who thrive on the development resources of the UZP. The contractors and rural touts fall within this group. In both Upazilas, many contractors played the role of touts.

The interference of rural touts in the rural delivery system is not a new phenomenon in Bangladesh. In recent years, however, particularly after the introduction of the Upazila system, their operation has increased tremendously. There are several reasons for this. Firstly, a huge amount of resources are being diverted into the rural areas. A new kind of dependency has emerged, which is exclusively a product of this state intervention in rural development. Secondly, a volatile and chaotic political situation is equally responsible. Within the purview of clientelist politics, the politicisation of the rural delivery system is, perhaps, the inevitable outcome. In fact rural touts have become a part of rural development administration. Empirical indices suggest that they are linked to the intricacies of rural power politics. In this section, I will mainly concentrate on the operations of the touts in relation to the developmental affairs of the UZP.

Let us first see how the rural touts were accommodated in the Project Committee (PC). In the third section of this chapter, I have argued that Upazila decentralization has politicized the rural delivery system. The formation of the PC at the Union level cannot ignore overall politicisation of the rural delivery system. The touts survived under the patronage of the UP chairmen. Essentially these touts worked as lathials (literally stick-wielders) for the UP chairmen. Case Studies 6 and 11 demonstrate that lathials were included in the PC in the name of 'social workers'. Abel, the PC chairman of Case Study 11, said that there were touts behind touts who were not apparently dangerous but had to be taken into account by giving them a small percentage which he called 'local manage' - a jocular exclamation widely used in the development affairs of Belpur.

The influence of the party can easily be gauged in the ongoing activities of the UZP. A group of local touts always surrounded the UZC for party matters. They were important not only for present survival but also for the future political prospects of the UZC. In order to seek political support, the rural touts were accommodated. The interference of the UZC in the PC formation was admitted by most UP chairmen interviewed. Case Studies 8, 9 and 10 reveal that the UZC's candidates were included in the PC. Afsar, the chairman of the culvert project (Case Study 9), said they were just given a small 'percentage'. At this point, I can refer to the Case Study 8, which illustrates the way a tout was accommodated. This particular scheme was

undertaken in 1988 under the socio-economic and infrastructural component of AUDP. The total cost of the scheme was estimated at taka 100,000.

In a meeting of the UZP, a Project Committee (PC) was formed, involving both people's representatives and government officials. Belal, the chairman of Palabandha Union, was made the PC chairman. The Sub-assistant Engineer, Matin, was made the PC secretary. Other members of the PC were Sohrab (UP member), Mahmud (village leader) and Azam (social worker).

The formation of the PC seemed to be unusual. The inclusion of the Sub-assistant Engineer, in particular, evoked criticism in the Parishad meeting. Belal reported to me that the UZC was not happy at all about the appointment of Matin as the PC secretary. On the other hand, the UNO objected to the inclusion of Mahmud and Azam in the PC. Azam was known more as a social bandit than a social worker. He was one of the members of the UZC's lathial bahini. However, a compromise was made between the UZC and the UNO. Both the Sub-assistant Engineer and Azam were included in the PC.

Belal was aware of the intention behind Azam's selection. He says the UZC wanted to include his followers in the developmental schemes all the time. Matin took the advance from the UZP. When the work was going on Azam demanded some money illegally from the PC secretary. The secretary sent

him to Belal for approval. Belal asked Matin to give Azam taka 1,000. Belal said he had no choice but to accept Azam as an important actor nominated by the UZC. Had he not given the money the entire scheme could have been postponed. Matin reported that Belal also had taken money from him several times without giving any voucher. Matin informed the XEN of the event. The XEN did not take any action. Matin further reports that low quality wood and corrugated iron sheets were used to make up the deficit.

Case Study 4: Training for the Landless on
Income-generating Activities, Ranipur

This is a rare scheme within the framework of Upazila interventions designed specifically for destitute people. It was decided in the Parishad meeting that 105 persons would be given training in three batches. The duration of each course would be 4 months. Welding and carpentry were chosen as areas of training. Each trainee would receive taka 300 per month as honorarium. The UP chairmen were given responsibility for nominating candidates.

I had the opportunity to have an open-ended interview with the participants in the last course. Bhutto, a local journalist and also my research assistant, accompanied me. Most participants were young, apparently in their twenties. Out of 34 participants, 5 were in the carpentry course and the rest were in the welding course. Some participants were from genuinely landless families. They hoped that, after

completing the course, they would be able to manage a job and contribute to the family income. Bhutto identified four young boys who were college students and belonged to middle peasant households. Their entry appeared to invoke doubts about the attainment of the objectives of the scheme. They said they had been motivated by the cash honorarium. Moreover, in future, they would try for jobs in Arab countries. These four young boys belonged to the student wing of the BNP and were known as notorious bandits in the area. The participants admitted that they were nominated by the chairman of Islampur Union. Bhutto also reports that, in the previous two courses, a 'special quota' was reserved for political elements who could never be defined as destitute. Five participants were nominated by the UZC, of whom two reported that their fathers were sharecroppers of the UZC. The other three participants reported their connection with the Jatya Jubo Sanghati (the youth forum of the ruling party).

The XEN reported to me that the UZC had nominated candidates using his 'discretionary' power. But nowhere in the Upazila Manual is there mention of such discretionary power. The UNO said, "There is no inbuilt mechanism to verify who is landless and who is not. Our administrative strength does not allow us to go far beyond the Upazila headquarters. Here our main duty is to help to implement a genuine poverty-focussed programme". The XEN spoke almost in a similar way, " Our main concern is to train 105 participants, no matter who they are. It is the

responsibility of the UP chairmen to nominate real poor people".

With the blessings of the patrons (the UZC, UP chairmen or other influential rural elite), these touts have expanded their operations to other spheres such as institutional credit, assetless co-operative societies etc. The significant aspect is that many of them are from the rural underclasses. They were co-opted primarily because of the services they rendered to their patrons in rural factional and party politics.

We now turn to the contractors, another new group of beneficiaries of Upazila decentralization. The contractors are important because of the emphasis given to construction schemes (see Section 6.2). The UZP can involve the PC for carrying out a project. It is not an obligation. There is a provision that a scheme involving less than taka 100,000 can be implemented by the PC. Nevertheless, the majority of schemes are implemented by contractors.

Outside the UZP, contractors are important actors. It may appear that the distribution of schemes between contractors is guided by formal criteria set by the government. What happens in reality, however, does not correspond to the picture of the smooth functioning of government rules and regulations. There is a wide range of issues involved in the process. Social and political relationships are more vital than the formal bureaucratic criteria. These

considerations have become profound since the inception of the Upazila system. In the previous chapter, it was argued that the regime has experienced a legitimacy crisis since it took over power in 1982. One way to try to overcome the crisis was to build up party units through the co-optation of the rural elites into the patronage network. These contractors are not merely carrying out their construction work; they have also built a support base for the regime in power. They are the rising rural elites who work behind the formal bureaucratic criteria.

The contractors have to be registered with the UZP. 51 contractors in Belpur and 64 contractors in Ranipur were registered with the UZP. They are given a licence. All registered contractors do not bid. I interviewed 20 contractors. An open-ended questionnaire was administered. Socio-economic and political relationships were given importance (see Appendix 8). In a few selected cases, the technical aspects of the schemes have been analysed.

It is evident that the contract-giving mechanism operates through the channels of socio-political relations and involvement. Those who strengthened the hands of the UZC were considered first. Kinship relations were also an important factor. Appendix 8 gives a number of important factors about the political affiliation of the contractors. All but three contractors were affiliated with the ruling party. There was severe competition between the contractors. Hence the intervention of the UZC was

necessary. All party workers were not equally important for the UZC. Some persons were very close and they were very important for the long term political gains of the UZC. It was found that some contractors well-connected with the UZC received contracts every year. Kinship and factional linkages were also important factors. I have already argued that there are other areas of development works such as the FFWP and relief programme where party workers were accommodated. This was one way to face competition. The other way was that the potential bidders were asked to negotiate with each other. Those who have less chance were offered a lump sum amount, which was locally called 'negotiation money'. They were asked to give a supportive price for the one who was chosen for a particular scheme. They might not submit their tender schedules. If the potential bidders failed to reach a decision the UZC would intervene and select one. It was found that some contractors were satisfied with negotiation money.

There were some contractors who had a licence but would not bid. They can better be termed touts-cum-bandits. In both Upazilas these people were quite visible. They were satisfied with donations of a few hundred taka. They were connected with party politics. Their main role in this regard was to protect the interests of their fellow partymen-cum-contractors. They would not allow any outside contractors to bid. This sort of practice was observable in both Upazilas. The UZC would give implicit support to this type of banditry. The UZC of Ranipur said, "We have

many people in the area who can do well. It is our responsibility to accommodate them. If outsiders come to compete this will decrease the chances of the local contractors". In the third week of January 1989 a tender was called for several schemes in Belpur. Outside contractors were not allowed to submit their schedules. Safat, a bandit-cum-tout, confided, "The interests of many people are involved around the Upazila schemes. Outsiders would not be allowed to kick on our bellies". Safat had a licence but he never competed. There were many people like Safat who were accommodated very efficiently into the patronage network. I found only one contractor (Sabur) in Belpur who was from the Sadar Upazila. This case was exceptional. He was well-connected with the UZC and the UNO. Not only the Upazila level officials but also District level officials would bother him much, as his brother was a high ranking civil servant in Dhaka secretariat.

The political implications of accommodating the contractors were very evident. It bore fruits for the UZC in particular and the regime in general. The technical implication was very negative. A substantial portion of money was spent in paying negotiation money and donations before the commencement of the scheme. After getting the contract, some contractors had to pay a percentage to the UNO, the XEN and his staff and the UZC. Besides these, the contractors must keep an appropriate margin of profit. Now it is probably comprehensible what would be the quality of the scheme. Here is one example. On January 23 1989, nine

schemes were distributed between nine contractors in Belpur. There were eleven bidders for a big scheme. The estimated cost was taka 216,000. The UZC gave a clear indication beforehand that Ramdan would get the scheme. Ramdan negotiated with all potential bidders and agreed to give taka 1,000 to each contractor. Six contractors received shares. Four contractors did not take the money because they were trying to get other schemes. After the completion of the scheme 5 per cent of the total cost (i.e. taka 10,000) would be given to the UZC, the UNO and the XEN. Ramdan was supposed to earn taka 20,000. No matter how much is paid as a bribe or negotiation money he would certainly keep his profit margin intact. There were two possible ways for Ramzan to make up taka 16,000: to use low quality materials and to deprive the labourers of due wages. I could not find out what actually happened to this particular scheme as I was at the end of my study.

One important point emerged from the discussion with the contractors. They seemed to be opportunistic in character. This implied that, whatever regime came to power they would just change their clothes and build up a support base for the new regime. The background study of the contractors reveals that many of them were affiliated with other political parties before the Ershad regime took power. The most effective way to attract divergent political elements is to distribute patronage, which was evident in both Upazilas. There was an exception. Two respondents were reported to have affiliated with the Awami League. This

implies that their socio-economic positions were strong enough to enable them to compete for scarce resources. In fact some Awami League workers were accommodated properly during the tenure of the former UNO in Belpur. This example shows that the legacy of Awami League rule still prevails in administration.

Appendix 8 shows that most of the contractors were from well-off families. In terms of landownership, 10 contractors fall within the rich peasant category. The rest fall within either the middle peasant or the small peasant categories. Economic diversification is a characteristic feature of the contractors. In fact, Upazila construction work is itself an example of economic diversification. For the small peasant households, contract business is the main source of income because income from agricultural activities is not enough for maintaining the family. Economic diversification has both economic and political significance. In the course of time, landholdings would be divided between brothers and sisters, so that diversification means strengthening the economic base of the family. Diversification would also ensure connection with every facet of society which is essential for the exercise of power.

The Appendix shows that all contractors were educated by Bangladesh standards. There is a clear positive correlation between socio-economic status and educational levels. This is one criterion that makes a difference between traditional

and rising rural elites. The contractors were very skilful in negotiating with the administration. Education is a scarce resource for the lower class people. Those who could attain it were seriously considered by the power-holders. Some contractors were from poor families. Education helped them to attract the attention of the power-holders. It was a crucial factor for their recruitment in the political process which in turn helped them to compete for scarce resources. Despite the entry of lower class people into the patronage network, the dominant trend was that educated contractors from rich families were better-placed in terms of socio-political status and connection with the power-holders (both bureaucrats and politicians) at local and/or national levels by kinship relations or family friendship.

In all cases a political connection was important for receiving contracts. This was the single most important factor in the case of contractors coming from the lower class. For others, multiple factors were responsible: political, bureaucratic, kinship/family connections. In five cases bureaucratic connections stemmed from kinship or blood connection. Bureaucrats holding official positions at different levels influence decisions in favour of their chosen parties or individuals. Five contractors were reported to have bureaucratic and urban connections through their brothers and 12 contractors altogether were connected with the urban centre and bureaucracies through kinship relations. Connections of this kind, of course, did not

provide the same kinds of results for everybody. Local-level bureaucrats give weight to those connections which have important bearing on their functioning. This was evident in the cases of Sabur, Rabiul and Belal. Some contractors combined three factors: political, kinship and bureaucratic. The case of Rabiul is an example of this type.

Case Study 5: Rabiul and Upazila Administration

Rabiul, aged 29, may be said to be very competent in negotiating with Belpur Upazila administration. He completed his graduation from Dhaka. After graduation in 1980 he took a job in the military accounts office. He left this job in 1982 and joined a local NGO. Again he left the job. Since 1984 he has been in Belpur.

Rabiul was reported to have derived political strength from his uncle, a major in the army. Local notables, close relatives of Rabiul, were the president of Belpur Upazila Awami League (cousin) and the secretary of Belpur Upazila Jamat-e-Islam (uncle). When he was a graduate student in Dhaka, he aligned himself with the student forum of the BNP. When the JP came into being, he left the BNP and joined the youth forum of the ruling party.

The UZC was Rabiul's distant relative (cousin). He was said to be the closest political associate of the UZC. On many occasions the UZC relied on him for negotiating with faction

rivals or opponents. When the UZC was in conflict with the former UNO, the army major settled the dispute. And it was Rabiul who brought these three people together to a discussion table.

By the time Rabiul made inroads in Belpur he found two new developments: upgrading of Thana into Upazila and black-marketing of cotton yarn. He established good relations with the then UNO and other officials. In 1985 Anis became the UZC. So his position on both sides, political and bureaucratic, was on a solid base. Every year he would get at least two schemes from the UZP. Belpur was solid ground of local black-marketeers from 1984 to 1987. In fact Rabiul and the UZC played the leading role. It was believed by everybody in Belpur that the major had the blessings for which the local police station played a silent role. This is also true that policemen had a share of profit. Rabiul never came to the forefront. His third brother was the ring leader in the field.

Rabiul was well-linked to the Upazila officials and District-level officials as well. His uncle was one factor in this linkage. Another factor was that the UZC used to accompany him while he went to the District headquarter. Rabiul availed himself of the opportunity of this linkage. The Additional Deputy Commissioner helped him in getting a lease of khas land.

At one point I found a mutual understanding between Rabiul

and the XEN. The XEN never demanded a bribe from Rabiul. Rabiul did a very good service to the XEN. Rabiul's uncle was familiar with the Engineering Advisor to the Local Government Engineering Bureau (LGEB). They came to know each other when the army major was the Private Secretary to the Minister for Local Government, Rural Development and Cooperatives. Postings and transfers of the Upazila XEN were determined by the LGEB. After three years of service in Belpur the XEN got a transfer order. The XEN did not really want to move anywhere as Belpur was giving him 'dividends' regularly. The XEN requested the UZC and Rabiul to manoeuvre his transfer order through the Engineering Advisor. Rabiul went to Dhaka and requested his uncle to do this favour. The major requested the Engineering Advisor to cancel the transfer order. He did so.

Apart from formal party politics, linkages with the formal rural organisations also have an important impact on contract-giving. Three contractors were reported to have positions in the formal power structure (2 UP chairmen and 1 UCCA chairman). One contractor was a former UP chairman. The weight of elected posts was an important factor in influencing decision-making by bureaucrats. This was also reinforced by their political exposure and kinship and urban connections. Four respondents were reported to have close kinsmen (either a father or a brother) in the formal power structure. Twelve respondents reported their connection with the formal power structure through their relatives, mostly UP chairmen and members (either present or former).

It is a remarkable fact that 4 contractors did not have a kinship connection with the formal power structure and the bureaucracies. They were essentially political recruits. The respondents falling within this category identified 'political' as the single most important factor for receiving contracts.

The factor of bribe is no less important. Fourteen contractors reported that they had given bribes. The name of the UNO was evident in 10 cases. The XEN was reported to have taken bribes from 14 contractors. Five contractors mentioned the name of the UZC. This does not necessarily imply that the UZC was less interested in bribes. Actually the contractors were hesitating to mention the name of the UZC. Manir reported that the UZC in Belpur normally had taken a bribe through the XEN. In Ranipur, Bhutto reported, Rustam did this job for the UZC. All contractors wanted to keep the UNO and the XEN happy for future prospects. In fact these two officials led the tender committee. The XEN was very important for the contractors. They never maintained the technical quality of the schemes. So it was vitally necessary to bribe the XEN and his staff so that they could not shout. In other words the Upazila development schemes given them an opportunity to make illegal money. Competitors were many but resources were scarce. So each and every contractor wanted to ensure his access to state resources in one or another way. If a bribe was necessary in this regard, they would do so.

The UZC exempt some contractors from bribing. This happened only when the UZC seemed to have an obligation to someone - political or close kinship connection. Shaheb, Alam, Rantu, Belal, Azam, Moinul, Habibur, Reza, Tipul, Ziaul and Sabur are examples of this kind. In Ranipur the UNO, the XEN and his staff could not demand bribes from some contractors as they were directly backed by the UZC.

The survey of the Upazila contractors has shown that socio-economic and political considerations play the most vital role in the distribution of schemes between the contractors. A complex network operates within and around the Upazila administration. A majority of the contractors came from a rural background and they were well-endowed with agricultural land. The contractors were well-educated by Bangladeshi standards. They were powerful in the rural areas and well-connected with the power-holders right from the rural areas to the urban centres. They have built a power base for the ruling party. Some lower class people were co-opted into the network. The whole effort seems to have accommodated the rural elites into the power structure by distributing patronage. This politicisation of the rural delivery system might have an enduring effect. Whatever political party comes to power through the electoral process, it will be compelled to strengthen its party base through the distribution of patronage - a tradition that has taken deep root in society as a whole.

6.7 The Position of the Rural Poor

There are different sets of organizational rights the poorer classes are supposed to enjoy. These are participation in local planning, access to productive assets, rights of employment, and rights for fair wages. In fact the first one is a precondition for the enforcement of other rights.

It has been argued in section 6.2 that poor-based programmes have not got sufficient attention from the Upazila administration. The UZP is supposed to initiate both self-employment (asset-building) and employment-generating schemes 'for' the rural poor. Both kinds of programmes are supposed to allow members of the target groups to participate in the planning and implementation process. In fact, participation itself is considered a right of the poor (Wood, 1983). The number of self-employment schemes is very small. Although construction schemes do provide employment opportunities, the wage component has been only within the range of 10 to 14 per cent of the total cost.

In one way or another, Case Studies under review are related to the rural poor. Case studies 1 and 6 were intended to create durable assets. Case Study 7 was clearly a relief programme. The rest aimed at creating employment opportunities.

The poor do not in fact participate in project planning, which is not surprising in view of the economic and

political dominance of the rural elites. Rather, Upazila decentralization has reinforced the accumulative and patronage character of the rural power-holders through their effective control over various aspects of development schemes. In fact, such a process intensifies problems of local accountability and indeed access to the institution of planning and implementation. At the same time it strengthens the capacity of the local elites to recruit, manage and pay labour. I will argue that the problem of participation is not simply related to the programmes themselves. The dynamics of rural social relations and the role of the state are the determining factors. In this sense the benign quality of institutions cannot be taken for granted.

Access on the part of the poor to productive assets and relief goods and fair wages are constrained by the factors discussed above. I have already analysed a case (Case Study 1) in Section 6.4, which demonstrates the subversion of a redistributive programme to the benefit of the rural elites. The following case study substantiates the arguments.

Case Study 6: Falgunipur Derelict Tank Re-excavation

In Falgunipur there was a khas pukur (government-owned tank), previously owned by a Hindu zamindar. After his departure in 1965, the tank was declared an enemy property. Samsher Ali, a local rich peasant, took control of the tank illegally in co-operation with the lower-level revenue

official. In 1974 a landless Co-operative Society was formed in Falgunipur with 23 members under the leadership of Selimuddin, a school teacher. The society was registered with the UCCA-BRDB in 1981. It had only a meagre amount of share capital and savings with the UCCA. In 1982 some members went to Abel, the chairman of Daulatpur Union, to help them in income-generating activities. Abel assured them of every help. Abel was made the chairman and Thandu, a UP member, became the secretary. The number of members rose to 27.

The real drama took place when Abel became the chairman of Daulatpur UP in 1983. In late 1984 Abel informed the UNO of Shamser's illegal occupation of the tank. The UNO through the Revenue Officer took control over the tank and leased it to Abel's Co-operative for 8 years. Abel invested his own money in fish cultivation and kept the profit from stocking the tank. Selim, the pioneer of the Co-operative, raised the issue with the UNO. The UNO sent the Fisheries Officer for investigation. He gave a report favourable to Abel and added that the tank was not deep enough for fish cultivation. The possible explanation of such a favourable report, according to Selim, might be that Abel bribed the Fisheries Officer. It is true that the tank was not very deep. In the dry season, when the water level was too low for cultivation, Abel managed water from a nearby STW. Selim was reprimanded for 'unscrupulous' behaviour. In the executive meeting, Abel excluded Selim from the Co-operative. Nobody shouted against this decision.

In the late 1987 Abel proposed a scheme to re-excavate the tank to the UZP, for which task 90 maunds of wheat were sanctioned. Abel and Thandu became the PC chairman and secretary respectively. Rahman, an executive committee member of the society, came to know later that he was made a PC member. Thandu mobilized the labourers for earth-cutting. The project file reveals that 40 labourers worked for 21 days. Rahman, an executive committee member, reported that actually 40 labourers had worked for 11 days. Eight Co-operative members worked for the scheme and the rest were brought in from outside. However, my impression was that the muster rolls were fictitious, with false thumb marks of the labourers. Each labourer received 30 kgs of wheat for cutting 1000 cu.ft of earth.

Case Studies 1 and 6 pinpoint some basic problems of access of the poor to government resources. In the first place, the poor could not establish their rights over productive assets because of their low socio-economic position. Both cases reveal that the assets were illegally occupied by rural influential persons. This was essentially administrative failure, in that case the authority in fact co-operated with the elites in illegal occupation. So the poor had to seek help from other influential people in the locality. Abel and Razzak, mentioned in the case studies, came forward as middlemen to establish the poor's rights over the assets. The access of Abel and Razzak to the administration was facilitated by their formal authority and

higher socio-economic status. Once the schemes proved profitable, they did not hesitate to establish their grip over them and to accumulate for themselves. This is a classic case of toutism. The poor did not dare to shout against these rural tycoons, which could have threatened their very existence. They could not afford to bear the price of agitation. The administration, the only hope for the poor, could not help the poor to establish their rights.

The above discussion reveals that the rural poor cannot get durable benefits from Upazila development intervention. There are other schemes which do not provide benefits to the poor. The case of training for the landless on income-generating activities in Ranipur (Case Study 4) reveals that party workers of the ruling party and the BNP were selected for the course. Very few members of the target group participated in the programme. Upazila decentralization has also failed to deliver relief goods to the rural poor. The following case study of the agricultural rehabilitation programme in Belpur revealed that the hierarchy of interest groups is so big that the target group rarely benefited from the programme. The UZC, the UNO and the AO took their 'percentage' from the supplier. The list of small farmers prepared jointly by the UP functionaries and the Block Supervisors was arbitrary and reflected their own interests and the pattern of patronage distribution. The way programmes are organised, procedural complications, and above all, the politicisation of the delivery system thwarted the attempt to deliver goods and

services to the poor.

Case Study 7: Fertilizer and Seed Distribution among Small Farmers under an Agricultural Rehabilitation Programme

Before 1988, the UP was responsible for identifying the small farmers for distributing inputs. A problem arose about the 'genuineness' of the small farmers. The AO said most recipients were non-cultivators. The percentage of the target group never exceeded 25 per cent of the total recipients. This was not unusual, in view of the socio-economic and political relations of the UP functionaries. In essence, the small farmers were out of the rules of the game. Due to a lack of coherent and workable strategy, unnecessary intermediaries crept into the transactions between the small farmers and the officials.

The desire to check on the identification of the small farmers led the government to involve the Block Supervisor (BS) in the transaction. This was an added responsibility to the extension services of the BSs. It is assumed by the government that being 'outsiders', the BSs would apply 'rational judgement' in the identification of small farmers and they would not be trapped into the patronage network operating within the rural power structure. This assumption was not a valid one.

The list of 'worthy' small farmers is made jointly by the BSs and the UP functionaries. The BSs are low-paid

government employees. They are mostly recruited locally. Being members of the local community, they are also bound to abide by the rules of the game of the rural power structure. However, their mere involvement cannot correct the deficiencies of an older system in which the UP functionaries were exclusively responsible for selecting 'worthy' small farmers. The new organisational relationship between line officers and elected officials has rather reduced the significance of subordinate officials such as the BSs of the agricultural office. However, given the relative administrative strength of the UZC in particular and the UP chairmen in general, the co-operative role of the BSs in selecting the small farmers is insignificant. There are two other aspects of the role of the BSs which need to be considered. Firstly, being low-paid government employees, the BSs also want to have a share of the cake, which can only be realized through a cordial relationship with the UP functionaries. Secondly, this functional necessity compels the BSs to interact with the 'progressive' or contact farmers who are typically rich peasants. I argue that the overall working environment, the politicisation of the rural delivery system and new organisational relationships are more important than any bureaucratic criteria in carrying out even a mere relief programme.

The case study reveals that the actual beneficiaries of this relief programme were not the target group. The biographical studies of UP chairmen indicate that they had to maintain factional groups for their political survival.

In making a list, they gave priorities to relatives and dependent people. They might be cultivators or non-cultivators. Since the inputs were free of cost, everybody wanted to have them. Besides these people, there were touts and bandits whose main function was to strengthen the hands of their patrons. If something was left after distributing slips between the people mentioned above, that went to the 'worthy' small farmers.

Apart from the formal arrangement completed by the UP functionaries and BSSs, the candidates of the UZC roamed around the AO. A substantial portion had to be given to them. A local newspaper, 'The Barta' published a news item on 4 bags of seeds (100 kgs) missing from the warehouse on 3 December 1988. The storekeeper confirmed to me that that he had delivered 4 bags to Ruhul, a tout-cum-bandit, backed by the UZC. The AO gave a rough estimate that, in late 1988, only 30 to 35 per cent of the seeds went to small farmers.

The distribution of fertilizer is another interesting story. There were specific terms and conditions with the supplier, Majid. He was supposed to deliver fertilizer to the BADC warehouse within a stipulated period of time. But Majid, the supplier, kept fertilizer in his own warehouse, which was known to the AO. The UZP decided that each peasant would get 4 kgs of fertilizer. The amount mentioned in the slip never exceeded 3.5 kgs. The reason stated by the AO was not convincing at all. He said there had been some leakages because of the mishandling of bags. Majid said

there were no leaks; it was pre-planned action of the AO, guided by a compulsion to feed some 'reserve people' and to earn extra money.

Slip-holders would go down to Majid's warehouse to procure fertilizer. The clients were supposed to get their fertilizer in kgs, but Majid's men manoeuvred the weight and used seers (local unit of weight, one seer equals to 0.9331 kg.) instead of kgs. Here the victims were genuine small farmers who wanted to take fertilizer home for use in cultivation. The touts and non-cultivators did not need to take fertilizer. They sold it to Majid at a cheaper rate. In reality each small farmer did not get more than 3 kgs.

Another critical issue is the way workers are cheated. The schemes are implemented by both PCs and contractors. Fair wages are considered by the government a minimum right, but the same set of problems was revealed in both Upazilas. The position of labourers was found to be the same under both the contractors and the PCs.

Let me first consider the labour recruitment system. The PC is supposed to follow rules in recruiting labourers. There is a specific instruction from the Ministry of Local Government, Rural Development and Co-operatives that the PC should mobilise labourers for the execution of the scheme from the list of destitute persons maintained by the UP in its assessment of tax payers. Intensive interviews with the UP chairmen and detailed case studies (1, 2, 6, 8, 9, 10 and

11) reveal that no reference was made to such a list as the basis of recruitment. It was a frequent practice in Belpur that migrant labourers from other Unions and the adjacent Upazila were employed (Case Studies 2, 4, 9 and 10).

The contractors are not required to mobilise and employ labourers from the respective Union or even Upazila. In Belpur, migrant labourers from the adjacent Upazila were employed in the schemes. The primary reason stated by the contractors was the higher wage rate claimed by local labourers. The UZP does not have any rules regarding the recruitment of labourers in a situation where most of the schemes are executed by the contractors. The labourers are normally recruited through a labour sardar system. All contractors and the UP chairmen interviewed confirmed the persistence of this practice. It is an informal system, officially unrecognised but widely practised, and well known to the UZP. These sardars are in effect sub-contractors. They are not necessarily landless themselves. They act as intermediaries between the PCs/UP functionaries/contractors and labourers.

The involvement of sardars was found in the Case Studies 2, 6, 8 and 10. In all cases, a chain of dependency involving the UP chairman/influential UP member, the sardar and labourers was found. For instance, Case Study 8 reveals that the sardar mobilised labourers and mediated the flow of payment. The UP chairman gave special importance to the sardar despite the PC secretary's constant insistence on

dealing with labourers directly. This was a special case which involved a government official in the PC. The other cases also reveal that PC chairmen were inclined to involve sardars.

The UP chairmen and contractors said that it is convenient for them to get labourers through the sardar. He takes the responsibility of managing the labourers, which relieves PCs and contractors. While this seems to be a practical reason, there might be other reasons behind the involvement of sardars. Case Studies 8, 9 and 10 indicate that sardars were strategically important for the UP chairmen/members not only for managing labour unrest but also for the political reason that sardar have substantial control over labour in a particular area, which might contribute to the electoral success of the rural elites.

Underpayment of wages was a common phenomenon whether the scheme was carried out by the PC or the contractors. Let us first consider the case of the contractors. A sardar would take the scheme as a sub-contract from the contractor. The agreement was that 10 to 14 per cent of the total cost involved in the scheme would be taken by the sardar. Labourers' wages would be met from this component. Other benefits such as housing, sanitation etc. would be provided by sardars.

In the first instance, the entry of sardars is unnecessary as regards the terms and conditions for the contractors.

For instance, a leaflet for the contractors provided by the UZP sets out that, "If it is proved to the satisfaction of the Parishad that any contractor has not paid due wages to the labourers employed by him the parishad may ask the Upazila Engineer to make payment to the labourers and to deduct the amount so paid from the contractor's bill. The name of the contractor who failed to pay due wages to his labourers may also be expunged from the list of approved contractors".

Neither the contractors nor the XEN were aware of how much the labourers got from sardars. A particular pattern of dependency relationship was observed between sardars and the labourers. The XEN and the contractors were neither aware of nor interested in knowing this relationship between the labourers and sardars.

When the cost of the scheme is estimated, the engineering department keeps in mind the prevailing wage rate in the labour market, but there is no effort to enforce that rate. Since the contractors are not required to produce muster rolls there is no way of knowing the actual wage rate unless the labourers tell the truth. Given the dependency relationship between sardars and the labourers, the truth can hardly be ascertained.

In both Upazilas it was observed that the sardar takes advances from the contractor. In turn the sardar gives advances to the labourers, which are required to meet daily

expenditure. In most cases these are required to feed the family, because the labourers may be staying out for many days. The contractors are not given advance by the UZP. They are given a certain percentage of money against a running bill during the construction period. Final payment is made after the 'satisfactory' completion of the scheme. The sardar had to reserve cash because it is not certain that he will get an advance from the contractor. Thus the labourers are obligated to sardars in respect both of recruitment into the group and the extension of credit.

The involvement of sardars is also an unnecessary, but nevertheless important, element in the projects implemented by the PC. Sardars are linked to the UP chairmen/PC members. Unlike the contractors, the PC takes advances. The sardar receives advances and final payment from the PC on behalf of the labourers.

The fundamental question is how the labourers are deprived of fair wages - a minimum right in the development schemes. In other words, what are the effective limits of their claim for fair wages. I argue that fundamental problems lie in the structure of social relations, which is further reinforced by the piecemeal efforts of the formal government agency.

The structural problems of dependency constrain the labourers from being effective claimants. The labourers are dependent on PC people either for credit or employment not

only in the lean season but also in the crop season. Case Study 8 demonstrates this. When a sardar creeps into the process the dependency relationship becomes more structured. For instance, evidence from Ranipur suggests that the labourers employed in the scheme very often have to give additional services to PC chairmen/contractors/sardars, such as working in their agricultural holdings without pay. It was also observed in Case Study 8 that the sardar was a professional moneylender. He would charge interest if any credit or advance was given to the labourers. Matters are not quite the same in Belpur. In most construction schemes, two sardars were found to be engaged with their gangs of labourers throughout the season. These two sardars were from Sajna, an adjacent Upazila. Although it was not obligatory on the part of the contractors to employ them, they did so in order to please the XEN who introduced these two sardars to Belpur contractors.

There were 44 labourers under these two sardars. There was a dearth of employment opportunities in Sajna. This was the main reason for their migration to Belpur. Abed, one of the sardars, confided that the labourers were really landless. Since Sajna was far away from Belpur and the labourers had to stay away from home for a long time, Abed had to give them advances, which were required for the immediate needs of labourers' families. The labourers working under Abed reported that they were 'grateful' to their sardar for recruiting them and giving them advances as well. Both recruitment and advances made the labourers obliged to work

for Abed even under trying circumstances, resulting in the loss of bargaining power over fair wages. Abed said he paid taka 40 to each labourer. The labourers were reluctant to reveal their wages but, when pressed firmly, they reported taka 30 as the daily wage rate per head. All labourers did not share the same view about the discrepancy between the rate mentioned by the sardar and the actual rate. Some opined that all credits for obtaining the schemes went to the sardar. Moreover, he gave advances; hence nothing was wrong with the deduction of taka 10 from each labourer. They also argued that the wage rate in Sajna was even less than taka 30. Some expressed their grievances about underpayment. So there was every reason to believe that group cohesiveness was lost. Immediate survival needs effectively precluded bargaining for due wages. Even some sort of solidarity among the labourers could not be effective against an organised power group. For instance, in Belpur, for a FFWP scheme (Case Study 11), the labourers were mobilised locally from a low-caste Hindu community who are known as maithal in the area. All labourers were women. Male members of this caste normally make cane goods and sell these in the local hat (periodical market). They also work as boatmen during the rainy season. Female members help male members in making cane goods. When earth work is available, they are employed for the cutting of earth.

The woman who led the group confided that they were deprived of the due wage rate. Instead of providing 5 seers a day, Thandu, the PC secretary, gave 3.5 seers. The labourers

were asked to give their thumb prints on muster rolls. Another hidden fact she revealed was the use of child labour. Female labourers took their sons to the project area and employed them with an expectation to get more wheat. Thandu allowed them but the children were underpaid; each child labourer got two seers of wheat although they cut as much earth as female labourers did. When the Sub-Assistant Engineer came to inspect the scheme, all the labourers informed him of underpayment of the children. The sub-Assistant Engineer reported it to the UZC, who warned Thandu.

Two days later Thandu came to the project area and stopped the labourers from working. He bitterly abused the sardarni (woman leader) and suspended the gang of labourers. The labourers with their male members went to Abel, the PC chairman. The labourers admitted their 'faults' and begged pardon. Abel gave them a chance and employed them again.

The above discussion pinpoints incompatibility between programme objectives and the nature of implementing agencies. The very nature of the labour recruitment system, control over labour through credit or employment, fragmented and vulnerable labour, the involvement of irregular, temporary and migrant labourers and family survival strategies are many of the factors that prevent the formation of class solidarity and militancy among the labourers needed to claim their rights effectively.

The whole system of rural development administration is afflicted with the problem of accountability. At the implementation level, the legitimate maintenance of the register (muster rolls) is central to the objective of ensuring accountability on payments and measurements. The evidence gleaned from Case Studies 1, 2, 6, 8, 10 and 11 suggests that muster rolls are usually fictitious in the names entered, thumb prints given and dates of attendance.

Some fundamental problems emerge from the discussion of the position of the poor in the development schemes undertaken by the UZP. Upazila development is a partial intervention in the lives of the rural poor. From one point of view, while the programme itself offers some sort of hope, the nature of the implementing agencies and the people dominating these agencies jeopardize the achievement of its nominal objectives. From another point of view, the poor require militancy and struggle in order to ensure their limited rights. This struggle during the period of seasonal employment cannot be expected because it jeopardises poor people's familiar relationships of survival. While the poor are unable to ensure their rights on their own, concerned officials represent their only hope. It is increasingly clear that bureaucratic rationality does not work in a stratified social structure. The reasons are multiple. Firstly, bureaucratic practices are conducive to the formation of a dominant coalition with the rural elites. This is not only inherent in the bureaucratic system itself, very often, bureaucrats align with the rural elites largely

guided by their class origins. This coalition gives bureaucrats an opportunity to accumulate resources. Secondly, the politics of clientelism have brought the local elites to the forefront of rural development administration. The rural development bureaucracy has in fact a limited role in providing support to the poor. Bureaucrats are reluctant to use whatever power they have, because antagonistic relationships with the rural political elites may engender trouble in their careers and in the process of misappropriation of government resources. In this respect they would like to co-operate with the councillors, which gives them dividends.

Conclusion

In this chapter, I have tried to analyze different aspects of the newly constituted Upazila administration. The policy choice of the state to vest the elected UZP with the controlling authority over rural development planning is only a recent phenomenon. I have tried to question the extent to which the UZC in particular and representative members of the UZP can represent the mass of the people as newly empowered change agents. In terms of their socio-economic background, these rural elites represent the wealthier section of the rural population. Their socio-economic mobility within society is exemplified by their networks of economic diversification, kinship and bureaucratic connection. An important phenomenon is the clientelist nature of Bangladeshi politics. This is a

critical variable in integrating people's representatives with national party politics. This tradition of political clientelism, developed by the British raj and nurtured by successive regimes, is still felt to this day.

With the introduction of the Upazila system, the relationship between elected officials and government officers has taken a new shape. The tradition of field administration developed over nearly 200 years had never put local-level bureaucrats under local political control. This has in fact fragmented the chain of command of governmental administration.

The decentralization of power to the UZP is more complicated than the simple delivery of resources and more far-reaching in its consequences than winning local mass support for the present regime, although it is on the hidden agenda. I have argued that the established delivery system has been politicised. While some of its ramifications were developed in the past, the present situation has put the system on a solid base. A distinct form of political clientelism has emerged giving a new focus to national party politics, extending politics from urban centres to the rural areas and opening development assistance to political incursions at the local level. This sort of political process is likely to be felt in the future if any regime wants to maintain its power and support base through the electoral mechanism.

The case studies reveal that the UZP is a forum of struggles

and competition for scarce resources in which the UZC is the main actor. Other important actors are the UP chairmen. In so far as rural planning is concerned, the role of government officers has been reduced. The allocation of resources between the UPs and the distribution of block grants between different sectors are determined by the manoeuvring capacity of the UZC and the UP chairman.

An immediate impact of decentralization and politicisation of the delivery system is private accumulation by the rural elites. The case studies indicate 'leakages.' Government officers deputed at the Upazila level to assist elected officials in discharging development responsibilities have in fact formed a coalition with the rural elites in the process of accumulation. In general the decentralization has increased social control on the one hand. On the other hand, it has strengthened the hand of the rural elites, thus opening more avenues for accumulation. The Bangladesh experience suggests that the rhetoric of decentralization, such as 'popular participation', 'local democracy', 'power to the people' and so forth, fast erode when confronted with an oppressive rural class structure. Still it is difficult to make a judgement whether the poor will be able to get out from the 'safety net' and make class solidarity among themselves for ensuring their rights.

Chapter Seven: Co-operatives for Whom? Rich Farmers and
Waterlords

Introduction

The two-tier co-operative as an organizational device for rural development has long been practised in Bangladesh. Under this system farmers are organized at the village level into co-operative societies (KSSs). These are managed by the elected representatives of the co-operators. All the village-based primary societies (KSSs) are federated into the Upazila Central Co-operative Association (UCCA). The UCCA provides production inputs, training, credit and banking and other services to the primary societies. The UCCA is run and managed by a 12-member Managing Committee (MC), elected by the representatives of the primary societies. The Rural Development Officer (RDO) and other staff, employees of the the Bangladesh Rural Development Board (BRDB), assist the MC in discharging its responsibilities. The RDO acts as the secretary to the MC (see Chapter 5.3 and Appendix 5). While there is considerable material on the performance of the primary societies, very little work has been done on the Upazila Central Co-operative Association (UCCA). On the one hand, a study of the UCCA gives a unique opportunity to evaluate the viability of the co-operative system. On the other hand, the pattern of private accumulation and interaction between elected officers and state officials will be illuminated.

The first section of this chapter aims to examine the history, growth and performance of the UCCA in two Upazilas. It argues that the urge for developing rural clientelism was instrumental in devolving decision-making authority to the elected MC of the UCCA. The second section looks at the background and relationships of the directors. It describes not only the socio-economic and political circumstances of the directors but also their patterns of accumulation and their interaction with government officials. The third section focuses on case studies of co-operatively-managed Deep Tube Well (DTW) command areas. I will argue that 'co-operative' is hardly an appropriate term to use. State resources given to the co-operatives for 'collective' development in fact help the dominant rural classes to accumulate for themselves.

7.1 The History of the UCCA in Belpur and Ranipur

After the independence of Bangladesh, the Mujib government took a decision to replicate the Comilla type two-tier co-operative throughout the country. The pioneering role in organizing the Belpur UCCA (before 1983 it was known as the TCCA) was played by M. Huq, a veteran politician who was with the Awami League from the 1950s to 1983. He was a State Minister for Local Government, Rural Development and Co-operatives during the Mujib regime. He kept his brother, Selim, engaged in organizing the Belpur UCCA.

Selim, a large farmer and a businessman, had only nominal

links with his village, Belpur. The whole family used to live in the District town, Sirajganj. In addition to his business and cultivation, Selim involved himself in Awami League politics. He organized the UCCA with 22 primary societies in 1973 and became the first chairman of the Managing Committee (MC) of the UCCA. An IRDP (now renamed as BRDB) Project Officer (now renamed as the Rural Development Officer) was deputed to Belpur. The UCCA chairman, Khan, says Selim indulged in the misappropriation of funds. The government audit team found financial irregularities, on what scale I could not find out.

In early 1975, Selim's MC was declared null and void because of its involvement in corruption. M. Huq did not try to reinstate his brother's MC. Khan said the apparent reason might be that Selim derogated his brother's image. Instead Huq brought Abul, his long-time political associate, a large farmer and a veteran UP functionary, to the forefront. The MC election was held in November 1975 and the IRDP formally recognized the Belpur UCCA. Abul accumulated a large amount of wealth, Khan recalled, during his tenure as a UP chairman. He was involved in the misappropriation of relief goods poured in to Belpur immediately after liberation. Dr. Hamid, the UCCA vice chairman, reported that Abul was extremely corrupt. He took a loan from the UCCA in the name of his own peasant co-operative society (KSS), but deprived 19 members of loans. He was also alleged to have misappropriated UCCA funds in co-operation with the then RDO, Sadiq. Until 1988-89 four directors of this MC were on

the defaulters' list. On 15 March 1979, a newly elected MC took oath under the chairmanship of S. Ali, a rich peasant in Rajapur UP. Hamid said this MC worked well. Although S. Ali availed himself of all benefits from the UCCA for his KSS, he was reported not to have indulged in the misappropriation of UCCA funds. Two directors of this MC did not repay loans.

The new MC was formed in late December 1981 under the leadership of Babar, another Awami leaguer. Despite the RDO's direct support for S. Ali, Babar won the election. His group captured 9 out of 12 seats. Babar was happy as the majority of the directors were with him. Babar led the MC from December 1981 to May 1986. During his tenure two RDOs worked with him.

Hamid and the RDO report that Babar and his directors nearly unleashed a reign of terror in the affairs of the UCCA. Sadiq, the then RDO, worked with Babar's MC for one year. During his tenure Sadiq found himself in conflict with the MC. Sadiq always insisted on giving credit to 'worthy' or 'real' co-operators so that repayment could be made easily. But Babar insisted on him recommending those co-operators whose behaviour was not of the sort required for an effective co-operative system. Sadiq could not make much headway as he was transferred from Belpur. Next came Mr. Zaman. Hamid says Babar's MC was already riddled with corruption; Zaman just extended support to the MC, which created an oligarchic situation. The RDO and his staff

never bothered to check documents relating to collateral. Either they failed to distinguish the real co-operators from the touts or they just favoured the touts. The RDO reported to me that until 1988-89 many people who took credit during Babar's tenure could not be traced. The big atrocity was a case of credit given for Shallow Tube Wells (STWs). Babar himself was one of the big defaulters. Until December 1988 he stood first in the list of defaulters. He took crop and irrigation loans in the names of members of his KSS. On demand papers (Annual Production and Loan Plan) he used false names and thumb tips. He did not give a single paisa (Bangladeshi coin) to any member of his KSS. In 1987 a certificate case was filed against those in whose names loans were issued. In reality they were innocent, poor people and they knew nothing about loans. They were being harrassed by the law enforcing agency. Until 1988-89 Babar remained safe.

Matters went from bad to worse in the Belpur UCCA. The audit team found substantial financial irregularities and a poor recovery rate. Babar's MC was suspended. An ad-hoc committee was formed. On August 1 1987 a new MC was sworn in. Only one director of the former MC, Hamid, was able to hold his position.

The Ranipur UCCA came into being in early 1973. It was incorporated in the first phase of the replication programme of Comilla-type co-operatives throughout the country. It did not take long to establish a working relationship

between the IRDP and the UCCA in Ranipur. The pioneering role in organizing the Ranipur UCCA was played by Sagir, a veteran central-level Awami League leader. His home is at Ranipur Upazila, where he remains an absentee landlord. I could not trace how much land he owns, but certainly he is a big land owner, as assumed by the present UCCA chairman. He is well-established in Dhaka, owning several business enterprises which date back to the 1960s.

Being an M.P., Sagir did not find it difficult to bring the IRDP to Ranipur in the first phase of the replication programme. He was the first chairman of a 12-member elected MC of the UCCA. He remained in this position until 1981. By virtue of his powerful personality, Sagir convinced the IRDP to invest huge financial resources in the Ranipur UCCA. The RDO reports that it is doubtful whether Sagir accumulated anything from the UCCA, but certainly the UCCA resources made it possible to extend his network of patronage. He brought the leading rich peasant families under the UCCA umbrella and allowed them to accumulate as much as they could. As Sagir used to live in Dhaka he could hardly attend the general meeting of the MC. His lieutenant, Sattar, the then vice-chairman of the UCCA, used to play the leading role in managing the UCCA. The then Project Officer (PO) was within the paw of the MC. They arbitrarily issued loans. Because of the high-handedness of the MC and the growing rate of defaults, the then PO requested head office for a transfer order.

The next RDO in Ranipur could not survive long. The row between the PO and Sattar took place over the allocation of a DTW. Sattar's KSS was already on the list of defaulters. The PO was reluctant to give this DTW to Sattar's KSS. The PO was never happy with the MC. He had to face the arbitrariness of the MC in the distribution of loans. The RDO reports that local officials were so helpless that they could not even get any help from their bosses in the head office. All along Sagir gave his people political protection.

The Ranipur UCCA was close to ruin in the first half of the 1980s. The BRDB blacklisted the UCCA and did not launch any credit programme from 1981 to 1986. During this period efforts were made to recover overdue loans. In December 1986 a new MC under the chairmanship of Pahloan was sworn in. The RDO was able to recover some short-term overdue loans, but could not make much headway in the case of long-term loan. During this period (1981 to 1986) 53 certificate cases were filed against the defaulters. Surprisingly no case was filed against Sattar and 4 directors of his MC.

It was necessary to renovate the two-tier co-operative system as the Ranipur UCCA was incorporated within the second DTW project. The project covered 25 Upazilas of Jamalpur, Tangail, and Mymensingh. The project could not be begun in Ranipur until 1986. The election to form a new MC was held in 1986. This MC was still in power in 1988-89 for

the second term. Sagir again played a vital role in bringing back his people onto the MC. He personally campaigned for Aziz, the present UCCA chairman, and his panel. Aziz was the general secretary of the Ranipur Upazila Awami League. So Sagir's calculation was not wrong; he brought the 'right man' into the 'right place'.

Several points appear significant from the foregoing analysis. During the Mujib government, the IRDP co-operatives were used as the main channels for patronage distribution. It has been argued that the organizers of the IRDP co-operatives, M. Huq in Belpur and Sagir in Ranipur, were at the cross roads. Their power politics at the centre essentially depended on their social base. In the absence of an egalitarian land reform and income distribution policy, the IRDP co-operatives helped rural elites to move upward and accumulate capital instead of stimulating broad-based rural development. In subsequent years, the trend has continued without much disruption. It also emerges that the Awami League still has a power base in the rural areas.

7.2. Growth and Performance

Formally the BRDB came into contact with the Belpur and Ranipur UCCA in November 1975 and March 1973 respectively. According to their own figures, both UCCAs have grown considerably since they were first organized. Tables 7.1 and 7.2 show that the number of societies registered has

varied over time in both Upazilas. The registration of KSSs increased greatly in 1981-82 in Belpur, as a result of massive investment made in that particular year. However, the new KSSs were formed and registered overnight. According to the UCCA chairman, many cases were not inspected properly before registration. It may be said that

Table 7.1. Annual number of KSS and KSS members, Belpur,
1975 - 88

Year	No. of KSS Registered		No of Members	
	New	Cumulative	New	Cumulative
1975-76	29	29	497	497
1976-77	10	39	282	779
1977-78	6	45	190	969
1978-79	10	55	698	1667
1979-80	8	63	775	2442
1980-81	42	105	1125	3567
1981-82	11	117	815	4382
1982-81	16	133	444	4826
1983-84	13	146	928	5754
1984-85	12	158	1025	6779
1985-86	4	162	121	6900
1987-88	8	171	541	7456

Source: Figures supplied by the Accountant,
the Belpur UCCA.

in relation to this time span of 13 years, the formation and registration of new societies was not clearly accountable.

Table 7.2. Annual number of KSS and KSS members, Ranipur,
1973 - 1988

Year	No. of KSS Registered		No. of Members	
	New	Cumulative	New	Cumulative
1973-74	43	43	1470	1470
1974-75	20	63	1110	2580
1975-76	27	90	1574	4154
1976-77	6	96	186	4340
1977-78	13	109	611	4951
1978-79	16	125	784	5735
1979-80	2	127	47	5782
1980-81	5	132	197	5979
1981-82	6	138	252	6231
1982-83	17	155	542	6773
1983-84	6	161	131	6904
1984-85	5	166	117	7021
1985-86	2	168	66	7087
1986-87	14	182	609	7696
1987-88	13	195	591	8287

Source: Figures supplied by the RDO, Ranipur.

Table 7.2 reveals that the Ranipur UCCA started with 43 KSSs, and in the next two years, many new societies were

formed. In successive years we find a sporadic growth of the KSSs. Again the inflow of resources was a determining factor for the growth of new societies. When massive resources were channelled into Ranipur, co-operatives grew overnight.

Table 7.3 shows the average number of members per co-operative society registered with the UCCA. The enrollment, however, has not remained constant: for Belpur, 17.1 in 1975-76, 40.3 in 1976-77, 26.79 in 1980-81, 71.38 in 1983-84, and 67.7 in 1987-88; and for Ranipur, 34.2 in 1973-74, 58.3 in 1975-76, 23.5 in 1979-80, 21.8 in 1983-84, and 45.5 in 1987-88. The RDO of Ranipur reports that old societies cannot attract new members. Factionalism might be an important cause of this. Moreover, since the early 1980s, there has been a dispersal of the sources of institutional credit. However, the co-operative system is no longer the single most important factor for motivating the farmers. Despite this backdrop, the picture of membership coverage is not gloomy at all. There is, of course, a positive correlation between resource inflow and growth of membership. In Ranipur, the allocation was suspended from 1981 to 1986 and during this period the membership declined.

Until 1988-89, the Belpur UCCA covered 110 villages out of 152 and in Ranipur, KSSs were formed in 103 out of 220 villages. In some villages, there was more than one KSS. This happens because in one village there may be several

hamlets. According to Upazila statistics, there were 40,876 households in Ranipur and 33,861 households in Belpur in 1988-89. Assuming that one KSS member represents one household, a maximum of 7,456 households in Belpur and 8,287 households in Ranipur were represented in the co-operative system, which represented only 22 per cent and 20.3 per cent of all rural households respectively. The UCCAs of both Upazilas could not provide me with exact figures in this respect. As I found, the percentage may be lower because several members of a particular family were recruited in the KSS. This becomes evident when there is a massive inflow of resources. I saw this trend particularly in the case of the DTW, which was operated under the co-operative system. In Ranipur the participation of several members of a particular family was brought to the notice of the RDO. He then blamed the MC of the UCCA. Of course this practice depends on the relative position that a particular family holds in the village power structure.

Capital formation and supervised credit are the most crucial features of the two-tier co-operative system. The capital has to be generated through regular deposits and by buying shares. In fact, capital formation is a pre-condition for distributing credit. It is assumed that, over time, the co-operative system would be self-sufficient by generating resources and would not need any outside help. This assumption is highly implausible in practice. In both Upazilas there was a wide gap between the UCCA's own capital and the total money channelled by the BRDB through Sonali

Bank. I could not obtain an annual breakdown of capital formation. In Belpur the total capital amount was taka

Table 7.3. Average No. of Members Enrolled Per Year

Year	Belpur	Ranipur
1973-74	--	34.2
1974-75	--	55.5
1975-76	17.1	58.3
1976-77	40.3	31.0
1977-78	47.5	47.0
1978-79	69.8	49.5
1979-80	96.9	23.5
1980-81	26.8	39.4
1981-82	62.7	42.0
1982-83	23.4	31.9
1983-84	71.4	21.8
1985-85	85.4	23.4
1985-86	30.2	33.0
1986-87	15.0	43.5
1987-88	67.5	45.5

Source: Compiled from Table 7.1 and 7.2

849,881 (savings deposit - taka 431,359 and share capital - taka 418,522) and in Ranipur, it was taka 1,615,154 (savings deposits - taka 817,522 and share capital - taka 797,632), which were accumulated over 13 years and 15 years

respectively. The per capita accumulation was taka 113.99 in Belpur and taka 194.90 in Ranipur. These figures give a contrasting picture of capital formation for the two Upazilas. We find low figures of savings and share capital per member. From his experience of working 4 years in Ranipur, the RDO reported that the savings programme was

Table 7.4. Annual Loan Position of the Belpur, 1975 - 88

Year	Total Loan Advanced(Tk.)	Loan Repaid (Tk.)	Due
1975-76	44,500	44,500	-
1976-77	51,900	51,000	900(1.7%)
1978-79	93,100	92,418	682(.70%)
1979-80	268,000	268,000	-
1980-81	952,000	918,463	33,537(3.5%)
1981-82	1,392,000	1,056,000	335,486(24.1%)
1983-84	445,000	243,570	201,430(45.3%)
1984-85	600,000	280,568	319,432(53.2%)
1986-87	1,120,000	515,390	604,610(54%)
1987-88	783,000	--	(Outstanding)
	57,49,500	34,70,423	22,79,077

Source: Figures supplied by the Accountant, the Belpur UCCA.

merely symbolic as every member of a KSS must deposit taka 10 and buy a share of taka 10 as collateral against taka 100 given as a loan. The RDO of Belpur said the directors

routinely abused their power and did not bother to follow the co-operative rules. He also reported that the UCCA directors first drew loans and then deposited savings and bought share capital. It was found that KSS members would deposit savings and buy shares only in times of loan disbursement. Those who were deprived of loans would withdraw their money. Thus we find a lack of motivation among the co-operators for saving money.

In talking to co-operative members in both Upazilas about peoples' motivation for joining co-operatives, I received the strong impression that loans were the life blood of the KSS, by contrast with co-operative ideals of weekly meetings, thrift and savings. In Belpur taka 5,749,500 was disbursed between 1975-76 and 1986-87 in short-term or crop loans (see Table 7.4). The RDO reported that taka 2,745,314 was disbursed in long-term loans. Thus the total disbursement of crop and term loans was taka 8,494,314. In Ranipur taka 8,481,550 (see Table 7.5) and taka 3,981,000 were given to KSS members in crop and term loans respectively. The procedure is that the UCCA receives the credit from the Sonali Bank and issues it to primary co-operative societies. In return the UCCA gets a margin of the interest and service charges, which are the gross income of the UCCA. The remarkable fact is that the total amount disbursed in both Upazilas cannot even be compared with the savings and share capital of individual co-operators. The average size of each loan given per year could not be figured out. Not all co-operators receive a loan, for

several reasons. First, the co-operators may not qualify because of a past default record. Second, severe competition forces many out. Only the powerful win the race. It can be inferred that only a small fraction of the co-operators were getting loans in any given year.

Table 7.5. Annual Loan Position of the Ranipur UCCA,
1973 - 88

Year	Loan Advanced(Tk.)	Loan Repaid(Tk.)	Due
1973-74	497,000	404,800	92,200(18.6%)
1974-75	642,100	580,300	61,800(9.6%)
1975-76	911,700	795,250	116,450(12.8%)
1976-77	346,000	314,640	31,360(9.06%)
1977-78	516,400	495,100	21,300(4.1%)
1978-79	456,300	429,600	26,700(5.9%)
1979-80	410,000	393,960	16,040(4.0%)
1980-81	302,050	286,350	15,700(5.2%)
1986-87	700,000	560,000	140,000(20.0%)
1987-88	3,700,000	--	Outstanding
	8,481,550	4,260,000	521,550

Source: Figures supplied by the RDO, Ranipur.

Table 7.4 and 7.5 show the trend of defaulted short term loans. In Belpur the percentage of due loans increased with each succeeding year, from 0 per cent for 1975-76 to 3.5 per

cent in 1980-81, to 24.1 per cent in 1984-85 and to 54 per cent in 1986-87. In contrast, the Ranipur UCCA was less afflicted with defaulted short-term loan. While in the beginning it was 18.6 per cent, in succeeding years, we find a low rate of default. Again it rose to 20 per cent in 1985-86. This relatively good performance of the loan recovery is not without doubts. According to the Accountant of the Ranipur UCCA, relatively good figures for repayment were the result of rolling over loans from year to year - issuing new loans to debtor primary co-operative societies, deducting the amount lent previously and writing off the old loan as paid. The RDO said he would no longer allow this practice, although he faced considerable pressure from the KSS managers and the UCCA directors.

The condition of term loans is more severe. In Belpur taka 2,745,314 was disbursed and taka 421,780 was repaid, resulting in overdue in default of taka 2,323,534 (84.64 per cent). It has been argued that Babar's MC was solely responsible for this economic mismanagement. All these loans were made for buying STWs. According to the RDO, however, instead of sinking the tubewells, the debtors sold them on the open market. The defaulters thus not only misused state resources but also held back the state's endeavour to achieve agricultural growth. In Ranipur taka 354,000 was given in term loans for STWs, taka 1,927,000 for HTWs, taka 1,700,000 for DTWs. The first two categories of loan were made available between 1973 and 1981. Only 58 per cent of the total loan was recovered in the case of STWs.

In the case of the second category, taka 1,600,000 was recovered (83.03 per cent). The RDO could not give a definite picture for loan repayment for the DTWs. He reported, however, that the loanees were very irregular in repayment. My field experience of studying DTW command areas corroborates the RDO's statement.

7.3 The Background and Relationships of the Directors

This section deals with the backgrounds and relationships of the UCCA directors. All directors were interviewed. The emphasis was on their family origins, landholding, mode of cultivation, economic diversification, social, political and administrative linkages, motivation for joining co-operatives, relationships with the bureaucracy and role in the UCCA. The information on the directors is summarized in Appendices 9A and 9B. A detailed analysis is presented here in order to shed light on the relationships between the rural institutions and the rural power structure. The study also looks at the relationship between people's representatives and government officers and argues that the delegation of authority does not prevent them from developing a coalition for misappropriating government resources.

Appendices 9A and 9B provide the information on the socio-economic and political characteristics of the directors of the UCCAs. All directors owned agricultural land, but only two of them were directly involved in

cultivation. The majority of the directors were large landowners. Their average landholding was 8.45 acres in Belpur and 9.55 acres in Ranipur (calculated from Appendices 9A and 9B), considerably higher than the national average. In Belpur 8 directors fell within the 7.5 acres and above category. Only two directors owned .50 acre and 1.5 acres. In Ranipur there were 7 directors with more than 7.5 acres of land. Among them, Muttalib led with 18 acres, followed by Aziz, the UCCA chairman. Only one director owned 3 acres. I could not discover the size of land held by two women directors as they would not like to provide this information in front of their husbands.

The trend of landownership should not be taken for granted because lands owned by a joint family will eventually be divided between brothers and sisters, whose respective portions will get smaller. This also applies for single families. When sons and daughters grow up, they tend to divide their holdings.

Appendices 9A and 9B show that only two directors were directly involved in cultivation. Others were fully dependent on wage labourers and sharecroppers. Interviews with the directors revealed that, with the spread of HYVs cultivation, sharecropping as a mode of cultivation has declined. Nevertheless it still persists to a great extent. In the case of Aziz, remarkably, most of his lands were cultivated by sharecroppers.

The primary societies of the assetless people (men and women) are federated with the UCCA. F. Rahman, Rahela, Altab and Delwara were on the MC to represent the interests of assetless people. The next chapter presents detailed case studies of the BSSs and M(B)SS. At this point it can be said that the directors responsible for the poor programme were not assetless themselves. F. Rahman owned a large amount of land and had a petrol shop. Altab belonged to small farmer category and owned a small medicine shop. Hashem was relatively poor but certainly not an assetless person.

The programme for women began with a specific focus on the assetless, but later the nomenclature of assetless was taken off. Still there is a clear directive from the BRDB head office to put emphasis on destitute women. Neither Delwara nor Rahela fell within the destitute category. Rahela led an M(B)SS of 29 members. She was married to an erstwhile shopkeeper, Razzak. Delwara's husband, Rashid, was a foodgrain businessman. Of course the overall position of women in Bangladesh society is precarious. Both women directors reported that they did not have any say in the decision-making process on the MC of the UCCA. This is consistent with evidence that chairmen of the UCCAs in both Upazilas played the decisive role in decision-making.

All directors were educated by Bangladeshi standards. In Ranipur the chairman was a graduate, 3 directors completed higher secondary and 2 directors completed secondary

education. The rest stood below secondary education level. In Belpur one director was a graduate, one completed higher secondary and 6 completed secondary education.

The significant factor revealed from the study was the persistence of economic diversification. This can first be grasped from off-farm employment of family members of the directors. Nine directors' brothers were government servants and nine were in business. All directors but one were involved in business activities, which were varied in nature. Appendices 9A and 9B show that 7 directors were in the water business, a phenomenon of the 1980s. The pervasiveness of private water business is a response to the government's overall policy of privatization. The next section presents detailed case studies of the DTW command area. At this point it can be said that the water business is a very profitable one, so that those who control water may reasonably be termed 'waterlords'. The administration has no control over the price the waterlords charge the water users. Appendices 9A and 9B show that 4 directors had a fertilizer business. Water and fertilizer are the two critical inputs for HYV packages.

The study shows a significant trend of economic diversification on the part of the rural elites, which has an important bearing upon the political economy of rural society. Several pertinent points can be identified here. Education and service in government or autonomous agencies are interrelated and are considered important assets which

increase the prestige and status of rural people. The rural elites have a monopoly over these assets. On the one hand, economic diversification reduces the pressures on landholding and strengthens the economic position of the family. On the other hand, diversification extends the network of connections, which transcend the village boundary and connect with the wider system. The involvement in business, professional activities and certain types of service occupations provides access to the various resources and items of patronage which are being distributed. The neutrality of the state is highly questionable. The state directly helps the rural elites to accumulate in various spheres and thence to consolidate their socio-economic and political position in rural society. In the course of time, when lands are divided, economic diversification is likely to help the rural elites exercise a hegemonic role in rural society. Even a successful egalitarian land reform programme, if initiated at all, may not offset the dominant position of the rural elites.

Appendices 9A and 9B show that 10 directors had family representatives in rural formal organisations such as the UP, the UCCA and irrigation management committees. The majority of the directors reported connections with the people in government service and rural formal organisations. It can be argued that these rural elites do not work in a vacuum; the persistence of elite domination requires various types of networks, which run through the whole society, transcending the village boundary, connecting cities, and

ultimately with the central state. These external networks help the rural elites not only in private accumulation but also in fulfilling personal ambition. Khan and Aziz, UCCA chairmen of Belpur and Ranipur, can be cited as examples.

Khan, the UCCA chairman of Belpur, paid considerable attention to extending social networks. He had relatives and friends in government service. A row took place between Khan and Nahar, the Assistant Rural Development Officer (UARDO), over the embezzlement of funds allocated for the training of women co-operators. As Nahar was a bottleneck, Khan became desperate to transfer her. Nahar reports that Khan briefed the Project Director (PD) of Sirajganj and the Joint Director of the Women's Programme in the head office about the situation very negatively. Khan also sought help from the President of the federation. The RDO's stand against Nahar was a favourable factor for Khan. On one occasion the PD and the Joint Director of the Women's Programme advised Nahar not to "quarrel" with the people's representatives. Nahar took a firm decision to follow bureaucratic principle and not compromise. As a result she got a transfer order in March 1989. This indicated that Khan's power was not confined within the UCCA territory; he could transcend the boundary if it was necessary.

To further his prestige and interests, Aziz, the UCCA chairman of Ranipur, was keen to make external networks. His third brother was a Social Welfare Officer. One cousin was a high-ranking official in the Secretariat. These two

men increased his prestige. Local-level officials would give him due respect, by the fact that the AO spent considerable time when his DTW was commissioned. He was already well-known to District-level officials. By dint of his political position he harboured close links to central-level leaders. Sagir cemented this network. In 1988-89, I got the impression that he was in a position to fit himself into District-level politics. During my stay in Ranipur I found him visiting Jamalpur frequently. The rumour in Ranipur was that he was trying to become the general secretary of Jamalpur District Awami League.

On the one hand, the involvement of the rural elites in rural political organisations demonstrates the persistence of populist politics. On the other hand, it consolidates the political position of the rural elites. The case of Khan can be cited as a key example in this respect. Khan was the secretary of the Belpur Upazila Rickshaw Pullers Association and Zonal President of the Jute Growers Society. These two positions gave him political dividends and increased his bargaining capacity in local politics. They reflected a typical feature of Bangladesh politics, that the leadership for organizing working class people is drawn from the petty-bourgeois elements of society. It is true that the rickshaw pullers gained nothing from Khan's leadership, but Khan used his clients to promote his own political position in the area. He made an illusion that he could work for the poor.

The chairmen of the UCCA in both Upazilas were closely linked to Awami League politics. Five directors were supporters of the ruling party. Some directors did not take decisive positions in respect of party politics. They can be termed opportunists. Their support for any political party depends on how many benefits they can get. Thus rural factional politics and party politics are interwoven. Nevertheless, the influence of the Awami league at the grass-root level is still felt even to this day. For example, Aziz was the general secretary of the Ranipur Upazila Awami league. He moved up rapidly to this position. He was number two man of the Awami League in Ranipur. The first man was undoubtedly Sagir. Sagir chose the right man, Aziz, for the leadership position in Ranipur given his leadership capacity and financial strength. In fact Sagir's blessings helped Aziz win the position of UCCA chairman. The RDO reports that Sagir campaigned directly in favour of Aziz.

Appendices 9A and 9B reveal that 9 directors (5 in Belpur and 4 in Ranipur) were directly involved in organising their primary societies. The rest reported that primary societies were organised by others. All but one director took loans from the UCCA for their KSSs. The interest for us here is to see the relationship between the directors and the KSSs and between the directors and the RDO. The overwhelming practice in Belpur was that people on the MC of the KSS were large landowners and they took loans for themselves in the names of their fellow members. This is not to deny that

small farmers did not get some loans. But the small farmers appeared to get access to credit only by petitioning their patrons, the directors of the MC or other influential persons. According to the directors and the RDO, access by small farmers to credit was constrained by the fact that the poor were unable to repay the loans, although it was an open secret that the principal defaulters were large landowners. The administration was strikingly biased towards large landowners. The chain of the relationship between general members and the KSS, the KSS and the UCCA and between the KSS/UCCA and the administration is multi-stranded. The directors of the MC can effectively negotiate with BRDB officials such as the RDO and the ARDO. Seventeen directors reported that they had taken credit in the past. Six directors ensured their access to credit only after they became directors. Thus by virtue of their positions they were in a position to promote their own interests. In 1987-88, credit for 4 DTWs was disbursed in Ranipur. Aziz and Muttalib managed to hold two of them. In Belpur production plans submitted by the directors constituted nearly 35 per cent of the total credit estimated for the winter season, 1988-89.

The people on the MC did not comply with the ideals of the co-operative. Aziz and Khan, the respective chairmen of the Ranipur and Belpur UCCAs, illustrated this through their behaviour. Aziz was not an organizer of his KSS. He joined it in 1976, brought in by Sagir. The KSS seemed to be a one-man show. The savings deposit and share capital of the

KSS was taka 5,700 and taka 5,970 respectively which was low compared with those of other KSSs. The ARDO (general) says, "If a leader is not co-operative minded, how would he motivate others to join the co-operative movement?" Nor was Khan an organizer of his KSS. He associated himself with it in 1977, and became the manager in early 1986. Hamid, the present vice-chairman of the UCCA, reports that Khan was not a real co-operator in the past. He was one of the defaulters. Since no defaulter can compete for the UCCA position, Khan repaid his dues in order to run for the UCCA chairmanship.

The Accountant of the Belpur UCCA reported that Khan's KSS had taka 5,245 (saving deposits and share capital) with the UCCA. This implies that he just fulfilled the requirement for receiving a loan of taka 40,000, as the savings and share capital must be 10 per cent of the total amount applied for. One member of his KSS told me that general members knew very little about savings deposits and share capital and it was obvious that Khan and a few of his allies owned the maximum amount. It appears that the motivating factor for joining the KSS was personal aggrandizement rather than promoting the co-operative system as a self-sustaining group enterprise. The UNO says, "The Belpur UCCA did never get a good leader dedicated to the basic ideals of the original co-operative model developed by A.H. Khan in Comilla. Khan is not different from other leaders who ran the UCCA in the past".

Khan's entry into the UCCA was not sudden. When Babar was discredited, he found an avenue and immediately contacted the local notables, mostly the Awami leaguers, to help him in this respect. As the Belpur UCCA fell within the North West Rural Development Programme (NWRDP), it was a rare opportunity for anyone to control the flow of resources. Hamid says it was the resources, not the co-operative ideals, that motivated Khan to compete for the leadership of the UCCA. Solaiman, a member of Khan's KSS, reports that Khan never attended weekly meeting of the KSS. He was also irregular in paying the savings deposit. Only in 1986 he became very active, ousted the former manager and since then had held this position. That was the beginning of his preparations for holding a higher position, e.g. the UCCA chairman. Khan took loans from the UCCA twice. He repaid the first instalment. The second instalment of taka 40,000 was taken in December 1987 for the KSS. It was alleged by Hamid and F. Rahman that Khan gave taka 7,000 to 3 members of the MC of his KSS, keeping the rest for himself. Until January 1989 he did not repay. He was likely to repay as he told me that he would contest for the UCCA MC election due in July 1989.

Formally the UCCAs are supposed to be managed by the elected representatives. The RDO is normally under the control of the MC, carrying out its general policy decisions in the day to day management of the UCCA. There is nevertheless considerable uncertainty and tension between the RDO and the MC. the RDO and his colleagues are seconded staff. Their

appointments, transfers and promotions are determined by the receiving Ministry. The MC has little to do with these aspects. In respect of UCCA business, the RDO has to work under the general guidance of the MC. If he finds anything 'wrong', he will report it to higher authority. Empirical evidence from two Upazilas does not reveal any serious confrontation between the RDO and the MC in regard to the management of the UCCA affairs. It is crucial to know whether the RDO really acted as a manager under the general control of the MC. Much obviously depends on the personalities involved, especially those of the chairman and the RDO. Nevertheless, the overall politicization of the rural delivery system and the formal devolution of power to the MC has given the rural elites an upperhand in managing the development affairs of the UCCA.

The RDO and two ARDOs of Belpur became very vocal against some directors, but they never made any comments about Khan. The female ARDO, Nahar, was very critical of Khan, the RDO and the ARDO (general). She reported that these three people had formed a coalition for misappropriating government resources. She uncovered a number of misappropriation cases relating to funds for training women co-operators, illegal sale of HTWs and false vouchers. Khan was reported to have taken shares of bribes which the RDO and ARDO took from primary societies for granting loans. Hamid reported that Khan had not treated all KSSs equally. He favoured some KSSs, which were not eligible for receiving loans. The Accountant reported that Khan influenced the MC

to give a loan to a KSS which was a defaulter.

Apparently the RDO of Ranipur was not happy at all with Aziz, the UCCA chairman. He reported that Aziz behaved like an autocrat on the democratic MC. For any strategic decision he would impose his own opinion on others. No directors dared to challenge his leadership. In fact no directors wanted to challenge him. They seemed to be happy with the loans they received. The RDO specifically mentioned the names of two directors. Their KSSs were inactive but Aziz influenced the MC to sanction loans for them, which they did not invest in agriculture. He also decided to give loans to defaulters despite the resistance of the RDO. The vital aspect of his abuse of power was that he had taken the DTW without showing any collateral, which was a gross violation of the banking plan of the UCCA. The co-operators at the village level reported that Aziz and the RDO had taken bribes from them in time of loan distribution. They also reported that those who were close to the chairman were often relieved of paying bribes. I got the strong impression from my observation that Aziz and the RDO were happy partners of the coalition. The RDO passed 4 years in early 1989 in Ranipur. This is very unusual as the official rule does not permit any official to stay in a station more than 3 years. Aziz informed me that the RDO received the transfer order in late 1987, but "somehow" he managed to cancel the order. One UCCA inspector revealed that Sagir phoned the Director (administration) of the BRDB in Dhaka to cancel the transfer order. Aziz said the RDO was doing very

well; he was very efficient and co-operative. The RDO said, "Problems of MC are everywhere in the country. I should not pull out, rather it is better to adjust to the circumstances". The UCCA inspector reports, " Why will the RDO go from Ranipur? When he came here, he was very thin. Now he has become very fat". This jocular exclamation is used in Bangladesh to refer to bureaucratic corruption.

The abuse of power by the MC in association with officials to misappropriate resources was evident in several cases. Two of them are presented here.

Case Study 1: Hand Tube Well (HTW) Scheme in Belpur

In 1986 the HTW scheme was introduced in order to support small farmers whose lands did not fall within the irrigation facilities. The necessary funds were generated from UCCA savings. It was decided that tube wells would be sold for cash to members of the KSS, at a price lower than the existing market price. The operating procedures required the farmer to deposit the money in the UCCA's bank account. The farmer would show the voucher to the accountant of the UCCA. The accountant would issue a delivery slip. The tube well would be delivered by the storekeeper.

The UCCA bought 350 HTWs. Evidence provided by four directors, Fazlur, Hamid, Nurul and M. Ali was very consistent. I got supportive evidence from the RDO and female ARDO. By September 1988, 150 tube wells were sold

and the rest were in the warehouse. In September these four directors, who comprised the sale committee, entered the warehouse and checked the balance of the tube wells. They found 29 tube wells missing from the stock. When they firmly pressed the inspector-cum-storekeeper, the whole story was revealed. An organised group, comprising the former RDO, the incumbent RDO, the incumbent UCCA chairman, accountant and storekeeper, was involved in the misappropriation game. In early 1987 the former RDO in conjunction with the storekeeper sold 4 tube wells to other people and the money was not deposited. Twenty tube wells were sold by the storekeeper on instruction by the UCCA chairman. The accountant took the money from individuals (not necessarily KSS members) and gave a delivery order. The storekeeper also sold 5 tube wells, without consulting anybody to a local hardware shop. He assured them he would deposit the money in the bank. Buyers did not feel it necessary to inquire whether the money was deposited. This was not the end of the story. In 1987 the price of the HTW was exorbitant on the open market. Many tube wells were sold to non-KSS members. The difference between the official price and the actual price was shared by the actors.

In the general meeting of the MC in October 1988 Fazlur raised the matter and demanded a proper investigation. In that meeting the UCCA chairman submitted a bill of taka 92,000, which included the transport allowance and other expenses for the chairman, the RDO and the ARDO. These

expenses were incurred between October 1987 and September 1988. Khan, the chairman, pointed out that, since no general meeting of the MC could be held during the year because of political turmoil and floods, he had not been able to submit the bill. Fazlur's group, comprising 5 directors, told the MC that they would not pass the bill. Moreover, if the HTW funds were not adjusted, they would report to the head office. They also threatened to boycott the annual general meeting scheduled to be held in December 1988.

What happened in the next few days was amazing. The RDO and Khan deposited taka 76,000 (the price of 19 HTWs) in HTW funds. They started mobilising other directors who were with Fazlur. In fact they purchased four directors, M. Ali, Abed, Ansar, and Nurul. In the next general meeting held in November 1988 Khan told the MC that the price of 4 tube wells would not be realized. The former RDO was directly involved in it and there was no way to catch him in this regard. He also mentioned that the price of 6 tube wells would be adjusted very soon. By the first week of April 1989 the money was not deposited. Khan this time submitted two bills, the former one of taka 92,000 and a new bill of taka 2,400 for transport allowances for 4 directors, Ali, Abed, Ansar, and Nurul (this was totally false and in one way it was direct plundering). Fazlur says he found himself alone against an organised group.

The RDO denied his involvement in the HTW case and blamed

the chairman and storekeeper. He marked it as a 'theft' case. He also added a few other cases like this and mentioned that in 1986 14 STWs were sold on loans to tout managers who sold these to others, which were used for country boats. BY March 1989 loans for those STWs had not been recovered. Khan admitted the HTW case and said that he had borrowed some money from the storekeeper, but he did not know that the storekeeper managed the money from selling these HTWs. Khan's statement was not at all convincing. There is every reason to believe that Khan was the ring leader and he got support from some directors and the RDO.

Case Study 2: The Women's Training Programme

An essential component of the women's co-operative is that two leading co-operators of each primary society (manager and chairperson or vice chairperson) are required to attend a weekly meeting held at the UCCA complex. One component of this meeting is the training of women co-operators in family planning. Concerned Upazila officials are invited to lecture on the social psychological aspects of family planning. It is officially assumed that women co-operators, being informed of modern ideas about family planning, would motivate other fellow co-operators. Each participant is entitled to receive an allowance of taka 20. The Belpur UCCA would receive taka 52,000 every year for conducting this weekly training programme. There were 23 women's co-operatives in Belpur in early 1989. However, the total number of participants was about 50. Nahar, the ARDO,

concerned with the women's programme, reported that the attendance of the participants had been very poor. In her working experience of nearly one year in Belpur, Nahar did not find more than about 15 women attending such a meeting. Moreover, guest speakers did not come regularly. As a whole the programme seemed to be a total failure.

Nahar reports that, when she first came to Belpur in December 1987, the chairman and the RDO asked her to fill up the attendance register with false names and to share the money drawn against these names with them. She did not agree to their proposal. The unutilized money should be refunded to the head office. Nahar says in the past the chairman (not only Khan, the former chairman as well) and the RDO used to misappropriate a large amount of money in this way. Since they could no longer continue their misappropriation business, they started conspiring against Nahar. The UCCA chairman and the RDO misinformed the PD, Sirajganj, of the situation. The PD asked her not to work against people's representatives. The Joint Chief of the Women's Programme of the BRDB also asked Nahar to adjust to the situation. At the time of research the row was in full swing. Later Nahar was transferred to Tangail.

Not only the women's programme, other training programmes as well provide opportunities for misappropriating resources. The UCCA budget contains a component for training managers, chairmen and model farmers of primary societies. During my stay in Belpur and Ranipur I did not find evidence of any

such training programme.

7.4 The Politics of Deep Tube Well

The management of water resources is a complex matter, which embraces factors of administration and political economy. Thus a discussion of irrigation has to be placed in a wider social and economic context. Over the years, a shift can be observed in the policy framework of the government. A growing emphasis on privatization, coupled with reorganizing the institutional set-up, has had an impact on the dynamics of rural society. While the policy framework of the system has been analyzed in Chapter 5, this section discusses the management of DTW command areas, which generates inequality, water lordism, factionalism and dependence.

There are three distinct systems of irrigation management: bureaucratic, private and co-operative. My interest here is in DTW command areas under the co-operative system. The study covers four command areas - three in Ranipur and one in Belpur. In all cases, DTWs were sold to the KSSs on credit. In Ranipur the expansion of the DTW was a part of the second DTW project undertaken with the financial assistance of the Asian Development Bank (ADB); in Belpur, the scheme was a part of the North West Rural Development Programme (NWRDP), assisted by the ADB and International Fund for Agricultural Development (IFAD).

The main objectives of the second DTW project are:

strengthening the UCCA-KSS system; increasing irrigated land area by installing DTWs; creating additional employment for the landless (BRDB, 1987: 41). The main objectives of the NWRDP are strengthening the UCCA-KSS system and increasing production through irrigated agriculture (BRDB, 1987: 39). The projects in Ranipur were implemented under the Irrigation Management Programme (IMP), which sets out its own objectives: increasing irrigated area; increasing production through irrigated agriculture; reducing irrigation cost; increasing employment opportunities; and strengthening the co-operative system (GOB, 1987: a). All programmes emphasize achieving agricultural growth.

Case Study 3: Madarivita DTW Command Area

Madarivita KSS was established and registered in 1978. In 1988-89 the KSS consisted of 70 members. Abul Kashem was the chairman and Baset was the manager of the 6-member MC of the KSS. It appeared that the DTW was owned and managed co-operatively, but in reality this was a farce. In fact, eleven members of 3 families belonging to the same gusthi (lineage) owned the DTW, which was sold to them on credit. Four members of the MC of the KSS were on the MC of the DTW.

Table 7.6 shows that two families were dominant in terms of landholding. Most of the shareholders were rich peasants who diversified their economic activities, including water business. When I went down to the command area, a man, Helal by name, introduced himself as the manager of the DTW

MC. He said that he represented his grandmother (Mrs. Wa) who died while the scheme was going on. Subsequent interviews with various people, including some share-holders, the UCCA chairman, and the RDO, revealed a different picture. The story began with the procurement of the machine. Ranipur is an area with considerable DTW irrigation potential. Hoq recalls that there was severe competition for the DTW. It was necessary for the MC people

Table 7.6. Share-holders of the DTW, Madarivita

Name	Designation	Profession/ Business	Land owned (in acres)	Land in CA
Hoq	Chairman	Teaching	29	6
Mrs. Hoq	Director	House wife		
Kashem	Director	Food grain		
Baset	Director	Shop/Dadan	9	1.5
Late Mrs. Wa	Director			
Kalam	Director	Cloth shop	11	2
Razzak	Director	Fertilizer/Dadan	8	3
Saju	Director	Food grain/ Moneylending	10	1.5
Tota	Director	---	4	1
Mrs. Tota	Director			
Jamila	Director			

to persuade the administration, particularly BADC and BRDB officials. He frankly admitted that his own bureaucratic connections coupled with bribing BADC and BRDB officials made it possible to get the DTW. The machine cost taka 130,000 of which taka 13,000 was down-payment. It was agreed that the repayment would be made over a 6-year period.

Tota Mia was made the manager, mainly because he had stopped his cloth business and was available for the purpose. The tubewell was sunk in December 1986. Since the inception of the scheme, the MC was riven by factional conflict. The first two families stood against Tota Mia. I got two versions from two sides. Tota says Helal made inroad into the command area illegally with the help of Hoq. The RDO reports 'unofficially' that Helal was one of the directors of Sattar's MC of the UCCA and until 1988-89 he was one of the big loan defaulters. Hoq and other members of the MC, for their part, submitted a petition to the RDO that Tota Mia misappropriated taka 12,000 and did not deposit the first instalment. Eight share-holders demanded that Tota Mia be ousted from the MC. The audit team from the co-operative office did not find any financial irregularities. Tota Mia seemed to be consistent in his statement. He says that since the machine was commissioned late in season, they could cover only 17 acres of land within the command area. As a result, they could not profit from it. Moreover, at the preparatory phase some extra

costs were involved. Bribes given to officials were adjusted from the profit. Tota gave taka 1,100 to Helal for printing a receipt book, which Helal did not do. After incurring all costs, Tota had only taka 1,600 in hand from which he could not pay the first instalment. There was another anomaly. Tota was empowered by the MC to collect rent from the growers. Since they had no receipt book, Helal took the chance; some growers gave their water charges to Helal, which he never gave back to Tota.

Amidst the conflict the KSS election was held. Seventy members split into two groups - one was led by Hoq, Helal and others, and another by Tota. This split invited the UCCA/BRDB to intervene. Earlier the UCCA chairman was maintaining a low profile in relation to Madarivita factional conflicts, although he had an intimate friendship with Helal. The RDO, the Sectional officer and the UCCA chairman went down to Madarivita to settle the conflict. The RDO reports that, since the UCCA chairman was openly supporting Hoq group, he had very little to do in this respect. While the UCCA chairman proposed to oust Tota Mia from the MC, the RDO interfered and raised some procedural complications of doing so. It was decided that a new manager would be selected by the MC and Tota Mia would remain as a director on the MC. This was agreed and signed by both parties in January 1987. Tota expressed his grievances and said that (until March 1989) the Hoq-Helal group had not allowed him even to visit the command area. The RDO confessed it and blamed the UCCA chairman for all

this. Interestingly, the Helal group strongly supported the Awami League, while Tota's patron was Asaf, a Jatya Party leader and the incumbent M.P. of Ranipur. By March 1989, four instalments were due. The Helal-Hoq group let the RDO know that they would not pay unless Tota was ousted from the MC.

I did not get a definite answer regarding the coverage of the command area. Helal mentioned 43 acres. Hoq's son said it was 52 acres, and finally one grower mentioned 60 acres. It is true that the DTW did not cover the required amount of land. Factionalism was partly responsible for that. The RDO also reported that all the MC people wanted to show that the DTW was a losing concern and they could not repay the money.

It was known that growers had to supply fuel and pay taka 600 per bigha, which was the highest rate in Ranipur Upazila, according to the Sectional Officer (SO). Members of the KSS and non-members all had to pay the same water charges. Even after subtracting the money due to the bank and the costs of operation of the machine, a high margin of profit was made.

Case Study 4 : West Palbandha DTW Command Area

This DTW came into existence in 1987, with 13 share-holders. Two elderly teachers, A. Rahman and L. Rahman, played a pioneering role. L. Rahman says their connections with the

local notables, the UCCA chairman and the UZC, and the bureaucracies were very helpful in getting this machine. Although L. Rahman denied bribing any official, Mafiz, the UCCA inspector, confirmed that the RDO and the SO were bribed.

Table 7.7. Share-holders of the DTW, West Palabandha

Name	Designation	Profession/ Business	Land owned (in acres)	Land in CA (in acres)
Rahman	Chairman	Teaching	13	3
Mizan	Director	Food grain	7.5	1
Lutfar	Manager	Teaching	17	2.5
Salam	Director	Farming	1	-
Islam	Director	Tailoring	5	.3
Matin	Director	Flower Mill	6	-
Mafiz	Director	Flower Mill	7	2
Habibur	Vice Chair.	Money Lender	11	2.5
Ali	Director	Teaching	8	3.5
Bakr	Director	--	4	.5
Hoq	Director	--	4	1.4
Anower	Director	Shop	5	1.8
Nahar	Director	House Wife	3	-

Table 7.7 shows that the majority of share-holders were large landowners. The DTW was owned by 5 families; 3 families belonged to the same gushti (lineage). Among the

share-holders, only A. Salam was a small landowner. His case was a special one, as he could not afford to give taka 1500, his share of the down-payment. His brother, L. Rahman, lent him the money. He was also the driver of the machine for which he would get taka 2,000 per season.

L. Rahman reported 49 acres under the command area. Workers working on the paddy field also mentioned the same amount. The growers said that most of those plots belonged to small farmers who could not afford to provide fuel and pay the water charges. Some managed to cultivate by petitioning their patron, the controllers of water, complying with an unequal arrangement of sharecropping, dadān and moneylending. Some were caught within factional politics; they were able to pay, but they were not given water due to their alliance with the rivals of the water controllers. One of the share-holders was involved in moneylending and dadān.

Small farmers were denied institutional credit. Crop loans (taka 49,500) given by the BRDB-UCCA were monopolised by the share-holders and some of their powerful allies. This KSS consisted of 48 members in early 1989 of whom only 16, including the share-holders, received loans. Members of the KSS paid the same water charges as non-members did. It was also reported that the lands of two small farmers were forcibly taken away by Habib as they failed to pay the charges.

Case Study 5: Batikamari DTW Command Area

This DTW was sanctioned in the name of Batikamari KSS. The KSS had 31 members in early 1989. Interestingly, I found that all members belonged to Akand gushti. Mujibur, the manager of the DTW MC, reported that the KSS was registered in April 1986, at a time when the second DTW project was under way in Ranipur. Nine members of 3 families were share-holders of this DTW. Table 7.8 shows that the share-holders owned a large amount of land. Along with the water business they also moved to other economic arenas.

The DTW cost taka 160,000. The share-holders paid taka 16,000 as down-payment. Mujibur reported that the UCCA chairman and the UZC helped; and that officials, particularly the District-level BADC official, the BRDB Project Director, the SO and the RDO, were bribed.

Taka 39,800 was taken as crop loans in 1987 and all went into the pockets of 12 members of the KSS, including 9 share-holders. By March 1989, 40 percent of the loan was repaid. Out of 5 instalments of the DTW loan due by November 1988, only one instalment had been paid.

Regarding the coverage of the command area, I got three versions - 40 acres, 60 acres, and 70 acres, stated by Mujibur, Matiur and a grower respectively. The RDO reported that even if 70 acres coverage was true, still it stood below the capacity level. Answers to water charges were not

uniform. Mujib reported taka 900, but the growers mentioned taka 1,000. The RDO reported that, like all other water controllers, these people would not reveal the fact so that they could tell the administration that the command area was a losing concern.

Table 7.8. Share-holders of the DTW, Batikamari

Name	Designation	Land Owned (in acre)	Business/ Profession	Land in CA (in acre)
Kuddus	Chairman	9	Fertilizer	2
Ali	Director	6	Food grain	-
Momtaz	Director	12.5	Shop/ <u>Dadan</u>	2.5
Mujibur	Manager	29	<u>Dadan</u> /	
Matiur	Director	(family)	Foodgrain	8
Alamgir	Director			
Golam	Vice chair.	5.5	Contractor	.5
Azgar	Director	8	Medicine	2
Umar	Director	10	Teaching	2.5

The dadan system is widespread in this area. Mujibur himself invested taka 14,000. He would get 112 maunds paddy, which would be sold for roughly taka 22,000. That means the profit would be taka 8,400 in a 4-5 month period. Apart from this, there is money-lending business in this

area. It is the small peasants who are caught within a dadan-moneylending circle. Amidst poverty they cannot afford the costs of HYV cultivation. In order to avoid moneylenders some small peasants were interested in cultivating the local variety of paddy. It was known that the small peasants whose lands fell within the command area were forced to cultivate HYVs. Two growers reported that they were forced to sharecrop out their land to Ali, one of the directors of the MC of the DTW, with the condition that they tilled the land. All costs of inputs would be borne by Ali and the produce would be divided equally.

Case Study 6: Dhukuriabera DTW Command Area

The case study of Dhukuriabera DTW command area reveals how government resources were used for the personal aggrandizement of some people. This case highlights two significant points: administrative failures and the overwhelming power of the rural elites.

Dhukuriabera KSS was established and registered in 1981 with 31 members. The organizer was Shamsul, an ex-UP member and a rich peasant. Our interest is not with the KSS; Shamsul and others also did not have interests in the KSS. The main interest was with the DTW. When the DTW was given to Belpur Upazila in 1985, many competitors came forward to hold control over it. The then UNO and the RDO chose the Dhukuriabera site. The pioneering role was played by Ali, two times UP chairman of Dhukuriabera (before and after

liberation). His connections with the local notables, town based elites, and bureaucrats made it possible to bring the DTW to Dhukuriabera.

The DTW was given to the KSS, which means that all KSS members would collectively own the DTW. The price of the machine was fixed at taka 85,000. The KSS was required to pay taka 10,000 as down-payment. It was revealed from the discussion with Ali that he (in his wife's name) and Shamsul paid the down-payment. In fact, all other members were kept aloof from the DTW scenario. The official procedure required that contracts be made between the KSS and the BRDB and between the BRDB and the BADC. Ali and his people deposited the down-payment money in the Sonali Bank. Before all contracts were signed, Ali went to Pabna (Sirajganj was not yet a District) and took delivery of the machine. Later the machine was installed by the contractor and his bill was paid by the BADC.

In the first instance, the case shows administrative incompetence on the part of the BADC. Ali, by virtue of his personal connections and bribes, managed to obtain delivery of the machine, in a manner known to the administration. Ali and Shamsul started a water business in 1985. The command area covered 45 acres, 15 acres below the capacity level. One third of the produce was given to the controllers of water.

Ali received several requests from the BRDB and the BADC to

repay the money. Ali was taking advantage of an awkward situation. He said, "Who should I pay? The BADC cannot claim money because we got the machine through the BRDB. On the other hand, the BRDB cannot pressurize us to repay because we did not sign the loan agreement with them".

In 1986 the then RDO raised the issue in the UZP meeting. The UZC bitterly criticized the administration and asked officials to settle the dispute officially. The RDO reports that actually the UZC took the part of Ali. It may be relevant here that Ali was married to the UZC's distant cousin. The UZC did another favour for Ali. In 1987 taka 80,000 was spent from the Upazila development fund for the irrigation channel of the command area. Officials could not stop the UZC on legal ground. The RDO told the Parishad that, since the dispute was not yet settled, the irrigation channel would rather help Ali's hand. The UZC did not bother with the official argument. The UZC in an interview told me, "The channel would help run the machine smoothly, and in turn, production would be facilitated, and that's all".

The RDO informed head office of the whole story. In September 1988 the BRDB head office, with the necessary permission from the Ministry of Local Government, Rural Development and Co-operatives, formed a committee with the UNO in the chair. The official order was that either the machine or the money should be recovered by January 1989. If necessary, legal action should be taken against Shamsul

and Mrs. Ali (Ali was not in the KSS). In late January Shamsul applied successfully for the extension of repayment from January to June.

The legal action seemed to be confusing in two ways. The first question is why such action was not taken earlier? The answer was given by Ali. He said, "Money talks better than the rule". The second question is why the BRDB directive did not say anything about profits made in four years.

Implications of the Evidence

The case studies discussed above have far-reaching implications for social relationships, income distribution and the practice of power in the rural areas. It appears that the phrase "co-operative management" is misleading, because DTWs are generally owned privately. The whole process may be termed the "privatization of co-operative". The case studies depict different sets of relationships. Within the KSS, members do not stand on equal footing; some are rich, powerful and well-connected with the administration, and some occupy a peripheral position. Economically strong members dominate the KSS. When the DTW is given to the KSS, they are likely to be chosen by the administration to manage it. Therefore poor members of the KSS have nothing to do with the DTW; they pay the same water charges as non-members do. Remarkably, the share-holders use water free of charge for irrigating their plots.

The DTW in fact contributes to income inequalities. On average, the water charge has been taken 1,000 per season. If the fuel is provided by the growers, then the charge is taken 500-600. The cost of irrigating one bigha ranges from taken 500 to 550 (if diesel is provided by the waterlord). A uniform practice was found in three DTW command areas in Ranipur. In Belpur, one third of the produce was taken as the water charges. If this is converted into cash terms, the water charge is the same. Thus, the difference between the operating costs of the tube well and charges levied was nearly 50 per cent. The government has no control over the water charge. The profits are reaped by the share-holders. The water charge paid by the growers includes instalments to be repaid. In Belpur the owner did not repay a single paisa. In Ranipur, instalments were already overdue. The vital question is: if the term loan given for the DTW is repaid, will the share-holders be owners of the highly subsidized machine (actual price is nearly taken 600,000)? The share-holders responded that they would be the owners of the machine. Neither government policy documents nor concerned officials have given a definite answer. With the trend towards privatization, it is likely that the share-holders would own the machine. It can be said, therefore, that the government is helping the rural elites accumulate wealth in the name of irrigation for the people as a whole. The profits accruing from water business will further aggravate poverty in the rural economy.

Only the rich can afford to cultivate expensive HYVs. It is estimated that around taka 7,000 is needed for cultivating HYVs for one acre of land. The heads of expenditure include cleaning the field, ploughing, weeding, harvesting, pesticides, threshing, winnowing, drying, carrying, land revenue and interest on operating capital. If the total production is approximately 60 maunds per acre, the total production value would be around taka 12,000. Thus, the net profit is taka 5,000. This profit is possible under normal conditions, which imply that factors of production are under the control of the land owner. The rich peasants are in a position to meet the exigencies of HYVs cultivation; they have total command over the inputs. The directors are relieved from the water charge. It was also found that short-term loans given by the BRDB were also monopolized by them. But institutional credit does not reach the middle and small farmers. In some cases loans may be available for small farmers in lieu of bribes, which also include the commission of the middlemen. Here there is a danger of cheating of poor peasants by touts. Moreover, there are complications relating to rules and regulations which the poor cannot withstand. The alternative source is the informal credit market, of which moneylending and dadan are widespread in Ranipur. The interest rate is nearly 200 per cent per annum. This actually increases the operating costs of production. The privatization of fertilizer has increased the operating costs of HYV cultivation. On the one hand, higher prices of fertilizer discourage greater application (Osmani, 1985: 15). On the other hand, in

periods of acute scarcity, the small farmers pay considerably more than the larger ones (Osmani, 1985: 12). In Chapter 6, it has been shown that small farmers benefited least from the Upazila agricultural rehabilitation programme.

Sharecroppers benefited least from HYV cultivation. Different conditions were reported in three DTW command areas. In West Palbandha the land owner provided the seedlings and half of the water charge and the sharecroppers bore the costs of fertilizer and half of the water charge. All labour costs were borne by the sharecroppers. They could reduce labour costs by employing more family labour. The produce was equally divided. If, exceptionally, a sharecropper could manage costs from his own pocket, a small profit could be made. For the most part, however, that they are caught within either the moneylending business or the dadan system, and the chance of profit is remote. The same arrangement was found in Batikamari. In Madarivita, the sharecroppers had to bear the costs of all inputs, but the produce was divided equally, and the sharecroppers were net losers. Thus the sharecroppers were reluctant to cultivate on this basis. In Batikamari, some sharecroppers were forcefully evicted. One interesting finding was that, in Batikamari, some small farmers were forced to sharecrop out their lands to a rich peasant. Some sharecroppers managed a production loan from their landholders free of interest, but the condition was that they would work for the landowners at harvest. One small farmer reported, "This type of

arrangement is favourable to us, but this is diminishing day by day".

The irrigation system has far-reaching implications. Apart from accumulation, it is used as a weapon of local politics. The controllers of water withhold water from cultivators. While the inability to pay may be one factor, a lack of allegiance to the dominant faction is another factor. This has two possible consequences: firstly, it reinforces patron-client relationships; and secondly, leaving a plot unirrigated ultimately forces a small farmer to sell the land more cheaply, because the price of irrigated land is nearly double that of unirrigated land. This actually happened in Batikamari command area where Mujibur was the main actor. The significance for water controllers is that the users not only pay a price for the use of water, but also demonstrate their loyalty thereby. Under-utilization of DTW capacity is a chronic disease of the irrigation system in Bangladesh. Several factors are allegedly responsible for this: breakdown of the machine, non-availability of spare parts, a bad drainage channel system, sandy soil, the high cost of HYV packages, administrative bottlenecks, mismanagement and factional strife. These factors are further caused by the absence of an institutional means of allocating and distributing water between individual cultivators. It has been argued that two forces have coincided: the increasingly dominant position of large landowners and the private capital-biased irrigation policy of the government. The Upazila Irrigation

Committee (UZIC) has a major role to play in site selection, which can easily be manipulated. The UZIC consists both of people's representatives and government officials. DTWs are sited at locations that suit well the interests of the MC people but may not be technically optimal or may not maximize the total irrigation coverage. The personal interests of the controlling individuals imply maximizing coverage of their own land, maximizing their control over the DTW itself, and using the DTW as a weapon of factional politics.

At this point it is essential to discuss briefly the role of the rural development bureaucracy in relation to irrigation management. Irrigation practices in the 1980s differ significantly from those of the 1970s, dominated mostly by the BADC. The privatization and price deregulation policies have significantly diminished the role of the bureaucracy. Different rural development officials representing different ministries at the Upazila level share responsibilities with people's representatives in the UZIC (for pre-siting) and the Upazila Implementation team (for post-siting). Their role has become simply technical and advisory. They cannot even perform their limited responsibilities due to the social, economic, political and bureaucratic connections of the rural elites.

Thus the minimum goal of agricultural growth cannot be realized within the prevailing framework of irrigation management, let alone considerations of equity. In view of

the small holding size of individual cultivators, ground water utilization through the DTW gives ample scope for collective action, in which as many as 100 cultivators can be organized. Instead, the whole framework is conducive in practice to the interests of the dominant classes, thus aggravating already deep-rooted inequality in the rural areas.

Conclusion

In this chapter, I have tried to analyze different aspects of rural development intervention through the UCCA. The co-operative system was developed in the 1960s. In the aftermath of liberation, the co-operative in the name of the IRDP was replicated throughout the country. Although the explicit objective was 'distribution with growth', the programme could neither contribute to agricultural productivity nor alleviate poverty.

The significant aspect was the politicization of the co-operative system. Empirical findings from two Upazilas indicate that there was a direct linkage between the political process and the rural institution building effort. The era of Shaikh Mujib was the heyday of clientelist politics. The pioneers of the co-operatives in the study Upazilas were the central-level leaders of the ruling party. It is evident that they were more interested in patronage distribution than in broad-based rural development. In order to develop clientelist networks, they brought the

rural notables under the umbrella of the co-operative. The study of the history and growth of the UCCA sufficiently indicates the trend of private accumulation by the rural elites.

The study of the background and relationships of the directors reveals that they are not an ordinary group of co-operative farmers. They are large landowners. However they are not, for the most part, farmers themselves and they have non-agricultural occupations and income. Certainly these elites are in the process of transformation from rich peasants into the petty bourgeoisie. The co-operatives are not simply taken over by the local rich; they are used for private accumulation, which helps them to expand non-agricultural spheres of accumulation.

The rural elites profit from the co-operatives to the detriment of the interests of the vast majority of small farmers. There is no indication that the small farmers will be able to organize and wrest control of the UCCA in their own interests. Nor is there any sign that the small farmers can control the primary societies. The study of the DTW indicates that the notion of 'co-operative' is used in a misleading way. It is the large landowners who control the co-operatives and have turned themselves into another arena of private accumulation - waterlordism. However it is difficult to see how government resources channelled through such leaders will benefit the small peasants who make up the overwhelming majority of the population in Bangladesh. Nor

is there any sign of a self-sustaining co-operative movement.

It was the decision of the Mujib government in 1972 that, for the sake of 'democracy', all directors were to be elected instead of up to half of them being appointed or ex-officio government officers. Given the persistence of clientelist politics in Bangladesh and the domination of the rural elites in the rural areas, the decentralization of development authority in fact strengthens the accumulative and patronage power of the elites. The remedy, however, cannot be that government officers in charge of the MC will serve the interests of the poor. It is really an intractable problem. While decentralization has given enormous power to the UCCA MC, government officers are also systematically engaged in misappropriation.

It is hard to find any credibility in the co-operative system. Through the use of co-operatives for massive capital infusion, thus corrupting the idea of self-organization, self-reliance and responsibility, the very idea of co-operative effort is destroyed. It is unlikely that the BRDB co-operatives can ever function as true co-operatives as long as there are great disparities in the distribution of land and rural politics are pervaded by clientelism.

Chapter Eight: A Case of Bureaucratic Unrealism: Rural
Development for the Poor?

Introduction

This chapter attempts to analyse the government approach towards the rural poor, with a specific focus on the co-operative system. The whole argument about the functioning of the Bittahin Samabaya Samity (BSS) (literally assetless co-operative society) and Mahila Bittahin Samabaya Samity (MBSS) (literally assetless women co-operative society) will be made against the pointers developed in Chapters 1, 2 and 4. The principal proposition to be investigated is that state intervention has failed to counteract the forces that cause rural poverty. The basic premise on which the BSS/MBSS model is based is that, if the poor are given capital and skill training, they will really turn into entrepreneurs. I will argue that such a premise is inadequate in attacking rural poverty, for several reasons. Firstly, rural poverty is not just a matter of a lack of opportunities such as capital and skill. While these dimensions cannot be ignored, other aspects of social relations are also important. These include unequal access to the means of production, rural indebtedness and other interlocked transactions (see Chapter 4). The latter two dimensions are related to the survival strategies of the rural poor. Secondly, responsibility for implementing the programme lies with the two-tier co-operative and the BRDB. These institutions are not benign, rather they are

intricately related to the hierarchical social relations. Thirdly, there are inherent problems of bureaucratic administration, which constrain access of the poor to public development resources.

The first section describes programmes for the rural poor. The second section describes the case studies gathered in two Upazilas. Discussions with 15 groups were held (8 in Belpur and 7 in Ranipur). A loosely structured questionnaire was used to provide a check list of questions. The primary objective was to evaluate the viability of the programme. In order to do this it was necessary to put emphasis on various aspects of the social relationship. An intensive series of interviews with officials, particularly the RDO, ARDOs and the Deputy Project Director (DPD), was very helpful. The UCCA village accountants, UCCA inspectors and Field Organizers (FO)s were very useful in unravelling the complexities of administration of the rural poor programmes. The third section analyzes the findings and their implications for rural development.

8.1 The Background and Description of the Programmes

While a detailed discussion of state-led rural development programmes was presented in Chapter 5, here it can only be said that the initiatives undertaken so far put emphasis on agricultural development, with little priority on the rural poor. Piecemeal efforts made so far for the poor suffered from various problems. Organizational deficiency was one

factor. The vital factor, which was not taken seriously by the policy makers, was the poverty relationship.

Against the backdrop of growing poverty and inequality and the failure of the existing institutional experiments, the BRDB was given responsibility for organizing landless groups of both men and women in 1977. The major inputs came from the World Bank-financed RD-1 programme. Under the programme 7 Upazilas of two Districts were covered. Despite the World Bank's dissatisfaction (World Bank, 1983: 88), the BRDB was asked by the government to organize the poor within the two-tier co-operative model. In order to facilitate the implementation of the programme, a Rural Poor Programme (RPP) cell was established within the BRDB in January 1983.

The Employment and Production Programme for the poor was undertaken within the area development projects in the late 1970s and early 1980s. I have already referred to RD-1. The other projects have been the Sirajganj Integrated Rural Development Programme (SIRDP) (completed), Noakhali Integrated Rural Development programme (NIRDP) (first phase completed), South West Rural Development Programme (SWRDP) (on-going), North West Rural Development Programme (NWRDP) (on-going), NIRDP-11 (on-going) and RD-II-RPP. The cost components of the Employment and Production Programme for the rural poor in 5 area development projects (RD-1, SIRDP, NIRDP, SWRDP and IRWP) were 3.20, 3.57, 6.88, 3.09 and 2.50 per cent respectively of the total costs involved (GOB, 1984b: 21). There are other programmes such as

strengthening family planning, family welfare education and motivation for family planning services through rural women's co-operatives, production and employment projects and the distribution of irrigation equipment for the landless (BRDB, 1987). Apart from these, there are other programmes such as Grameen Bank Prokolpo, Swanirvar Credit Project, Small Farmers Credit Scheme (IFAD-assisted) and Small Farmers and Landless Labourers Development Scheme (ASARRD). All but Grameen Bank Prokolpo were short-lived. Grameen Bank Prokolpo is a nation-wide programme which has achieved relative success in relation to other state-led poverty alleviation programmes (Hulme and Turner, 1990: 207-215).

Institution building in the form of groups or co-operatives with necessary guidance and assistance is considered a primary requirement to help the poor for their collective security, confidence and progress. Necessary inputs such as skill and technology, credit and markets are considered vital for an effective Employment and Production Programme. (Eusufzai, 1985: 15). Against this backdrop, the RPP has been designed. At this point it is necessary to give a overall description of the programme. The RPP in Belpur is a part of a big area development project known as the North West Rural Development Programme (NWRDP), undertaken with the financial assistance of the Asian Development Bank (ADB) and the International Fund for Agricultural Development (IFAD). The RPP in Ranipur is a component of RD-11-RPP financed by the Canadian Development Agency (CIDA).

The NWRDP was undertaken in July 1983 for 52 Upazilas of three greater Districts of Rajshahi, Pabna (at the time the project began, Sirajganj was part of Pabna District) and Kushtia. The total cost of the project was estimated at taka 1,630,198,000, including the RPP component of taka 251,075,000 (15.40 per cent) (Hossain and Mansur, 1984: 11-13). The objectives of the RPP component are to create employment for the rural poor for income generation; and to provide credit and training to members of BSS/MSS. Up to June 1987, a total of 2,288 primary societies were formed with the enrolment of 47,812 members. A total of taka 51,940,000 was disbursed of which only taka 12,075,000 was repaid (24.27 per cent) (BRDB, 1987: 39).

In Belpur, the process of forming the landless groups for men started in 1977, but registration commenced in 1983 as a move to disburse credit to primary societies. By 1988-89, 38 BSSs and 17 MSSs were formed with the enrolment of 832 and 635 members respectively. The total capital formation of the BSSs with the UCCA was taka 90,469 (share capital taka 36,669 and savings deposits taka 58,800). For MSSs it was taka 79,761 (share capital taka 17,385 and saving deposits taka 62,376). From this account, it can be calculated that capital formation per male member was taka 108.74 and per female member taka 118.76. By 1988-89 the total amount of taka 664,500 was disbursed of which taka 493,617 was overdue in default (74.28 per cent of disbursed money). For MSSs, taka 238,000 was disbursed and taka

142,067 was overdue in default (59.69 per cent of disbursed money). It can be argued that the credit performance of the RPP was in total disarray.

As part of the skill training programme, 262 participants (male 194 and female 68) were trained in mini-mechanics, poultry, dyeing, cane-bambooo work, sewing, knitting and manufacturing of jute goods, pond re-excavation etc. Weekly meetings and training for chairpersons, vice chairpersons and managers of the BSSs and MSSs were rather sporadic, circumvented by the irregular attendance of portfolio holders.

The RPP in Ranipur is a component of RD-11-RPP, which came into operation in April 1984 in 6 Districts with financial assistance from the CIDA. The objectives of this programme are to motivate and organize rural men and women into co-operatives for their socio-economic benefit; to provide skills training and credit to the target groups for their income generation; to promote capital formation through mobilization of savings; and to develop leadership among target group members through training.

The RD-11-RPP was planned to be implemented in 100 Upazilas in a 5-year period. By 1988 the achievement (129 Upazilas) surpassed the target. The achievements of the RPP also exceeded the project targets in other aspects, such as the formation of primary societies, enrolment of members, deposits of savings and purchases of shares. The major

income-generating activities were cattle-fattening, goat-rearing, oil milling, small business, mini-mechanics, cane and bamboo work, pottery, carpentry, sewing and embroidery, paddy-husking etc. The programme included training for mechanics. It also put emphasis on strengthening the BRDB staff. On the one hand, staff numbers were increased at all levels. On the other hand, basic and human development training for ARDOs, FOs and accountants was organized. As part of the training programme, BSS/MBSS leaders, mainly managers and chairpersons, were imparted training in the causes and consequences of poverty, the aims and objectives of the RPP, the importance of group action, the organization and management of co-operatives, the keeping of records and accounts, the development of skills related to rural vocations, and the importance of discipline in using facilities to increase production, and savings for a better future (Ahmed, S.M. et al., 1988: 69).

The formation of the landless co-operative societies in Ranipur dates back to the 1960s. A systematic attempt to organize the BSS/MBSS started only after the commencement of the RD-11-RPP. Up to March 1989, 16 BSSs and 20 MBSSs were registered with the UCCA with the enrolment of 503 BSS and 672 MBSS members. The shares and savings deposits of BSS members accounted for taka 187,311 and of MBSS members taka 263,509. In the period from 1985 to 1988, an amount of taka 748,300 was disbursed, of which taka 157,209 (21 per cent) was overdue in default, and the amount of outstanding loan

was taka 325,276. During the same period taka 270,000 was disbursed for MBSS members. The recovery rate was 65 per cent of the total money disbursed. The RDO dealing with the RPP said that close supervision by the administration was largely responsible for a good rate of recovery. Up to early 1989 179 participants (107 male and 70 female) were given skill training.

We will now turn to a question who bittaheen people are. The literary meaning of bittaheen is assetless. It is a comprehensive term, different from Bhumiheen (landless). There are many people without land (absentees, sons of rich land-holders, service-holders, businessmen) who nevertheless have assets. In fact the groups formed earlier on bhumiheen criteria have been renamed as bittaheen in order to qualify for the RPP. Almost every RPP is premised on some agreed criteria set by the bureaucracy. (1) A bittaheen must be a member of a landless or near landless family owning not more than 0.50 acres of cultivable land. He/she may be an artisan, potter, weaver, fisherman, farm labourer, small trader, owning no land or less than 0.50 acres of cultivable land. (2) His/her main source of income/livelihood must be from own wage labour. (3) He/she must have a homestead or hut to live in, and be a permanent resident of the village. (4) In the case of the MBSS, priority of membership should be given to those women who are landless, widows, divorcees or abandoned by their husbands.

Those criteria described above beg important questions.

Wood (1984b) justifiably questioned the basic premise underlying the group formation. The criterion of physical labour makes it difficult to distinguish between wage labour (by oneself) and self-employment, and between farm and non-farm activity. It literally excludes those poor peasants who have land but who are dependent upon their own physical labour and share the same experience of dependency relations as the bhumiheen or bittaheen do. Wood cogently describes the situation:

When we consider group formation (alliances, solidarity) as the most likely way in which the poor will counteract the classes responsible for their poverty, then we should appreciate that what is significant to the rural dweller is not the precise location of a family in the agrarian structure but its dynamic situation...Shared experience of the same dynamic of rural poverty, which is familiar, local and immediate, is a more meaningful basis of social action, of self-defined and therefore more meaningful groups, than a bureaucratically abstracted feature of one's total situation derived from someone else's conception of the family's problem and assumptions about its natural alliances (Wood, 1984b: 6-7, emphasis original).

Thus the use of the notion 'target group', a process of labelling, has far-reaching implications, which are more political than technical. The issue is not whether we label people, but which labels are created and whose labels prevail to define a whole situation and with what effects (Wood, 1985: 7).

The RPP is an exceptional experiment in rural development intervention in Bangladesh. It is different from the supply side rural development strategy which is in full swing. The RPP has both economic and political contents. Feldman and McCarthy observe:

the fragmentation of village interests into target group programs such as the women's program and landless cooperative societies is, in part, a response to the need to diffuse the potential of organized rural demands. That is, without a structural basis around which people can be mobilized, new forms of social organization are unlikely to materialize and new forms of consciousness are unlikely to develop. The decision not to direct attention to integrating rural interests results in the reinforcement of existing polarizations and ignores the challenges posed by alternative growth strategies (Feldman and McCarthy, 1984: 18).

8.2 Case Studies of BSS/M(B)SS Experience

Discussions with 15 groups, listed below, were held, 8 in Belpur and 7 in Ranipur. The gender composition of these groups was 9 male and 6 female. I have not made any attempt to quantify and aggregate information. For the convenience of the analysis, six case studies are summarized. A number of themes which emerge from these cases, are discussed in the following section, in which I will also refer to other case studies.

There were obvious problems of investigation. A group discussion method proved sterile because, in front of the dominant figures, general members did not dare to disclose their bitter experience of social life. Since I was living at the centre of the Upazila, it was possible to contact general male members, but not female members, at the market place. While appointments with the chairpersons, managers or the vice chairpersons were organized by the UCCA staff, it was also difficult to have access to the houses of general women members. I did not take any help from the

UCCA staff in this respect. For this purpose, I relied on my research assistants. In two cases, male members of the family did not allow the women to talk to me. As permanent inhabitants of the areas, my research assistants did the job easily.

1. Gangapara BSS, Ranipur.
2. Bahula BSS, Ranipur.
3. Gaonkura MBSS, Ranipur.
4. Dengurgar BSS, Ranipur.
5. Natakanda BSS, Ranipur.
6. Palabandha MBSS, Ranipur.
7. North Roharkanda MBSS, Ranipur.
8. Maida Subarnasara BSS, Belpur.
9. Chala (South) BSS, Belpur.
10. Delua (South) MSS, Belpur.
11. Char Subarnasara BSS, Belpur.
12. Chandanganti BSS, Belpur.
13. Chand Mityani BSS, Belpur.
14. Chandanganti MSS, Belpur.
15. Jhiduri MSS, Belpur.

8.2.1 Gangapara BSS, Ranipur

The interviewees were the vice chairman, manager and three ordinary members. This BSS, consisting of 39 members, was formed and registered in 1986. Kamal, a government officer and an inhabitant of the village, took the first initiative to organize the group. After a couple of months he died. Barek, the present chairman and a rich peasant, made an inroad into the co-operative. Azhar was the manager. He was a poor man, owning only 1 acre of land. He sharecropped 1.5 acres of Barek's land. Zahir, the vice chairman, had 2.5 acres of land and also a small shop. Nazrul was the treasurer. He was a sharecropper of Choudhury, a local large farmer.

Shah Ali, a cart-puller and a member of the society,

reported that Barek was the main spring of the BSS. He distributed all portfolios between his favourite and dependent people without the consent of general members. He also reports that other members were very poor, owning a tiny amount of land. They were mainly wage labourers, having lost their land over the years. Shah Ali was one of them. In the last 22 years he had lost his 4 acres of land to Choudhury, the biggest landowner in Gangapara village. Since he had no cattle or plough, no landowners sharecropped out land to him. He did not have the initial capital (taka 50) to become a member of the society, he asked Barek for this amount. As Barek refused, Ali resorted to Shahan Mia, a professional moneylender in the area. Nurul was another poor member. Nurul's landlord wanted him to cultivate HYVs. Nurul could not afford to do that. He borrowed the money from Chowdhury. He also borrowed taka 300 from the savings of the BSS.

The UCCA-BRDB issued an amount of taka 26,000 for 26 members. Barek played a discretionary role. He only allowed those members to apply who had thrifts and deposits. The BSS got taka 25,000. Taka 1,000 was 'lost'. Barek adjusted taka 1,000 from the common fund, made up of the savings of general members. Nurul got taka 1,000. After getting this amount he repaid the loan he had taken from his landlord and the BSS common fund. Shah Ali wanted to buy a pair of wheels for his cart. As he had already spent 300 taka for repairing his thatched house, the rest was not enough to buy the wheels. By this time the floods of 1988

inundated the area, which meant no work. Ali spent the rest of the money for consumption. All interviewees agreed that only four or five members had utilized their money properly. Others spent a substantial amount in either repaying previous debts or spending for direct consumption. Nearly 60 per cent of the loans were repaid. The rest was overdue in default. The vice chairman reports that some poor members could not repay due to their abject poverty. Both Ali and Nurul were defaulters.

Barek himself was a faction leader in the area. These BSS members constituted a strong support base for Barek. He ran for the position of the UP member in 1988. General members reported that Barek would deal with BRDB officials in relation to the BSS affairs. None of them ever visited the UCCA-BRDB complex.

8.2.2 Bahula BSS, Ranipur

The interviewees were the manager, the chairman and 5 general members. The FO, Atower, asked his maternal uncle, Habib, to form this BSS. Atower advised him that, if taka 50 per head was raised, he would help them to get loans from the UCCA. Accordingly Habib organized and managed 34 members. He raised the money needed for the registration and went to Atower in April 1986. It took nearly 10 months for the registration of the society. Despite the presence of Atower, the then ARDO did not lag behind to take a bribe of taka 300 for the registration of the society.

Habib reported that all members were young; most of them were in their twenties. The MC consisted of 9 members. No one owned more than 0.50 acres of land. Four of them had only homestead land. Habib, the manager since the inception of the society, was the only educated member. His father was a wage labourer. As the eldest son of his parents, Habib had to contribute to his family. They had no cultivable land. He worked as a salesman in a cloth shop where he invested the money he received from the UCCA-BRDB. Sakku was the chairman. He had only 0.30 acres of land. He would buy chickens from the countryside and sell these in Ranipur bazaar. Chan was the vice chairman, owning only 0.30 acres of land. He had a paddy-husking business. Habib reports that all members were poverty-stricken. All had no ability to make the savings. This BSS received loans three times (taka 28,700 for 24 members, taka 23,100 for 14 members and taka 36,000 for 23 members). The last instalment was an outstanding debt at the time of research in late March 1989. Nearly 75 per cent of the first instalment and 80 per cent of the second instalment were repaid. Habib reports that those who could not repay were not wilful defaulters. Ali was one of them. He received taka 1,200. He was compelled to spend a substantial amount of money for consumption, repaying previous debts and medical treatment for his second daughter. He could not recover from this hardship. The flood of 1988 pushed him to sell his remaining 7 decimals of land. He wanted to repay the money by instalments. Unless he repays fully the

previous loan, he is not qualified for a further loan. Ramdan received taka 1,000. He could not start a new business with the money. In 1987 his father took taka 600 from Ahsanullah, a local rich peasant. For this he had to mortgage his homestead land in favour of Ahsanullah. Ramdan repaid the loan and recovered his homestead land.

Habib reported that the lengthy procedures for getting a loan had a negative impact on the motivation of general members. Some members took loans from professional moneylenders for one month to start a new business in the hope that loans would be available within that period. But bureaucratic procedures very often thwarted their hopes by taking too long. Apart from this, officials take bribes from the poor, which is a further disincentive.

8.2.3 Gaonkura MBSS, Ranipur

The interviewees were the manager, the chairperson, the vice chairperson and two general members. The interview was disrupted by the interference of the manager's husband. Binita, the UCCA inspector, asked Delwara to form a co-operative and assured her of a loan from the UCCA. Delwara convinced a few women at her hamlet to join the co-operative. In December 1985 the co-operative was formed and registered.

Delwara was unanimously selected as the manager. One widow reported, "Delwara is educated, she can dress well and speak

well to officers". Delwara is simply a house wife. Her husband had a foodgrain shop in Ranipur bazaar. He also had two acres of land.

There were 38 members of the society in 1988-89. Delwara reported that most members were poor; many of them were widows and divorcees. Both the chairperson and vice chairperson were widows. Delwara was the director of the UCCA. She was very critical of the UCCA chairman, the RDO and female ARDO. She complained that 5 transistors given by the BRDB head office as part of the family planning programme for distribution between 5 MBSSs could not be traced. Delwara reported that many women managers had complained to her that the UCCA inspectors took bribes from them. She raised the issue in the MC meeting, but the chairman stopped her.

This MBSS received taka 37,500 for 29 members. Delwara said she played a discretionary role in distributing the money. Twenty members, believed to be 'worthy' loanees, were given loans and Delwara took the rest. She says, "It is the manager who is first chased for the recovery of loans, why should I take risks in giving the money to vulnerable people? The RDO and ARDO advised me not to do so".

Delwara invested her money in her husband's business. She said that she had given the money to her husband willingly. Later I met one member who came to see my landlady in Ranipur. She told me that Delwara's husband was also a

moneylender and invested the money in dadān.

Up to March 1989 an amount of taka 7,736 was overdue in default. The chairperson herself was a defaulter. She reported that she started paddy-husking but after a few weeks her son got married and she had to close down the business. The whole amount of the loan was spent on the marriage. In order to keep her position as a chairperson, she wanted to repay the loan.

8.2.4 Maidā Subarnasara BSS, Belpur

The interviewees were the chairman, the manager and two general members. This BSS was formed in 1983 and registered in 1984 with 28 members. The pioneering role was played by Babar, the then UCCA chairman. Abu Hashem had been the manager of the society since its inception. Earlier Abu Taleb was the chairman. In 1988 the RDO and the UCCA chairman instructed him to make his father chairman. The vice chairman was Hashem's elder brother. Hashem reported that the other members were poor landless people. Hashem belonged to a joint family. They owned 1.5 acres of land. He had a small shop. Hashem was the director of the MC of the UCCA.

Jahangir, the UCCA inspector, helped Hashem to complete the necessary documents. Jahangir took a bribe of taka 300 for the registration of the society. He told Hashem that the RDO took this money. The total capital of the BSS was taka

2,158 in 1988-89, of which his family owned taka 1,360. He deposited savings and bought shares in the names of 7 members who were his close relatives but poor. Jahangir reported that actually these people did not know about their membership.

The BSS received taka 21,000 for 9 members. Hashem himself took taka 18,000 and taka 3,000 was given to two other members. He repaid taka 15,000 in June 1988 and taka 7,471 was overdue. When the Deputy Director of the bittaheen cell of the BRDB head office visited Belpur, he was taken to inspect Hashem's co-operative. While briefing, the RDO and ARDO hid Hashem's default case. Jahangir reported that Hashem's co-operative had performed well at least in comparison to other BSSs.

8.2.5 Chala (south) BSS, Belpur

The interviewees were the manager and three general members. In 1988-89 the total members were 29. Being inspired by the village accountant, Habib, Moidan organized this co-operative and raised taka 3,786. Habib took taka 200 for the 'cost of registration'.

Moidan was a small peasant and owned 1 acre of land. His main source of livelihood was a small-scale wood business. His nephew, Babul, was the chairman. Sabur, a neighbour of Moidan, was the vice chairman. Moidan reported that the majority of members were day labourers. He confided that

he, Sabur and Babul provided nearly 40 per cent of the savings and share money. Moidan reported that actually he had not known how to deposit the savings in others' names and to use fake names in the list of members. Habib, the village accountant, briefed him on how to do it.

In December 1985 Moidan submitted the individual production plans of 24 members. Initially Habib took taka 500 from Moidan and gave it to the RDO. A cheque for taka 48,000 was handed over to Moidan. Moidan again gave taka 700 to Habib. Neither the RDO nor the village accountant felt it necessary to enquire whether the money was distributed properly. Until December 1987, this was the largest amount that a particular BSS received in Belpur.

Moidan reported that he himself took taka 34,000 and gave Babul and Sabur taka 8,000 and 6,000 respectively. Up to December 1988 only taka 6,344 could be recovered. The total amount of overdue money in default was taka 51,864 (including interest). Moidan did not maintain any contact with the UCCA.

8.2.6 Delua (south) MSS, Belpur

The interviewees were the manager and two general members. In 1988-89 there were 29 members. The dominant figure in this MSS was Rahela, the manager. Her husband was a cloth trader. The chairperson was a sister-in-law of Rahela. The vice chairperson was also her relative. Rahela was the

director of the MC of the UCCA.

Rahela was motivated to organize the MSS by her nephew, Habib (village accountant) and Habib's wife, Rangila (UCCA inspector). It was formed and registered in 1986. The MSS had taka 7,318 (share and savings) with the UCCA at the time of investigation. While I was interviewing MSS members, Rahela sent other members out of the room. Her husband was more eager to answer my questions than she was. When I insisted on talking to Rahela, he replied, "I know better than her about the co-operative".

Rahela reported that the majority of members were poor women. There were 4 divorcees and 3 widows. Husbands of other members were mostly day labourers, including 3 rickshaw pullers. As Rahela's husband stated most of them were in debt. The most frequent use of loans was for immediate consumption. As a whole these people were in a vulnerable situation.

Rahela received taka 26,000 for 26 members. No official came to figure out whether Rahela distributed the money to other members. Rahela confided that she gave all the money to her husband. Only one rickshaw puller's wife, who used to live next door to Rahela, got taka 1,000. Rahela's husband invested the money in his cloth shop. Manir, a local journalist who was also my research assistant, reported that Rahela's husband was known in the area as a black marketeer. He had been selling contraband items

(Indian cloths and woollen stuff) for many years. By June 1988 Rahela repaid the money she took. But the rickshaw puller's wife could not repay the loan.

8.3. Discussion of the Evidence: Social Relations, Organizational Viability and Development Outcomes

A number of issues were revealed by the case studies. The RPP is essentially an intervention from above. It is assumed in the technocratic developmentalist perspective that the present state of poverty and unemployment requires the intervention of the government 'for' the development of the poor and special attention needs to be paid to assuring the participation of assetless people in non-farm productive activities. The poor need to be provided with assets, skills, credit and entrepreneurship to enable them to become more productive. These will be facilitated by specific delivery mechanisms with appropriate organizational support. While these are some of the observable problems, nevertheless, a lack of these opportunities is not the determinant of the poverty relationship of the rural poor. The programme is patterned in an unrealistic manner from the top, which can be called 'bureaucratic unrealism'.

Different aspects of social relations were revealed. The issue of rural indebtedness and the question of survival are very significant factors. Income-loss by the poor through the transfer of property caused by an oppressive class structure is one of the factors that keeps the poorer

classes within a cycle of indebtedness. In both Upazilas rural indebtedness is pervasive. In Ranipur usurious capital plays the dominant role in poor people's lives. Different dimensions of rural indebtedness were found. Normally the poor take loans for consumption, medical treatment of family members, marriages of daughters, repairing houses and production. The intensity of rural indebtedness shapes the social and political behaviour of the poor, culminating in the dependency relationship. This was found equally in both Upazilas. In this study I will argue that poverty is not just a matter of absent resources, opportunities and skills, it is the relationships between social classes.

The case studies sufficiently indicate that there is incompatibility between the programme objectives and the nature of organizational intervention. At the outset it should be indicated that, although the programme has addressed itself to asset-based income generating activities, nevertheless, it is a partial intervention in poor people's lives and the social relations through which their survival has to be arranged. Let us first see what the case studies demonstrate.

The NWRDP and RD-11-RPP have accorded a leading role to the BRDB for organizing the rural poor and providing them with skills training, credit and other necessary support services. It is essentially a catalytic and promotional agency. In respect of credit, the BRDB on-lends to the

co-operatives of the poor through the UCCA.

It has been argued at length in Chapters 5 and 7 that the KSS-UCCA organizational model has instigated a number of questions relating to its efficacy as an institution for rural development. KSSs are dominated by large farmers, they are prime defaulters and the MC of the UCCA is riddled with mismanagement and corruption. The failure of the BRDB organization to check the domination of the elites sufficiently indicates the overwhelming power of the rural elites. They effectively manage access to government resources, which are used as an important element for private accumulation and the continuation of the structure of patronage and control in rural Bangladesh.

The resentment of the UCCA staff (inspectors and village accountants) has further threatened the viability of the co-operative model. They are recruited and paid by the UCCA. They are generally low-paid employees, deprived of all facilities that government employees normally receive. It is their long-standing demand to be incorporated within the BRDB structure. With the expansion of the KSS-UCCA-BRDB system, the UCCA staff have started to categorize themselves as distinct from ordinary co-operators. This seems to be inevitable. They are in a position linking the RDO, ARDO and co-operators. Their relatively important position, coupled with the deprivation of official status and an inadequate salary, has tempted them to cheat ordinary members (non-elites).

Under the RD-11-RPP in Ranipur, one RDO, one female ARDO and three Field Organizers (FO)s were employed for organizing and mobilizing the rural poor. They are all government staff. The FOS are low-paid employees. Three FOS were entrusted with 16 BSSs of 503 members. No female FOS were employed. The female ARDO was taking help from one FO and two UCCA inspectors in supervising 20 MBSSs of 672 members. In Belpur one male and one female ARDO have been deputed for the purpose. Two village accountants and three women inspectors recruited by the UCCA would assist the ARDOs. The FO is a member of the BRDB staff but the inspector and the village accountant are UCCA staff. Despite this difference, they perform similar functions.

Although formal responsibility for organizing the poor around the co-operative rests primarily with the BRDB/UCCA staff, the reality is different. Out of 15 primary societies studied, 4 were organized by the UCCA staff, 3 by BRDB staff and the rest by outsiders. Here outsiders include the UCCA chairman, directors, the UP chairman and member, government servants and party political workers. The outsiders essentially perform the brokerage role. Poor performance of the BRDB staff is largely caused by a lack of administrative strength and motivation and unfamiliarity with local conditions.

When the poor are organized by outsiders, there is every danger of social, economic and political costs manifested

mainly in patronage network. The poor are not aware of the rules and regulations regarding the formation of the society. More importantly, they do not have easy access to officials, primarily because of their low socio-economic profile. However it is not irrational on the part of the poor to seek support from the middlemen for access to officials. They are easily caught within the paw of powerful rural elites.

Three primary societies (Maidda Subarnasara BSS, Char Subarnasara BSS and Jhiduri MSS) were organized by the UCCA chairman. Since the loans are disbursed to the primary societies through the UCCA, the influential member saw it as worth their time to try to channel some of these loans in politically correct decisions within the bittaheen classes. Sometimes this means towards their own gushti (lineage) and always towards those who have supported and would support them socially and politically. The case study of Jhiduri MSS reveals that Babar, the UCCA chairman of Belpur from 1981 to 86, was instrumental in organizing this MSS. Babar's wife, Rina, was made the manager. In 1985 taka 13,000 was given by the UCCA-BRDB to this MSS for 16 members. The whole amount was taken by Babar, depriving other members. Up to December 1988, not a single taka was recovered from Rina. The female ARDO visited Rina several times to recover the loan. Every time she told the female ARDO that she knew nothing about the loan; her husband had dealt with the matter. Neither Babar nor Rina maintained contact with the UCCA. Incidentally, Babar misappropriated

a large amount of resources when he was the UCCA chairman (see Chapter 7).

It can be argued that the UCCA structure is deeply integrated into exploitative relationships. The members are presented with little choice but to rely upon their traditional brokers. This has always been an ambivalent role. The UCCA presents no alternative which can be trusted.

It is essentially the task of the BRDB staff to motivate the poor around the co-operative societies. They are assisted by the UCCA staff. They are supposed to teach the poor how to develop savings behaviour, conduct weekly meetings, maintain the register and invest loans in specified areas. There is again danger with the UCCA staff who are locally recruited and therefore tend to identify themselves with the rural hierarchy. This is one of the factors responsible for the trend that influential people have come to dominate the BSSs/M(B)SSs. Social hierarchical relationships are reinforced by kinship relationships. In Belpur 3 primary societies were organized by the UCCA staff. The UCCA staff contacted the dominant figures, managers. In two cases the village accountants took bribes for the registration of the society. The general perception of the co-operators is that the UCCA staff behave like bureaucrats. Instead of motivating they frighten the people with tight rules and registration regulations, banking plans, credit disbursements, repayments etc. Although they are local people, they behave like outsiders with the poor.

In Ranipur only one primary society was organized by the UCCA staff. The reason is that, under the RD-11-RPP, the FOs are primarily responsible for the task. Out of 7 primary societies studied, only two were organized by the FOs. In one case (Bahula BSS), the ARDO took a bribe for the registration of the society. The role of the FOs is subject to some limitations. They are essentially outsiders, taking a long time to be acquainted with local conditions. Moreover, in the course of time, they are incorporated into the rural power structure in one or another way. The role of the RDO and the ARDO in organizing the primary societies is also limited. On the one hand, their functions are circumscribed by the prevailing government rules, regulations and control from above. On the other hand, they have to seek support from local people who essentially mirror the organized power structure in relation to the UCCA in particular and the area in general. In Belpur the impetus for organizing the societies came from several corners. One sort of direct intervention from the UCCA chairman was noticed. The UCCA staff were the supporting elements. The BRDB staff had but to depend on these two groups to recognize the poor.

Apart from the weakness of the supervisory strength of the administration, there is a cultural bifurcation between the bureaucracy with an urban outlook and the impoverished poor. Bureaucrats hardly visit the primary societies, let alone attend weekly meetings. It is also the general perception

of the ordinary co-operators that bureaucrats always show apathy towards the poor. The case study of Palabandha MBSS is an example of this kind. This particular MBSS was exclusively run by destitute women. Lata, the manager, and three other general members reported that they had always been afraid of the female ARDO. She was arrogant and did not behave well with the co-operators. She once visited this MBSS. When she entered the hamlet, known as methor para (sweepers' colony), she covered her nose with a handkerchief as if, the co-operators assumed, to protect herself from a bad smell. Lata and others were ashamed. Lata said, "The ARDO does not consider us as human beings. We tried to entertain her, but she expressed her reluctance to take anything. When she visits others like Delwara (director of the UCCA) and Zobeda (manager of North Roharkanda MBSS), she talks to them with a smiling face".

It is evident from the KSS experience that government officials are involved in financial irregularities. Further influential KSS and UCCA figures operate with official understanding, and/or co-operation, at least at the Upazila level. The two-tier model thus guarantees for the RPP this form of complex interaction between the bittahen, the bureaucracy and the rural elite.

An immediate outcome of the complexity outlined above is the pattern of recruitment of members. The majority of members are poor. Ironically they are the passive actors in the co-operative society. The powerful positions such as the

manager, chairperson and vice chairperson are occupied by those who are not bittahen, by definition. In Belpur, out of 5 BSSs studied, three managers of BSSs belong to middle peasant and two to small peasant households. Landholding is not an exclusive indicator of their economic position. Almost all of them have other sources of income. For instance, Hashem, the manager of Maida Subarnasara BSS, is certainly a small peasant as regards landholding. But his small shop precludes him from the criteria of bittahen. The chairmen and vice chairmen fall more or less within the same category. The most important aspect is the inclusion of rural touts in strategic positions. At least in two case studies, the touts were in strategic positions (the chairman of Chand Mityani BSS and the vice chairman of Chandanganti BSS). In Ranipur the managers of BSSs belong to rich, middle, and small peasant households respectively. Only one manager is a real destitute. This particular BSS (Bahula) is exclusively run by the destitute themselves.

An important trend in both Upazilas is that very often strategic positions are captured by members of the same bari (cluster of houses [usually of the same lineage] or families). Although it is contrary to the co-operative principles, it reflects the kinship network. Rational criteria set by the bureaucracy cannot function independently, as individual co-operators are not removed from the socio-economic and political dynamics that underlie the rural power structure. It is also convenient for bureaucrats to deal with members belonging to the same bari

or to the same faction. Officials were reported to have advised the managers to recruit those aligned with them in one or another way. It is one way to avoid risks. The fact that the managers have been given enormous responsibilities can be attributed to the convenience of local-level bureaucrats, because the managers have some education, are conversant with co-operative rules, can effectively manage members and can ensure that members attend weekly meetings, make their thrifts and deposits, repay loans etc.

The observation made above reveals the problem of group formation. Except for a few cases, the groups appear more as an institution of bureaucratic convenience - the end point is a credit chain, where it is easier to deal with a manager who 'represents' the individuals. There is no attempt to develop group solidarity. This explicit official goal was never pursued seriously. It could have made the manager and other influential MC members more accountable to the general co-operators and strengthened their overall capacity to interact with other institutions and classes on more equal terms.

The cases of M(B)SSs are no different from the BSSs. In Belpur 2 MSSs were under the grip of richer village women and the services and credit were monopolized by them. By richer women we mean that their husbands are quite well off as compared with bittaheen criteria set by the bureaucracy. In Belpur only one MSS (Chandanganti) was run by destitute women. In Ranipur 2 MBSSs were under the control of richer

women. It is true that the majority of members are destitute women, but they are not independent in organizing themselves; they have to rely on richer village women. Again the members of these groups are imprisoned within the hierarchical relationships fostered by employment and indebtedness.

The female ARDOs have their limitations too. Given the low status of women as a whole in the society, they cannot take decisions independently. In both Upazilas, it was reported that some M(B)SSs were registered without the intimation of the ARDOs. The female ARDOs of both Upazilas reported that all actions relating to the registration of the societies, loan disbursement and selection of trainees were taken by the RDO (male) and UCCA chairmen. The story of the distribution of transistors between the co-operators is an example of this kind (case study of Gaonkura MBSS). Within the M(B)SSs, major decisions were taken by male members of the families (case studies of Gaonkura and North Roharkanda MBSS, Jhiduri and Delua (south) MSS). Perhaps the notion of the patriarchal family remains dominant. It can be said that women's groups are perceived by male members of the households as avenues through which family incomes can be increased. I got the strong impression from the three case studies that the women did not dare to spend the loan without the consent of their husbands.

As regards the interaction with M(B)SSs, the BRDB staff prefer those as managers who are educated, and can dress and

speak well. However, bureaucratic behaviour is also an important factor for the exclusion of the target group from participation. This practical problem arises out of the official 'necessity' that the managers and chairpersons interact with the administration. They are given necessary training in this respect. There is little interaction between officials and general members. Instead of facilitating the 'group' as a whole, the bureaucracy extends partial treatment, which further strengthens patron-client relations. This may be illustrated by the case study of Delua (south). While the interview was going on, one general member was ousted from the room. This simply reveals the extent to which the educated managers were not of the groups but 'brokers' for them. They dominate all communications with 'outsiders'.

We now turn to the delivery of services and credit. The formal credit delivery system needs to be understood within broader socio-economic and political structures; as an intervention it is neither above nor apart from the structures of society. Likewise, the informal credit delivery system must be viewed as an integral part of the cultural-political structure of society (McGregor, 1988).

It has been argued that the primary societies are under the effective control of non-bittaheen people, which is reflected in the distribution of the loans. BRDB credit is made available to individual co-operators, not to the group as a whole. In Belpur all primary societies studied

received loans, but these were not equally distributed. The lion's share of the money was taken by the managers, chairpersons and vice chairpersons. In the case of one MSS, the loan was divided between all members (Changanti MSS). In the societies dominated by the non-bittahen, a few really destitute people received loans because of their personal ties. In Ranipur, the loans were not fairly distributed. In the case of one BSS (Bahula) and one MBSS (Palabandha), exclusively run by the destitute, the loan was equally distributed between all members. In Belpur tourism is another factor that constrains access of the really destitute to credit. At least in two cases (Chand Mityani and Chandanganti BSS), recognized touts were in strategic positions and diverted loans into their own pockets. An immediate concern is the structural weakness of the poor and their dependence on the touts. In some cases (case studies of Chala (south), Maida Subarnasara and Gangapara BSS and North Roharkanda MBSS) it was found that the poor could not afford to make savings and buy share capital. The patrons bought those for poor clients. Therefore, when the loans were disbursed, the poor could not claim their shares. Even with the requisite qualifications, the poor are left outside the rules of the game because of their previous indebtedness to their patrons within the co-operative itself. In one case (North Roharkanda) it was found that the BRDB staff supervised the distribution of credit, but later on members had to surrender the entire money to the powerful one.

Precarious indebtedness is a fact of life which the poor

have to face in order to ensure their survival. Once they repay one debt, they are further caught in another debt. Rural indebtedness is an essential mechanism the poor adopt to ensure their survival. At the same time they have future visions to do something, which can get them out of social bondage. These two aspects are in essence interrelated and constitute the story of the lives of the poor. In so far as organizational intervention is concerned, the poor face a contradiction between their immediate survival needs and their plans for future prosperity. The BRDB loan is given for production, not for consumption. A government document recognizes this contradiction.

Most of the individual rural families have very high consumption needs. A small amount of money placed at the disposal of such family with great hopes vanishes in no time because the family spends away this to meet the consumption needs or distress time needs (GOB, 1984b: 43).

The BRDB thus deals with partial, not complete aspect of survival arrangement. When the poor get the loan, they split it, allocating a part to the prescribed purposes and another part to 'unauthorized' uses, paying previous debts (informal), consumption, repairing houses, spending for a daughter's marriage, family members' medical treatment etc. This is the main reason for the non-repayment of the loans taken by the poor. Strong pressure from the administration pushes them to informal credit relations (see Chapter 4) in order to repay the formal loans. The case of Palabandha MBSS is an example of this kind. In 1987 4 members could not repay the loans in time as they had to spend the money for other purposes (two spend on consumption, one for a daughter's marriage and one for a husband's medical

treatment). After a couple of days, the RDO came and frightened them that, should they not repay the loan, they would be taken into police custody. All the members became afraid. They helped the women in default with some money and the rest was taken from a professional moneylender. At the end they were able to repay the loan. One of the victims expressed her desire to leave the co-operative.

While the poor cannot start future plans with loans given by the BRDB, some dominant members invest the scarce resources in dadan, moneylending and illegal business (case studies of Palabandha and North Roharkanda MBSS and Delua (south) MSS). Investments in these areas assure high incomes for some but these also imply payment of high interest rates for the poor, those who borrow money and sell the outstanding crops. Other studies have also found the persistence of these practices (Adnan, 1986a: 23; Hahemi, 1990: 75). However, instead of attacking the root of exploitation, BRDB development intervention is probably reinforcing the system.

The BRDB staff related to the RPP describe various problems they face during implementation. It is their responsibility to ensure that the target groups receive credit and that this is recovered. The rate of recovery is an indicator of their good performance. They are not unaware of the critical economic conditions and social relations of the poor. The BRDB staff seem to be uncertain whether the poor will be able to repay. Also they are not totally unaware of the fact that relatively well-off people deprive other

members (although they say they cannot identify properly who are bittahen and who are not) of the credits disbursed. In this respect they remain at least confident that the money disbursed will be recovered. This is what we can refer to as 'bureaucratic convenience', which underlies the importance of treating applicants as 'cases' and assessing good performance by rate of loan recovery. Despite this, there is a high rate of default. The richer people are wilful defaulters. The poor are not wilful defaulters; the context of their survival arrangements is responsible for the default. Within the organizational hierarchy of the BRDB, there is a 'risk aversion' tendency. In an interview, the Deputy Project Director of Sirajganj told me that the RDO and the ARDO did not perform well and that is why non-bittahen people could reap the benefits of the programme. The RDO and the ARDO denied the allegation and blamed the UCCA inspectors and village accountants for the mismanagement. On the other hand, the UCCA inspectors and village accountants told me that they had done everything with the cognizance of the UCCA chairman, the RDO and the ARDOs. I argue that all the actors constitute an organized group that was responsible for the programme's inability to reach the poor.

Thus we find the interplay of two factors - state intervention in the lives of the rural poor and its shortcomings and the social relations of poverty. The institutional incorporation of the BSSs and M(B)SSs into a two-tier co-operative system is primarily based on the

assumption that it may offer the chance of distributing credit on a wider scale without having to administer it at the level of individual recipients. While this is convenient for bureaucratic purposes, nevertheless, it does not solve the problem of 'reaching' the target group. Particularly it is very unrealistic to try with the co-operative structure, which has been tested and proved to be hollow for this purpose.

The main concern of bureaucratic administration is to disburse the money to individual co-operators for production, thus disregarding indebtedness and immediate survival needs. It is also unrealistic, and reflects a narrow understanding on the part of the programme designers, to stress a lack of capital and skill as determining factors of rural poverty, which can be solved by a two-tier co-operative system. Firstly, these institutions are an essential part of the hierarchical social system. Secondly, there is little appreciation of the impact of village debt relations and other needs. There is no denying that capital and skills are necessary. But these are likely to be ineffective if other dimensions are left outside consideration. This is particularly important because, when a poor person is in debt, additional income generated from the credit, in one way, subsidizes the moneylender class and cements the exploitative relationship (Wood, 1984b).

Bureaucratic formalism and rural power relations work hand in hand to constrain the access of the poor to formal

credit. Ensuring membership through savings, shares and weekly meetings, filling up loan applications on the part of individual members, scrutiny of the loan application by the UCCA loan sub committee, passing of loan applications by the UCCA, further scrutiny by local and District bank officials and the office of the BRDB PD and passing necessary orders down to the local level are the necessary steps, towards the achievement of disbursement. Experience in both Upazilas reveals that the whole procedure takes not less than 3 months. This period is too long for a tiny amount of money for the rural poor. Lata, the manager of Palabandha MBSS, said, "We are poor. We cannot afford to visit the BRDB office regularly. If we do not work one day, that is a great loss to us. Officials do not give any definite period". Habib, the manager of Bahula BSS, reported that in early 1988 some members of the society had taken loans from professional moneylenders for one month to start a new business with the hope that loans would be available within that period. But bureaucratic procedure thwarted their hopes by taking too long. In addition, there is bureaucratic corruption, a danger of cheating and the uncertainty of getting money. As against this, village informal credit does not require documentary procedures, and demand can be made whenever necessary and for any purpose.

One of the stated objectives of intervention is group mobilization. This is indeed very important for the rural poor effectively to claim the rights. However, the essence of group mobilization is power. It is necessary to alter

the balance of power as a precondition for ensuring access to state resources. Evidence suggests that group mobilization is inhibited by several factors. The way the groups are formed and rural indebtedness are the factors that are internal to the rural society and inhibit group solidarity. Other factors relate to the functioning of the BRDB. The BRDB works more as a control and administrative bureaucracy than as a promotional catalyst. The credit component is essentially a 'relief' programme and concentrates on individual effort. The intention behind this is to convert a poor person into an entrepreneur. The evidence suggests that such an entrepreneurship cannot develop in its own right. If the loan was for collective enterprise, it could have contributed not only to a productive endeavour but also to the strengthening of solidarity between the group members. The long term effect might be that loan dependency for individuals on an annual basis with a repetition of documentary procedures will produce a class of bureaucrat-dependent clients (Wood, 1984b).

Skills training is indeed very necessary. But the fundamental fallacy of the training component is too much emphasis put on the acquisition of technical knowhow. Although there is an explicit reference to co-operative management, nothing has been done in this respect. Imparting training in an isolated manner cannot produce the desired results. Training has never been imparted to link the acquisition of skills to collective forms of social

organization. This is not merely de-linking the poor from social production, it is isolating the poor from organized political action.

Conclusion

Bangladesh has a long history of attempts to promote rural development through the approach of institution-building, mainly on the basis of the two-tier co-operative system. I have argued that, until the late 1970s, the explicit objective of the programme was to increase agricultural production, with a disregard for the rural poor. The deficiencies of this approach were recognized, and in the early 1980s the government made efforts to develop appropriate rural institutions for landless people and for generally disadvantaged women.

In this chapter, an empirical analysis of 15 assetless co-operative societies in two Upazilas attempts to clarify the practical problems and actual performance. The whole process of intervention seems to be caught in dilemmas. While a catalytic agency or government facilitators are required to reach the target groups, the absence of an appropriate policy and institutional framework to address the grave situation has jeopardized the achievement of the explicit objectives. The much criticized two-tier co-operative model in conjunction with the BRDB was adopted for bureaucratic convenience. In practice, however, it is unable to comprehend the dynamics of rural poverty and to

respond accordingly.

Chapter Nine: Conclusion: The Impact of Rural Development

Programmes

Introduction

This chapter attempts to examine the impact of the rural development programmes. Firstly, an attempt is made to assess the direct economic impact of the programmes on agricultural production and poverty alleviation. It is argued here that development interventions in rural Bangladesh have neither increased agricultural production nor alleviated poverty. Secondly, I analyze the impact of the programmes on the agrarian structure and power relations. Particular emphasis has been given to analysis of the impact of the newly evolved Upazila decentralization on the rural economy, the power structure and private accumulation. The findings indicate that decades of development interventions have not only helped to keep the exploitative agrarian structure intact but also created a lot of opportunities of private accumulation for the rural elites. In turn, ever increasing inequalities between the rich and the poor have been reinforced. The state supports the local elites for the services they render to establish legitimacy, to create a political support base and to exert social control over the subordinate classes. This concluding chapter finishes with the assertion that the peasants, not the state or its agents (local elites), should be the transformers of crude realities - poverty and inequality. Various macro and micro-level studies together

with my case materials are used to support the arguments.

9.1 Agricultural Production

Bangladesh is a typical underdeveloped agrarian economy. Of 106.6 million people, 84.8 per cent live in the rural areas (BBS, 1989: 5). Agriculture constitutes the backbone of the economy. Agricultural output in recent years has accounted for 41 per cent of the gross domestic product (BBS, 1989: 99). This sector employs about two-thirds of the total labour force. About 80 per cent of the rural households depend on agriculture for their livelihood. In the 1980s the rate of agricultural growth was 2.2 per cent per annum (UNDP, 1988: 1-4), which was a little lower than the growth rate of population. According to one estimate, in 1986 18.4 million tons of foodgrains were required to feed the whole population (Abdullah, 1987: 34). In 1988, the total production of rice and wheat was 16.48 million tons, resulting in a nearly 10 per cent deficit in consumption requirements. With the increase of the population, the demand for foodgrains will be increased. It is likely that the economic development of the country is critically dependent on agricultural production at least in the short run.

Increasing agricultural production is the priority of the government. As such an elaborate institutional infrastructure has been developed and enormous resources have been invested to accelerate agricultural production.

In Bangladesh agricultural production means increasing crop production. Table 9.1 shows that crop cultivation constitutes nearly 69 per cent of the agricultural value added. The average annual rate of growth of agricultural value added in the 1974-1987 period was 2.8 per cent.

Table 9.1. Growth & Composition of Agricultural Value Added

Subsectors	Value Added in 1986/87			
	Ml. Tk.of current prices	As a % of agricultural value added	As a % of GDP	Annual rates of growth value added (1974-87)
Crops	164,165	68.9	31.5	2.9
Forestry	20,272	8.6	3.9	2.7
Fisheries	18,789	7.9	3.6	2.5
Livestock	35,069	14.7	6.7	3.0
Agriculture	238,295	100.0	45.7	2.8

Source: Reproduced from Hossain (1988: Table 1, P.101).

Table 9.2 compares the growth in crop production in the pre- and post-independence periods. The gross value of production of major crops grew at the same rate during the two periods. The post-independence period experienced a considerable deceleration in the growth of shown area (land)

under crops. The rate of growth of output was maintained through an acceleration of the increase in crop yields. Recent growth has mainly been accounted for by the increase in production

Table 9.2. Growth in Crop Production in the Pre and Post-independence periods (% per annum)

Crops	Period	Gross value of production*	Cropped land	Yield
Rice & Wheat	1950-71	2.6	1.1	1.5
	1973-86	2.8	0.9	1.9
Other crops**	1950-71	2.2	1.3	0.9
	1973-86	0.9	-0.1	1.0
Major crops	1950-71	2.5	1.1	1.4
	1973-86	2.5	0.8	1.9

Source: Reproduced from Hossain (1988, Table 2, P.102).

Notes : * The values are estimated at constant 1981-82 prices.

** Includes jute, sugarcane, tobacco, pulses and oil seeds.

of cereal crops, rice and wheat. The annual growth rate for cereals rose from 2.6 per cent for the pre-independence period to 2.8 per cent for the post-independence period,

while that for non-cereal crops fell from 2.2 to 0.9 per cent respectively. Although the percentage of cropped land

Table 9.3. Recent Trends in Production and Productivity of Important Crops, 1973-87

Crops	Area under crop as % of total cropped area	Trend rate of growth (%)		
		Production	Area	Yield
Rice:	78.4	2.2	0.5	1.7
Aush	21.5	0.0	-0.8	0.8
Aman	44.7	1.8	0.5	1.3
Boro	12.2	5.7	3.7	2.0
Wheat	4.3	19.7	14.5	5.2
Jute	5.7	1.9	0.6	1.3
Sugarcane	1.2	0.7	1.2	-0.5
Tea*	0.3	3.6	0.3	3.3
Tobacco*	0.4	0.8	1.0	-0.2
Pulses	1.9	-1.4	-1.2	-0.1
Mustard seeds	1.3	1.4	0.3	1.1
Potato	0.8	3.3	2.3	1.0
Chilli*	0.5	-0.8	-0.5	-0.3

Source: Reproduced from Hossain (1988, Table 3, P.103).

Note : * Estimates for 1986-87 crop year for these crops were not available. The land allocation for these crops and the growth rates are for 1973-86 period.

for cereal production increased by 1.1 per cent per annum in the pre-independence period and 0.9 per cent per annum in the post-independence period, a higher rate of increase in yields was maintained. In the case of non-cereal production, the percentage of cropped land decreased in the post-independence period. Thus in all respects the growth in crop production in the later period was based on cereal crops.

Table 9.3 shows a more disaggregated view of crop development. Cereal crops (rice and wheat) were cultivated on 82.7 per cent of the cropped area. Only boro and wheat experienced spectacular growth rates. The growth rates of area in the case of these two crops are also spectacular, which was made possible at the expense of other crops such as oilseeds, pulses and spices. This can partly be attributed to the expansion of irrigation facilities made available to the farmers.

The above discussion reveals that agricultural production has never fulfilled the objective of self-sufficiency in foodgrains. Following the discussion in Chapters 4 and 5, it can be said that significant problems and constraints in formulating, implementing and co-ordinating realistic agricultural plans, programmes and projects remain unsolved. An important aspect is a lack of coherence between different programmes, an inconsistency between the means adopted and targeted ends. The populist rhetoric of the co-operative

approach for agricultural growth is still evident, although over the years it has been proved that a powerful class of rich peasants dominates the co-operatives and uses these more as a vehicle for personal enrichment than for agricultural growth. The biggest defaulters on institutional credit are not the poor, but the rich. The poor have little access to it in the first place. The rich often default even if they have the repaying capacity; they expect to be able to get away with it. If the rural elites can continue to reproduce or accumulate without repaying loans, then there is no systematic incentive for them to increase production and productivity levels in order to repay loans and survive in the manner operating under capitalist rules of the game. However, the mere 'pumping in' of greater amounts of credit will not necessarily ensure increasing levels of output. It will lead to correspondingly greater levels of default (Adnan, 1986b).

So far nothing has been gained from the privatization policy relating to the distribution of agricultural inputs. It is argued that recent declines in intensity of fertilizer use and the sale and rental of minor irrigation equipment can be explained in terms of the counterproductive effects of the policy (Adnan, 1986b). However it is likely that a decline in the intensity of use of inputs will give rise to a consequential decline in output levels, affecting the avowed prime objective of food self-sufficiency.

Micro-level case studies reveal that the rural rich generate

surpluses, but they do not invest these in raising productivity (Adnan, 1986a; Hossain, 1987; Wood, 1978a).

Wood concisely explains this:

in general, rural class relations in Bangladesh have been characterised by the use of capital in the sphere of exchange (renting, money lending and trading) which has effectively raised the level of absolute surplus value accruing to certain classes, but which is not contributing to the generation of productive agricultural capital (Wood, 1984c: 57).

It is not likely that recent Upazila decentralization will have a positive impact on agricultural growth. My own case studies (Chapter 6) and other micro-level studies (Maniruzzaman, 1986; Quasem, 1986b) reveal that the UZP gives utmost priority to development of physical and social infrastructure such as transport facilities and educational institutions. Directly productive activities are neglected. The UZP has to follow the criteria suggested by the Planning Commission. Nevertheless, the above-mentioned case studies indicate that the planned allocation to infrastructure was higher than the range suggested by the Planning Commission. It is understandable why the UZPs go for the infrastructural schemes. Hossain observes:

Members of the upazila parishad represent the interests of the large landowners and other rural elites. In the production sectors, they may go for investments which would benefit the upper income groups, and for projects which could otherwise be undertaken by the local people with own resources. Thus, investments undertaken by the upazila parishad may merely substitute rather than complement private sector investments and initiatives. It is unlikely that the upazila parishad would go for such soft projects, as demonstration farms set up for popularising crops, and modern methods of crop cultivation, aqua culture and livestock and poultry farming etc, whose effects are not immediate and visible. But they would go for projects involving construction work, which would enable them to distribute

favours to political clients (including the union parishad chairmen who are the members of the parishad) (Hossain, 1988: 113-114).

Obviously, the pattern of allocation would hardly compensate for the negative effect of the drastic fall in agriculture's share in the national development budget. For instance, the yearly average allocation in the agriculture sector (without Upazila development grant) was 3,374 million taka (13.60 per cent of total ADP) for the 1980-83 period. During the post-decentralization period (1985-88), the yearly average allocation was reduced to 2,665 million taka (5.86 per cent of total ADP). The most affected was the crop sector, which experienced a decline in the share of total ADP from 6.4 per cent in the 1980-83 period to 1.14 per cent in the 1985-88 period. Accordingly, the allocation to the BADC declined from 6.4 per cent in 1980-83 to 1.1 per cent in 1985-88. The decline in public investment in agriculture is possibly the result of withdrawal of input subsidies and the reduction of the involvement of the BADC in agricultural development (Hossain, 1988: 110-111).

Macro-level studies show that the growth rate of agricultural production decreased in the post-decentralization period. Hossain (1988: 116) compares the growth rate of the 1976-83 period with that of the 1976-87 period. Cereal production grew at a rate of 3.5 per cent per annum during the 1976-83 period, but the growth rate for the 1976-87 period was estimated at 3.0 per cent per annum. The growth of paddy production was estimated at 2.4 per cent per annum, a drop of about 0.3 per cent over

the rate achieved during the 1976-83 period.

The above discussion reveals that decades of state intervention in agricultural development have not helped to achieve the goal of food self-sufficiency. The decline in the relative growth of agriculture may have already begun. There are man-made barriers in addition to the physical limits of cultivable land, natural calamities and growing population. The UNDP evaluation report is very sceptical about the goal of food self-sufficiency. The report states that the goal is unrealistic given the immensity of the effort and high costs involved in the drive towards closing the 'food gap' (UNDP, 1988: 11/8-11/9).

9.2 Poverty Alleviation

Pervasive poverty, unemployment and income inequality are the most serious and difficult issues in Bangladesh's development. In order to ascertain the impact of the rural development programmes on poverty, it is essential to have a brief look at the quantitative trends of rural poverty. Calorie intake has been used as an important indicator of rural poverty in most studies of rural poverty (Khan, 1977; Rahman et al., 1988). At this point a comparative assessment of poverty for the 1960s, 1970s and 1980s is presented.

Table 9.4 reveals the picture of poverty on the basis of the fulfilment of nutritional requirements. The proportion of

poverty-stricken in the rural population has increased gradually and in 1982 it reached a peak. This can be corroborated by the nutrition surveys of the Institute of Nutrition and Food Science (INFS), Dhaka University, conducted in 1975-76 and 1981-82. These two survey reports reveal that, while in 1975-76 35 per cent of the rural households could not meet 80 per cent of calorie

Table 9.4. Incidence of Rural Poverty

Years	Absolute Poverty (2200 K.Cals/person/day)	Extreme Poverty (1800 K.Cals/person/day)
A. Proportions of Population Below Poverty Line Income		
1964	50.8	35.6
1974	57.8	41.4
1982	77.5	64.3
1984	47.6	29.9
B. Numbers of People in Poverty (millions)		
1974	40.15	28.5
1982	59.81	49.6
1984	38.15	24.0
C. Direct Measures of Poverty - % of Population		
1982	74	47
1984	62	37

Source: Compiled from Rahman et al. (1988, Table 11, P.23).

requirements, in 1981-82 the percentage increased to 49 per

cent of the rural households. The percentage of those which did not meet the full calorie requirements increased from 59 per cent in 1975-76 to 76 per cent in 1981-82 (cited in Rahman et al., 1988: 24).

A slight improvement in the mid 1980s was revealed by the Household Expenditure Survey (HES). Rahman et al. questioned the methodology of poverty measurement by the HES and argued that larger improvements can be heavily discounted in view of the under- and over-reporting of incomes in 1982 and 1984 respectively. The 'Daily Sangbad' (Bangla newspaper) of 17 October 1988, referring to an economist who used unpublished data from the INFS's nutrition survey in early 1988, reported that the per capita calorie intake declined from 1975 K.cals in 1981 to 1737 K.cals at the time of research (late 1980s). There might have been some improvements in the mid-1980s, but in later years the situation became worse again. At this point it is difficult to ascertain whether or not a slight improvement in the poverty situation in the mid-1980s indicated a long term trend.

Poverty can be measured in another way. In 1983-84 the average daily real wage of unskilled agricultural labour was taka 6.15 compared to the wage of taka 6.69 in 1973-74 and far below the wage of taka 9.18 two decades ago in 1963-64 (Sobhan, 1986: 11).

The most fundamental criticism that can be made of the rural

policy is that little has been done for the escalating numbers of the rural poor. Data on the civilian labour force show that it has grown at a rate of about 2.2 per cent per annum between 1966 and 1983-84 (Rahman et al., 1988: 55). Between the 1981 census and the 1983-84 Labour Force Survey (LFS), the increase in the labour force was 2.6 million. Over the third plan period (1985-90), the expected increase rate was about 39 per cent (Muqtada, 1986). Given this quite rapid growth in the civilian labour force and a slow growth rate of the economy over the 1970s and 1980s, the increase in both unemployment and underemployment is not surprising. The rates of underemployment were found to be 31, 21 and 22 per cent for 1979, 1980 and 1983-84 respectively. The rates among women workers are estimated to be 3 times as high as those for men workers (Rahman et al., 1988: 58). It is really irony that women's role as housewives is not recognized as productive in Bangladesh.

The performance of the agricultural sector in generating employment has been disappointing. Employment in agriculture declined between 1974 and 1983-84 at a rate of 0.3 per cent per annum. The agricultural sector in 1983-84 employed less labour than it employed in 1984. On the other hand, the non-agricultural sector employed more labour. The agriculture/non-agriculture ratio changed from 79:21 in 1974 to 59:41 in 1983-84 (Rahman et al., 1988: 58).

The crop sector has employment potential. This can only be realized through the expansion of HYV technology which is

labour intensive, requiring on average 45 per cent extra labour per acre of land compared to the local varieties of rice (Rahaman, et al., 1988: 58). Muqtada, basing his analysis on past performance, indicated that the crop sector would be able to absorb the projected 39 per cent increase in the labour force over the third plan period (Muqtada, 1986: 60). This projection, however, stands in direct contradiction with the actual decline in employment between 1974 and 1983-84. It is to be mentioned here that the expansion of HYV technology, considered as the main strategy for solving the unemployment problem (GOB, 1985: 105), has been limited. For instance, the acreage under HYV paddy and wheat cultivation increased at an annual compound rate of about 5.3 per cent over the 1981-85 period compared to a much higher rate of 11.0 per cent over the 1976-80 period (Rahman, et al., 1988: 94). Apart from the low level of expansion, there is considerable employment loss through mechanisation in irrigation, weeding, threshing and husking (Ahmed, 1982; Greeley, 1982). There is a possibility that the emergence of a more unequal landownership structure and a class of 'progressive' farmers may accelerate this trend and hence lower labour absorption still further (Rahman et al., 1988: 59). This sort of unemployment can be solved partially if other sectors, particularly industry have the potential of providing jobs. But the industrial sector in Bangladesh cannot provide such opportunities. It is reasonable to say that the crop sector, hence the HYV production-oriented strategy, will not be able to keep the present labour force employed let alone provide employment

opportunities for the projected extra 39 per cent of labour force. Paradoxically, such a strategy is likely to be self-limiting because unless such employment is created there will be an absence of effective demand for foodgrains.

The potential area for providing jobs to the poor is the non-farm sector. The Labour Force Survey (LFS) conducted by the Bangladesh Bureau of Statistics (BBS) shows a considerable increase in non-farm employment. The government also hopes to create job opportunities through infrastructural development schemes (GOB, 1985: 217). The biggest programme in this respect is the Food for Works Programme (FFWP). For instance, the total allocation of wheat for the FFWP increased from 230,000 tons in 1975-80 to 500,000 tons in the 1986-87 period (Hossain, 1989: 20). Nevertheless, it is doubtful whether these measures could combat poverty. Firstly, the increase in non-farm employment envisaged by the LFS could conceal a considerable amount of underemployment. The increase in the number of people 'employed' on the non-farm sector could occur at the cost of increasing underemployment (Rahman, et al., 1988: 60). Secondly, rural infrastructural development programmes undertaken by the UZP (under block grant) have a small wage component (10-15 per cent). Since the FFWP is the most labour intensive programme, it ought partially to serve the purpose of poverty alleviation. The discussion of selected rural development programmes in Chapter 5 and my own empirical study reveal substantial leakages of funds in infrastructural development schemes supported by block

grants and the FFWP. Corruption on the part of elected members of the local bodies and by local officials who plan and execute the work probably means that a smaller number of workers than officially reported have actually been employed (Hossain and Jones, 1983).

Since the late 1970s, the target group approach has received currency in rural development in Bangladesh. The Employment Sector programme and the RPP are the two programmes that aim at helping the poor. The objective is to create short and long term economic opportunities for the rural poor. The assumption behind such attempts is that a given administrative structure tied into national and local political networks and a set of allocative criteria determined externally can be workable for the rural poor. It has been argued in Chapters 5, 6, 7 and 8 that local institutions are enmeshed within national and local patron-client networks that promote the interests of the locally dominant classes. However, when programmes with 'good intentions' are brought into the rural areas, negotiation takes place between the local leaders and programme officials. The target groups are essentially the 'objects'. They can only bargain for access to state resources by petitioning their patrons.

Different sets of problems pervade the poverty alleviation programme. Interventions which have been made over the years have failed to recognize the social aspects of poverty. A lack of access to resources caused by the

existing unequal distribution of resources of all kinds, economic coercion [which occurs through the product market, the labour market, the credit market and the interlocking of these markets (mortgage, dadan etc.)], the resultant power structure, and institutional structures constitute the social relations of poverty (Hashemi, 1990; North-South Institute, 1985; Adnan, 1986a; McCarthy and Feldman, 1988). An important aspect is that the basis of the social relations of poverty goes beyond the rural boundary. While the village headman, the rich peasant, the moneylender or the local government functionaries are visible actors in the reproduction of poverty in the countryside, it is ultimately the state that acts as the custodian of this system of exploitation.

Instead of putting the problem of rural poverty in a realistic perspective, the government seems to confront the problem by an orthodox strategy - the modernization of the rural economy. The poor are thought to benefit from 'trickle down effects' (Adnan, 1986b; Van Schendel, 1988).

As statal, parastatal or local government interventions, they all suffer from being alienated from the rural poor and antithetical to their interests. The nature of the programmes, their procedural complications, rural elites, touts and the bureaucracy associated with the intervention make the programmes inaccessible to the poor (Hashemi, 1990: 74). There are some ramifications of this access problem (Chapters 2, 6 and 8). Firstly, the intervention deals with

a partial aspect of poor men's lives. The complete story concerns income losses (eg. transfer of land to rich peasants, moneylenders) and indebtedness. The loan is given to a poor man with an assumption of developing him as an 'individualistic', 'profit maximising entrepreneur'. After getting the loan, the poor man has to split the loan. He repays his previous debts, consumes a bit, spends some for medical treatment etc. Secondly, local-level officials represent petty bourgeois urban families or rich peasant families who are more interested in identifying with landed village interests than with the poor (McCarthy and Feldman, 1988: 11). My own case studies on the BSS/MBSS (Chapter 8) and rural workers (Chapter 6) working for the development schemes under the UZP corroborate this argument. Thirdly, the poor cannot comply with bureaucratic values, attitudes and procedural requirements (in the case of KSS or RPP loan). No less important is the pervasiveness of 'unofficial' payments for formal sources of credit.

Thus it is not unreasonable on the part of the poor when they perceive state-sponsored poverty-eradication efforts 'as new strategies of state control; new methods of patronage distribution; new tactics of reinforcing systemic rural exploitation' (Hashemi, 1990: 74).

Parallel to the poverty alleviation experiments by the government agencies, Bangladesh in the post-independence period witnessed a number of innovative programmes by NGOs and Grameen (Village) Bank. These programmes have been

relatively successful in reaching the target group (Hulme and Turner, 1990: 207-212; Choudhury, 1989; Khan, 1986). According to Fowler, two significant factors have contributed to the success - the targeting of the poor and the organizational flexibility (cited in Hashemi, 1990: 74-75). This view, however, has not remained unchallenged. Hashemi's empirical study shows that NGOs are successful as a delivery system for relief and micro development inputs, which stands in marked contrast to governmental efforts. But NGO poverty alleviating efforts have failed either in increasing productive capacity or in increasing net welfare gains. The structural basis of rural poverty remains intact. Rural transformations are not effected by NGOs; rather new factions and new hierarchies are promoted, which harm the class solidarity of the poor. In the case of the Grameen Bank, 'the Bank only operates in villages where it has the approval of the local elite and.. far from empowering the poor it provides a new mechanism for local elites to maintain their position' (Hulme and Turner, 1990: 212).

9.3 Agrarian Structure, Private Accumulation and the State

Bangladesh is a developmental state. The state both in terms of its policy making role and also the functions it executes through its apparatus has been pervasive and active in the day-to-day life of the rural households. The recent privatization drive is believed to have curtailed the role of the state in the rural economy (Khan, S.A., 1989). This

is really a misleading interpretation. It should be borne in mind that all policies and programmes relating to agricultural development and the decentralization of rural planning authority to local organizations are configured by the state.

The state intervenes in the rural economy for various purposes. The explicit ones are agricultural growth and poverty alleviation. In the preceding sections, I have argued that the explicit objectives of the state have never been realized. Nevertheless, the agrarian structure has been greatly affected by the interventions. Contemporary studies indicate that the growth strategy of the state has rather accentuated ever increasing differences between various classes of the rural households of Bangladesh (Rahman, 1986; Jahangir, 1979). Economic coercion in the agrarian structure discussed in Chapter 4 remains unchanged. The adoption of the green revolution strategy has widened the income differential between the rich and the poor (Rahman, 1986; Howes, 1985; Hossain and Jones, 1983; Jones, 1979). The poor have not benefited except through an increase in the demand for casual labour. The new technology has led to the dispossession of the land of the poor (Rahman, 1986; Hossain, 1987). The poor rarely get proper prices for their product (Hartmann and Boyce, 1988; Adnan, 1986a; UNDP, 1988). State intervention has not improved the exploitative tenancy relations (Adnan, 1986a; Datta, 1990). Economic coercion in the form of usurious capital, mortgage and dadan is as rampant as it was (Adnan,

1986a; Hartmann and Boyce, 1988).

As things stand today, state intervention in rural development has enhanced the social and accumulative power of the rural elites. Their spheres of accumulation have also been expanded under the direct patronage of the state. They appropriate surpluses not only as landlords but also as merchants, moneylenders, mortgagees and dadan givers. They have at the same time benefited from government rural development programmes by obtaining inputs. Under the direct patronage of the state, they have diversified their economic activities. The process of privatization of inputs in the rural sector means that the monopoly over land is being reinforced by the monopoly over the distribution of inputs such as water, fertilizer and pesticides. Another recent phenomenon, since the introduction of the Upazila system, is the proliferation of contractors. The new class of landlords, input dealers and contractors who also have land is likely to reinforce their power more vigorously. The crudest aspect of accumulation is the misappropriation of government resources, which we can refer to as direct plundering. This is equally true for those who have manned the local organizations (Co-operatives, Irrigation Committee, Union Parishad and Upazila Parishad) and those who have direct patronage networks with the people concerned with these organizations. My own case studies indicate that these organizations have become arenas of private accumulation.

The case study on the UZP (Chapter 6) reveals that the Upazila chairmen and voting members of the UZP (the UP chairmen) accumulate not only from agriculture but are also engaged in other occupations - input business (water, fertilizer), construction and so on. The most lucrative area of accumulation, which we can refer to as unearned surpluses, is infrastructural development schemes, which is made possible in association with local-level government officials.

As interventions are intensified, new sets of relationships and alliances have emerged in the countryside under the patronage of the state. My case studies indicate that many contractors belong to the subordinate class. The same is equally true of touts. Their primary responsibility is to strengthen the hands of their patrons - the UZ chairmen, UP chairmen or local leaders of other petty bourgeois opposition parties. In turn they are assured of patronage - construction schemes, membership in the PC or any advisory body and access to officials. McGregor (1989) and Hashemi (1990) point out new factional ties and alliances that are the products of development interventions.

Rural elites involved in the UZP formally or informally do not confine their illicit accumulation within the boundary of the UZP. Ali (1986c) has analysed the relationship between the local power structure and agricultural credit disbursement and repayment. He found that 168 Upazila

chairmen (of 460 chairmen in Bangladesh) took agricultural credit from the Bangladesh Krishi (agriculture) Bank during the survey period. A total of taka 22.13 million was disbursed to them, of which taka 4.2 million was recovered (about 20 per cent) and taka 17.09 million was overdue (77 per cent of the amount disbursed and 63 per cent of the amount outstanding) (Ali, 1986c: annex XX11, p.46). Sixty eight per cent of the chairmen did not repay at all, 16 per cent repaid in the range between 1-25 per cent, 8 per cent in the range between 25-50 per cent, 4 per cent repaid in the range between 51-75 per cent and only 4 per cent fall within the range of 76 per cent and above (Ali, 1986c: 20). Ali has shown that the UP chairmen (voting members of the UZP) also took substantial amounts of credit but repaid very little (Ali, 1986c: 10-11) This pattern, Ali observes, 'clearly shows that there is nexus between political power and access to loans' (Ali, 1986c: 21).

The UCCA (Chapter 7), another representative development organization at the Upazila level, has become a forum of private accumulation. The UCCA directors not only take loans but are also involved in the misappropriation of funds, which is made possible with the help of lower-level officials.

9.4 Why Does the State Support the Prevailing Distribution of Rural Power and Hierarchy

The foregoing discussion engenders a question: have

state-sponsored rural development programmes failed or succeeded? The long discussion on the impact of intervention on productivity and poverty alleviation suggests that it has 'failed' in the sense that it has not increased productivity and relieved worsening poverty. But it has 'succeeded' in consolidating state power through local elites in the countryside. State patronage is the most vital factor in the overwhelming political and economic strength of the rural elites. The pertinent question is: why does the state support the prevailing distribution of rural power and hierarchy?

In this study (Chapters 1, 3, 4, and 5), I have argued that the rich peasants in Bangladesh do not constitute Byres' 'class-for-itself' (Byres, 1981). Nor are they a part of the 'propertied classes' (Alavi, 1979). Rather, rural elites have become political and economic agents of the state in the villages and have been co-opted into the larger structure of power as junior partners. That they reap the benefits of state-sponsored rural development programmes does not imply that they have brought the rural development policy in their favour through direct influence. The state allows the rich peasants to reap the benefits because they provide vote banks and ensure law and order at the grass-roots level. Hashemi observes that it is ultimately the state

that acts as the guardian of the rural power elite. The rich peasant does have some degrees of autonomous action but his authority fast erodes if and when confronted with the state machinery. More often by acting as an intermediary in controlling class struggles in the countryside,

the rich peasant serves the function of extension of state power. In fact the rich peasant and the rural elite benefit from a system of patronage that is intricately related to the maintenance of state authority (Hashemi, 1990: 77-78).

The clientelist nexus between the state and the rural elites is not a new phenomenon in Bangladesh. It has deep historical roots, which discredit the notion of the 'traditional isolation' of village society propagated by modernization theorists. I have argued in Chapter 3 that a class of rich peasants emerged in the permanently settled area of Bengal in the nineteenth century, which owed much to the strategic effort of the British raj to counter the zamindars. Although the raj got some respite, the strategy did not endure. The Muslim urban elites with the help of the rural jotedar class spearheaded the nationalist movement for a new nation state, Pakistan.

In Chapters 3 and 4, I have analysed developments in the post-colonial (1947-1971) and the post-independence periods (1972 -). In the post-colonial period, East Bengal was brought under the economic and political domination of the West Pakistani ruling elites. Bengal agriculture was squeezed to help West Pakistan-based industrialization. Nevertheless, state patronage made the rich peasants happy. The land reform legislature of 1950 eliminated the zamindars. The rich peasants became the mediator between the state and the countryside (Shahidulla, 1985). The most important aspect of the patronage of the Ayub regime was local government reform. The BD system brought the rural jotedar class to the political forefront to counterbalance

urban opposition and to create a support base. In turn the rural elites were allowed to misappropriate state resources poured into the rural areas under the RWP.

State patronage stood on a sound footing in post-independence Bangladesh. I have argued that the rural development policies and institutional experiments (Mujib's Co-operatives and Relief Committees, Zia's Gram Sarker and Ershad's Upazila system) have favoured the rural elites. The most important in this respect is the Upazila system, under which power over planning, resource allocation and staff has been vested in the UZC and the UZP. My own case study (Chapter 6) reveals that line officers have very little to do with the allocation of funds and the approval of projects. While the system has given the rural elites opportunities to misappropriate government resources, the administrative and political impact is no less important. Firstly, I have argued in Chapter 6 that the political implication of the decentralization policy is the politicization of the established delivery system, which not only ensures the supremacy of local political elites over the bureaucracy but also gives a new focus to national party politics. There is already an indication that not only the ruling party but also petty bourgeois opposition parties (mainly the Awami League and BNP) captured seats in the 1990 Upazila election. The long-term implication is that, as soon as electoral politics in Bangladesh becomes stronger, the competition will be intensified.

Secondly, the system has caused fragmentation of government control, which means the systematic dismantling of the bureaucratic administrative chain of command (McCarthy, 1987: 10). Before the decentralization, the Thana (now Upazila) had to depend on the Districts, just as the Districts depended on concerned Ministries for direction, funding and inputs. With the Upazila system, the role of the DC and line officers of the Ministries has been marginalized. The office of the DC was created in the colonial period for streamlining state authority in the village. The tradition was carried over to the post-colonial and post-independence periods. Now the link is between the centre and the Upazilas. The centre means the President, cabinet and political party. The linkage is maintained through the UZC, not the UNO (representative of the administrative Ministry) and line officers. At this point I pick up a comment of the UNO of Belpur from my field notes. He said, "I cannot go beyond the boundary of the District. But the UZC has direct access to the Ministers, even to the President".

Does the evolving system indicate the setback of a long-established tradition of the dominance of civil bureaucracy? The undermining of bureaucratic control at the Upazila level and the introduction of public representation in elected decision-making bodies (e.g. the UZP) is a significant step in weakening the power of a traditionally central contender in the power politics of Bangladesh. At the central level, the Secretaries (the highest

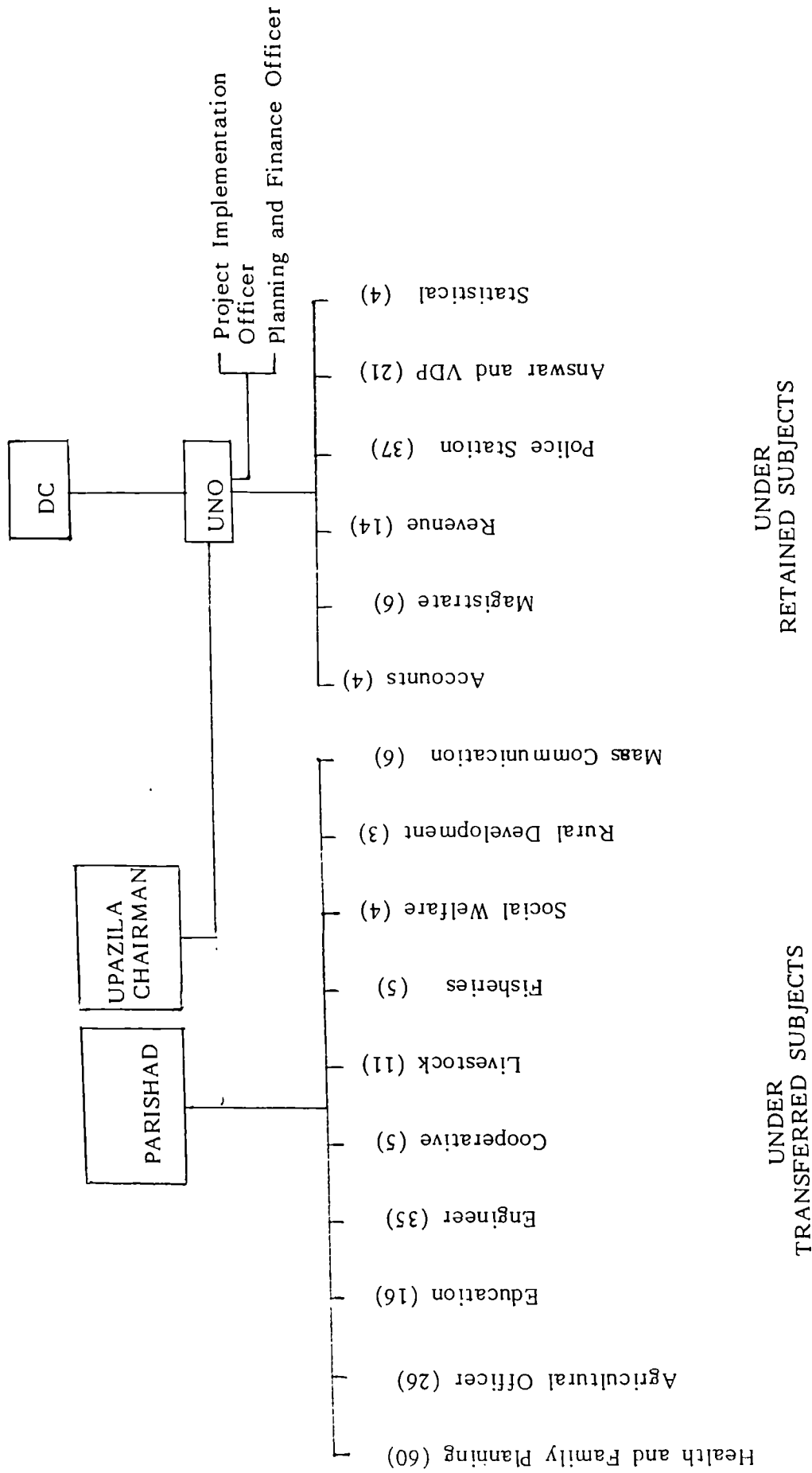
administrative positions in the central secretariat), not the Ministers, are vested with administrative responsibilities and they report directly to the President. The Ministers can only deal with policy issues. Negotiations were taking place in the late 1980s at the top levels of the hierarchy as to whether Ministers could be vested with absolute controlling authority over the administrative affairs of the Ministry (McCarthy, 1987: 11). If this is established (unlikely), the bureaucratic preeminence is likely to be curtailed.

Nevertheless, there is a clear indication of the setback of the field-level bureaucracy. The development is quite unique. The post of the Circle Officer (Revenue) was created in the early 1920s at the Upazila level for revenue collection. In the 1960s, rural elites with lower administrative status came to interact with newly appointed Circle Officers (Development) and other line officers in the Thana Council and the MC of the TCCA. In post-independence Bangladesh, Relief Committees were manned by local political elites. The responsibility for managing the UCCA affairs was transferred to the elected MC. The process has been completed with the process of privatization (in which the role of BADC officials has been diminished) and Upazila decentralization. Two theoretical implications emerge from this development. Firstly, in so far as rural development administration is concerned, it is difficult to justify the 'relative autonomy' of the field-level bureaucracy. However, here again, Alavi's (1979) thesis does not help to

explain the relationship between the field administration and the rural class structure at least in contemporary Bangladesh. Secondly, the developmentalist approach to decentralization (Chapter 2) begs many important questions. The agrarian structure and power relations and the political and economic requirements of the state shape the final outcome of decentralization.

Finally, no viable rural development programmes can be envisaged which do not depend on the organization of the peasants themselves. In that case, they would be the 'subjects', not the 'objects', of development. The ruling elites will not make the peasants subjects of development. Political intervention by the subordinate classes has a crucial role to play in determining the historical outcome in rural Bangladesh. Peasants in Bangladesh have a long historical tradition of struggles against the exploitative system. Could they dare to transform the reality, to win and to change?

Appendix 1: Structure of the Upazila Parishad



UNDER
RETAINED SUBJECTS

UNDER
TRANSFERRED SUBJECTS

Appendix 3: Subjects Retained by the Central Government and Those Transferred to the Upazila Parishad.

Retained Subjects	Transferred Subjects
1. Law and order; judiciary	1. Agriculture and irrigation
2. Administration and management of central revenues.	2. Primary education
3. Maintenance of essential supplies.	3. Health and family planning
4. Large-scale industries.	4. Rural water supply and sanitation programme
5. Irrigation more than one District	5. Rural works programme
6. Mining and mineral development.	6. Food-for-works programme
7. Education above primary level and technical education	7. Disaster relief
8. Hospitals	8. Co-operatives
9. Inter-District and inter-Upazila means of communication	9. Fishery development
10. Flood control and water resource management	10. Livestock development
11. National statistics.	
12. Marine fisheries.	

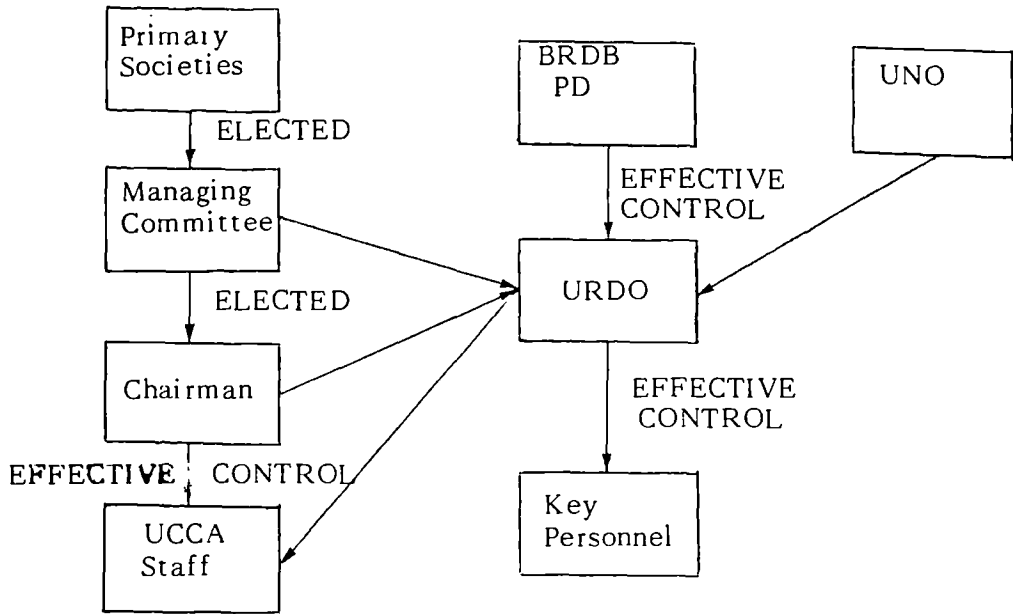
Source: GOB, Resolution on Reorganization of Thana Administration, October 1982, reproduced in Ahmed, E. et al. (1988: 85).

Appendix 4: Functions of the Upazila Parishad

1. All development activities at the Upazila level, formulation of Upazila-level development plans and programmes and implementation, monitoring and evaluation thereof.
 2. Preparation of Upazila development plans on the basis of Union development plans.
 3. Giving assistance and encouragement to Union Parishads in their activities.
 4. Promotion of health, family planning and family welfare.
 5. Provision of management of environment.
 6. Training of chairmen, members and secretaries of Union Parishads.
 7. Implementation of government policies and programmes within the Upazila.
 8. Supervision, control and coordination of functions of officers serving in the Upazila, except munsifs, trying magistrates and officers engaged in regulatory functions.
 9. Promotion of socio-cultural activities.
 10. Promotion and encouragement of employment-generating activities.
 11. Such other functions as may be specified by the government from time to time.
 12. Promotion and extension of co-operative movements in the Upazila.
 13. Assistance to Zila Parishad activities.
 14. Planning and execution of all rural public works programmes.
 15. Promotion of agricultural activities for maximizing production.
 16. Promotion of educational and vocational activities.
 17. Promotion of livestock, fisheries and forest.
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Source: The Local Government (Upazila Parishad and Upazila Administration) Ordinance, 1982, The Second Schedule.

Appendix 5: Structure of the UCCA



Appendix 6 : Characteristics of Representative Members of the Upstate Parked

No	Name	Age	Educational Qualification	Father's Occupation	Land Ownership (in acres)	Mode of Cultivation & Amount	Business/Profession	Joint Family	Number of Brothers	Brother in Service	Brother in Business	Brother in Agriculture	Urban Property	Political Affiliation	Representation in other Organizations	Class Relatives in Rural Farm Organization	Class Relatives in Government Service	Remarks
1	Avis UZC	31	B.A	Taxile industry agriculture (dead)	8 Family	Sharecropping	Shipping	Yes	3		2		Yes	President of Bapur JP. Elder brother with JP. Uncle is ML leader.	School committee, UZC	Father was UPC	Brother-in-law is army officer. A lot of relatives in govt. service	Involved in misappropriation
2	Abel UPC	38	B.A	Small peasant (dead)	17 Family	Sharecropping (8.5) & wage labour (8.5)	Shop & water	Yes	2		2	1	Yes	President of Bapur BAK/BAL. Earlier with AL.	School/madrasah committee, President of BGS	Wife's brother-in-law is UCCA chairman	Wife's uncle is army officer	Committed suicide in the past. Involved in misappropriation
3	Altor UPC	42	H.S.C.	Small business (dead)	1.5 Own	Sharecropping	Cloth shop	No	1		1		Yes	With the AL since student life	School/madrasah committee. Family.	Cousin is UP member		Involved in misappropriation
4	Manar UPC	42	B.A, B.E.C.	Middle peasant (dead)	8 Family	Sharecropping	Teaching	Yes	3				Yes	He supports JP. Father was with ML	School committee	Uncle was UP chairman	Brother-in-law in government service	Involved in misappropriation
5	Karim UPC	38	S.S.C	Rich peasant (rid.)	17 Family	Sharecropping (8) & wage labour (8)	Foodgrain, & water	Yes	3			1	No	Member of JP. Father was with ML	Madrasah Committee, KES Manager	Uncle was UP chairman	Cousin in govt. service	Involved in misappropriation
6	Rafiq UPC	28	S.S.C	Rich peasant (dead)	7 own	Sharecropping (1) & wage labour (8)	Fertilizer & water	No	2				No	Member of JP. Father was with ML	KES manager	Cousin is UP member	Cousins are in govt. service	Involved in misappropriation
7	Alli UPC	44	H.S.C	Middle peasant	10 own	Sharecropping (8.5) & wage labour (2.5)	Cotton yarn, Religious teaching	No	2		1	1	No	Member of Jamia- Islam	President of Landless cooperative			Involved in misappropriation
8	Bamal UZC	47	B.Sc.	Rich peasant (dead)	3 own	Sharecropping		No	2		2	1	Yes	President of Raniur JP. With BAP in the past.	UZC, College committee.	Nephew is UCCA chairman	Cousin & brother-in-law in govt. service	Involved in misappropriation

Appendix 6 continues

No	Name	Age	Educational Qualification	Father's Occupation	Land Ownership (in acres)	Mode of Cultivation & Amount	Business/ Profession	Joint Family	Number of Brothers	Brother in Service	Brother in Business	Brother in Agriculture	Urban Property	Political Affiliation	Representation in other Organizations	Class Relative in Rural Farming Organisation	Class Relative in Government Service	Remarks
8	Batal UPC	38	H.S.C	Rich peasant (dead)	13 Family	Sharecropping	Cement dealer and construction	Yes	2	2			Yes	Member of JP. Earlier with AL. Father was with AL.	School/maestras committee	Uncle is UZC	Many relatives in govt. service	Involved in misappropriation
10	Mamrud UPC	48	S.S.C	Rich peasant (rid.)	10 Family	Sharecropping (2) wage labour (7)	Lease of land and shop	Yes	2	2			Yes	Member of JP. Earlier with AL.		Brother-in-law was UP chairman. Cousin is UCCA director		Involved in misappropriation
11	Hakim UPC	48	B.A. B.E.S.	Rich peasant (dead)	15 own	Sharecropping (12) & wage labour (3)	Teaching	No	4	2		2	No	CPB	School committee	Brother in irrigation group	Cousins are in govt. service	Involved in misappropriation
12	Abed UPC	58	H.S.C L.M.F.	Middle peasant (dead)	10 own	Sharecropping (8) & wage labour (4)	Medical practitioner	No	2	1		1	No	With JP. Earlier with ML	Cooperative/irrigation group	Kinmen in cooperatives	Son and son-in-law are in govt. service	Involved in misappropriation
13	Jabbur UPC	45	IX	Rich peasant (dead)	48 Family	Sharecropping (22) & wage labour (24)	Wear & shop	Yes	3			3	No	With JP. Father was with ML	School/maestras committee irrigation group	Father was UP chairman		Involved in misappropriation
14	N.Zaman UPC	36	B.A	Rich peasant (dead)	13 family	Sharecropping (5) & wage labour	Medicine & Garments	Yes	2	1		1	No	With JSD in the past. Father was with AL				Involved in misappropriation
15	Nizam UPC	40	H.S.C	Rich peasant (dead)	11 own	Sharecropping (3) & wage labour (8)	Water, stock, irrigation & station	No	8			4	No	With AL in the past. AL present with JP		Uncle was UP chairman	Nephew is in govt. service.	Involved in misappropriation
16	Habibur UPC	48	H.S.C	Small peasant (dead)	2 own	Wage labour	Construction, supply, wear, mending & station	NO	3			3	No	Not reported	Member of irrigation group	Brother is UP member	Brother-in-law is in govt. service	Involved in misappropriation
17	Mamrud UPC	35	H.S.C	Rich peasant	8 family	Sharecropping (5) & wage labour (4)	Feeding and flour mill	Yes					No	With AL in the past. AL present with JP.		Father was UP member. Maternal uncle is UZC		Involved in misappropriation

Appendix 7: Summary of Case Studies in Chapter 6

Case Study I: Raagpur Khas Pukur Co-operative Society, Belpur

A Co-operative Society was formed around a government-owned tank. Earlier the tank was occupied illegally by a rural influential person. Later a UP chairman mobilized the landless fishermen and took control of the tank in the name of the Co-operative. In the course of time, the UP chairman used the tank as if it was his personal property. The research findings indicate that the lease money was repaid from the savings of the fishermen. The chairman diverted the profit of fish cultivation to his own pocket. The chairman further misappropriated the money which was allocated by the UZP for the re-excavation of the tank. Instead the chairman cheated the labourers by giving them a lesser amount of wheat, which he got from the UZP for a road construction scheme. Muster rolls were fictitious in terms of nature of wages, days of attendance and thumb marks.

Case Study 2: Construction of a Class Room, Belpur

This scheme helped to accommodate rural influential persons into the Upazila patronage network. All the PC members belonged to the Awami League. The scheme was proposed by the UNO. The UZC, a political rival of the PC members, supported the PC in order to disparage a rival, a UP chairman, in the UZP. Breaking the rule, the PC made a profit of taka 15,000, which was made possible by the use of the low quality of construction materials and the underpayment of wages to migrant labourers. Muster rolls were fictitious.

Case Study 3: Deep Tube Well Command Area, Belpur

The scheme was undertaken with the specific objectives of increasing agricultural production and acquainting small farmers with new technology. The research findings indicate that the project area was selected by the UZP to strengthen his factional ties. The technical infeasibility of the project site, an issue raised by the officials, was disregarded by the UZC. There was factional rivalry in the project area. The installation of the DTW further aggravated the factional struggle. The project was not likely to achieve its intended objectives. With the involvement of the UZC, the UNO, the AO and the magistrate, factional tension between the two main rival groups was mitigated. A new faction emerged, which tried to halt the installation of the machine.

Case Study 4: Skill Training for the Landless people, Ranipur

This was a rare scheme within the framework of Upazila development intervention to help the rural poor. Empirical

evidence reveals that rural touts and party workers got preference over genuine landless people. Local-level bureaucrats, the only hope for the poor, could not check the elites from distributing the patronage.

Case Study 5: Rabiul and Upazila Administration, Belpur

This case study is of a contractor who had socio-political networks. By these networks, he facilitated access to various resources. He was not only a successful contender of construction schemes but also a ring leader of the black-marketeers' group. The connection helped him to lease government-owned land.

Case Study 6: Falgunipur Derelict Tank Re-excavation, Belpur

A government-owned tank was under the illegal grip of a local influential person from 1965 to 1983. A landless Co-operative Society was formed in 1974. The Society was virtually inactive. In 1980 an influential person took control of the Co-operative Society. Being a UP chairman, he managed to lease the tank in the name of the Society with the help of local officials. Landless people had little to do with the profits made from stocking the tank. In 1987 a scheme was set up to re-excavate the tank under the FFWP. Evidence suggests that the PC was not formed according to government rules. The chairman included his accomplices. The labourers, including some Co-operative members, were deprived of fair wages.

Case Study 7: Fertilizer and Seed Distribution among Small Farmers under the Agricultural Rehabilitation Programme, Belpur

The devastating floods of 1988 made it urgent on the part of the government to undertake a massive rehabilitation programme through the UZP for small farmers. Empirical investigation revealed that the hierarchy of interests was so big that the target groups rarely benefited from the programme. For instance, the UZC, the UNO and the Agricultural Officer took their 'percentage' from the supplier. The list of small farmers prepared jointly by the UP functionaries and the Block Supervisors was arbitrary and reflected their own interests and the pattern of patronage distribution. Apart from the people selected by them, the candidates of the UZC (mostly bandits) took a handsome amount from the Agricultural Officer without showing any slips. The Agricultural Officer gave a rough estimate that, in late 1988, only 30 to 35 per cent of the total seeds went to the target groups.

Case Study 8: Construction of a Community Centre, Ranipur

The scheme was undertaken in 1988. The PC was not formed according to government rules. A rural tout was included in the PC because of interference by the UZC. Accordingly he was given pay offs. The UP chairman who was also the PC chairman misappropriated the money. The labourers were

underpaid, which was made possible by the involvement of the sardar. Despite the insistence of the Upazila Sub-Assistant Engineer on making transactions directly with the labourers, the UP chairman involved the sardar, who was important for the chairman in factional politics. The sardar not only mediated the flow of the money between the administration and the labourers but also extended credit to the latter at an exorbitant interest rate.

Case Study 9: Construction of a Culvert, Belpur

The scheme was undertaken in 1988 to drain water, thus paving the way for cultivation. Despite an unfavourable feasibility report from the Sub-Assistant Engineer, the UZC and the UNO insisted on the Parishad approving the scheme. The PC was not formed according to government rules. The UP chairman was the dominant figure in the PC, and he included people who were close in terms of their factional and personal ties. There was no representation from the landless group. The interest groups around the scheme included the UZC, the UNO, the XEN, the UP chairman and members and rural touts and sardars. The labourers were benefited least. A dependency relationship was found between the sardars and the labourers, which undermined the bargaining capacity of the latter. Muster rolls were fictitious.

Case Study 10: Tapagari Canal Re-excavation Scheme, Belpur

The scheme was nominally intended to achieve two objectives: agricultural growth and employment for the rural poor. In the first instance, the scheme was a part of the commitment of the UZC before the Upazila election of 1985. The area was already riven by factional conflicts. At the last stage of the scheme, a severe clash took place between the two rival factions. The tension was cooled by the intervention of the Upazila administration. Other aspects of the investigation revealed that the scheme did not represent an integrated opportunity for combining landless interests with production potential. The PC was not formed according to government rules. A rural tout was included in the PC in the name of a social worker. Muster rolls were fictitious. The labourers were cheated, and this was exacerbated by the involvement of sardars.

Case Study 11: Food-for-Works Programme, Belpur

The scheme was undertaken in 1988 with a wheat grant of 456 maunds for road construction. The PC was the same as that in Case Study 6. Misappropriation was found. There was a wide disparity between the wages inserted in the muster rolls and what the labourers actually received. The most important aspect of this case study is that solidarity amongst the labourers was not effective against an organized power group. The labourers complained to the administration about underpayment. The UP chairman threatened to sack them from all the works programmes. The labourers apologised to the chairman for their 'misdeeds'.

Appendix 8 : Characteristics of Upazila Contractors.

SI	Name	Age	Qualification	Father's Occupation	Land Ownership in acres	Other Occupation	Joint Family	Urban Proletariat	No. of Brols in her/his	Brols in her/his	Brols in her/his	Close Kinship other than brother in Govt service or formal Organisation	Family representation in formal rural power structure	Political Affiliation	Relation with the UDC	No. of Schemes received (Public Dec 1988)	Factors mainly responsible for getting anybody schemes	Whether bribe was given to anybody
1	Alam Beipur	42	B.A.	Rid Farmer	20 in char area and 2 highland	..	Yes	No	1	1	1	1 cousin UP member and the other Judicial Service		Involved in political since student life & President of Beipur JSD at national level	Political alliance relation of the UDC	6	political competition, negotiation	UNO, XEN, SAE
2	Majid Beipur	29	SSC	Agri Dead	7 Own	Fertiliser & stock	No	No	2	2	2	Brother in law Clerk in Govt Service	Father Ex UP member	Member of JP. Father was with ML	Political connections reinforced by relations inherited from father's days	6	political, bribery, bureaucratic	UNO, XEN, AO, SAE, UDC
3	Sabur Beipur	39	B.A.	Bus Business (dead)	6 Family	Brick field	No	Yes	3	3	3	2 Cousins and a brother in law in Govt Service	Father Ex Chairman of Municipality	Father was with ML & member of Dabergoni JP	political connections reinforced by relations carried over from the past	7	Political lottery, negotiation, bureaucratic	XEN, SAE
4	Mazam Beipur	36	H.S.C	Medical Practitioner (dead)	1 Family	Supply	No	No	5	4	1	Many relatives in govt service & one uncle former UP chairman		Father with ML & he is affiliated to the JP	Kinship and political connections	7	Political, kinship, negotiation, competition, bureaucratic	XEN, SAE, UNO, UDC
5	Ramzan Beipur	32	H.S.C	Agri (dead)	2 Own	Furniture Shop	No	No	2	1	1	A Cousin UP Chairman		Involved with Left student politics & at present with the JP	Political connections	6	Political negotiation	XEN, SAE, UDC, UNO
6	Ziaul Beipur	37	B.A.	Lawyer (dead)	2 Own	..	No	Yes	7	4	3	Many relatives in govt services		Supporter of JP. 2 brothers Dist. leaders of JSD	Political connections through own commitment & network	16	political, negotiation, subcontract	UNO, SAE, XEN
7	Rabul Beipur	29	B.Com	Agri. & Bus Business	8 Family	Stock Business & water	Yes	No	4	1	1	Uncle Army Major A Cousin UP Chairman, A cousin President of Local AL and Uncle with Jamal E Islam	Now with JP. Earlier was with BNP	Distant relative political associate	9	Political kinship, negotiation, bureaucratic	UNO, SAE	
8	Khan Beipur	38	SSC	Agri. (dead)	10 Family	Water & Wood	Yes	No	4	1	2	Uncle & brother in law Govt Servants, Wife's Uncle Colonel & wife's brother-in-law UP Chairman	He is UCCA chairman	With AL since student life	Political rival, distant relative from wife's side	3	Negotiation Own influence	XEN, SAE
9	Hag Beipur	36	H.S.C	Agri.	8 Family	Water	Yes	Yes	2	1	1	Uncle UP member	Father Ex UP member & brother KSS manager	With JP. Father was with ML	Political connection.	4	Political negotiation	..
10	Rustu Beipur	41	B.Sc.	Local Official	2 own	Cotton Yarn	No	Yes	3	3	..	Many relatives Govt Servants, Maternal Uncle Ex MP & Cousin UDC	Was UP chairman for the time being	Family with ML	Cousin	4	Kinship, Negotiation	XEN, SAE

Appendix 8 Continues :

Sl	Name	Age	Educational Qualification	Father's Occupation	Land Ownership in acres	Other Occupation	Joint Family	Urban Propery	No of Brothrs	Brothrs in busines	Brothrs in service	Close kinship other than brother in Govt Organisation	Family / Own Repres in formal rural power structure	Political Affiliation	Relation with the UDC	No of Schemes received (upto Dec 1988)	Factors mainly responsible for getting schemes	Whether bribe was given to anybody
11	Maya Belpur	38	B Com	Buisness		Weaving & Tailoring	Yes	No	3	2	1		Earlier with Left Wing politics, now with the JP	Political Connections	7	competition, negotiation	UNO, XEN, SAE, UDC.	
12	Tipul Ranpur	24	HSC	Agri & Buisness	12 Family	Trading	Yes	No	3			Uncle in Govt Service an Uncle JP Chairman, 2 Cousins JP members	Father with JP. He is a member of UZC's Lalihal Bahin	Political connections of Father and his own	7	political.	XEN SAE.	
13	Shahab Ranpur	28	B Sc	Agri	25 Family		Yes	No	3				Earlier with AL now with the JP	Political connections Friend in VLC	3	Political	Not reported	
14	Bela Ranpur	38	HSC	Agri (dead)	13 Family	Dealer ship	Yes		2	2		Brother in law Govt servants, Uncle Es MP & an Uncle UZC	He is UP Chairman	Uncle, Political connections with Jamal & Islam & AL He is with JP	5	Political, Knap, & bureaucratic	XEN, SAE, UNO	
15	Ran Ranpur	27	HSC	Agri	1 Family		Yes	No	4		1		With JP & member of UZC's Lalihal Bahin	Political connections	3	Political	Not reported	
16	Reza Belpur	31	BA	Agri.	7 Family	Govt Service	Yes	No	3	1		2 Cousins UP Chairman & members	With JP	Political connections	3	Political, negotiation	UNO, XEN	
17	Habibur Ranpur	40	H.Sc.	Agri. (dead)	2 Family	Water	No	No	3		3	Brother in law in Govt Service	With JP He is UP member & Chairman respectively	Political connection colleague in UZP	5	Political	Not reported	
18	Azam Ranpur	28	H.Sc.	Agri. (dead)	1 family		Yes	No	1	1			Earlier with Left Wing Party Now with JP & member of UZC's Lalihal Bahin.	Political connection	3	Political	Not reported	
19	Moinul Ranpur	33	B.A.	Agri.	2 family	Shop	Yes	Yes	2	1	1	Cousin UP member	Earlier with BNP, at present with JP	Political connection	3	Political	Not reported	
20	Rustam Ranpur	30	S.S.C.	Agri.	8 Family	Hotel	Yes	Yes	4	1	1	Uncle UP Chairman & Brother in law is Tax Collector.	Father was UZCA Director	...	4	Political, Negotiation.	XEN, SAE	

Appendix 9A : Background of the Directors of the UCCA, Belpur.

Sl No	Name	Age	Edu Qualification	Father's Occupation	Land Ownership in Acre	Modes of Cultivation and Amount	Business/Profession	Joint Family	No of Brothers	Brother in Service	Brother in Business	Brother in agriculture	Urban Property	Political affiliation	Representation in other Organisations	Close relatives in Government Service/rural org	Role in Organizing KSS/MBSS/BSS	Loan Position of KSS/MBSS/BSS	Family Representation in normal organisation	Loans taken in the past	Savings and shares capital of KSS/MBSS/BSS with UCCA	
1	Khan	38	SSC	Agriculture and Business (Dead)	10	Wage Labour (6) Share Cropping (4)	Water, Wood, Iron, Truc, Iron	Yes	4	1	2		No	He is with the AL	President of Belpur, Jale Gowers/Rickshaw Puller association	Close relatives in Army Govt. services and social formal Org	He did not Organise	40,000	Wife is MBBS Manager	Two Times	8,245	
2	Dr Harnd	61	SSC and H.M.B	Agriculture (Dead)	10	Wage Labour (8) share Cropping (2)	Homeopathic	No	3	2		No	No Direct Party Affiliation Supports JP		Member of Madrasa Committee		He Organised	14,000		Two Times	10,384	
3	N Islam	40	V	Agriculture (Dead)	60	Wage Labour	Gambing	No	2		2	No		Earlier with AL now with JP		One Cousins in Army and one UP Member		Elder brother was UP member		4,890		
4	Awal	28	SSC	Agriculture (retired)	14	Wage Labour (9) Share cropping (5)	Fertiliser Dealer	Yes	2			No		With BNP		One Cousin and two brothers in Govt. services					5,415	
5	M Ali	23	SSC	Agriculture	18	Wage Labour (11) Share Cropping (7)	Const ruction, Wood	Yes	1	1		No				Brother in law in govt service		Father was a UP Vice Chairman			4,946	
6	R Oudhis	39	H.S.C	Agriculture (retired)	10	Wage Labour (7) Share cropping (3)	Water	Yes	3	1	1	No		Earlier with AL now with JP		Brother Ex UP Member					3,725	
7	R Anu	41	SSC	Agri. & lower level employ ment in Govt.	8	Wage labour 5 sharecropping (3)	Fertiliser & Water	Yes	2	1		No		No		Member of Madrasa Committee		Uncle UCCA Ex Director and Village Acco untant	2 Times		5,385	
8	A Ali	38	SSC	Agri. Rtd.	8	Own sharecropping (7)	shop	NO	3			No		With BAKSAL					Once		4,925	
9	Ansar	43	V	Agri. shop (dead)	4	Wage labour (1) sharecropping (2) sharecropping (2)	shop & Const	Yes	2		1	No		With JP				Uncle ongs inksd			3,225	
10	F Rahman	38	B.A.	agri. and business	8	Share. Farm cropping	Petrol shop	No	4	1	3	No		Earlier with AL		Father former Chairman of Belpur Industrial Cooperative Society		Uncle Ex UCCA Director				1,610
11	A. Hasham	31	VIII	agri. and Business (Rtd.)	1.5	stationary shop		No	2		1	No		No						Once	2,168	
12	Rahis	28	X			Housewife Tailoring						No		No						Once	7,318	

Appendix 9B: Background of the Directors of the UCCA Ranipur

Sl No	Name	Age	Educational Qualification	Land Ownership in acres	Mode of Cultivation	Farmer's Occupation	Profession/Business	Joint Family	No. of Brothers	Brothers in Service	Brothers in Business	Brothers in Agriculture	UCCM Pro-Party	Political Affiliation	Representation in other organisations	Family Representation in other rural org	Close relative in Govt. service/ Rural Org	Role in organising KSS/BSS/MBBS	Loan Position of KSS/BSS/MBBS	Loans Taken in the Past	Savings & share capital of KSS/BSS/MBBS
1	Aziz	38	B.Com.	17 Own	Wage Labour (6) share cropping (11)	Agri. (Dead)	Stock/ shop and water	No	2	1	1	1	Yes	OS of Ranipur AL	Member of Irrigation & Sch. Comm.	Chairman of Irrigation	UCCM Maternal Uncle and Cousin High Rank Govt Official	52,000 (crop loan) & 200,000 (farm loan for DTW)	7 times	9,385	
2	Azad	60	IX	8 Own	Wage Labour (5) share cropping (3)	Agri. (Dead)	Stock and water	No	2	2	2	2	No	Presently with JP, earlier with BNP	Father Ex UP Member	Father Ex UP Member	Cousin UP & son in law Govt servant	48,000	5 times	6,225	
3	Rahman	45	X	5 Own	Wage Labour	Agri. (Dead)	Fertiliser and Dahan	No	1	1	1	1	No	With the AL	Secretary of a local NGO	...	Cousin UCCA Chairman	48,000	5 times	6,225	
4	Zaman	44	V	6 Own	Wage Labour (4) share cropping (2)	Agri. (Rtd)	Water	No	3	1	1	2	No	With the JP	...	Father ex Director of UCCA	Brother in law Govt servant	32,000	6 times	6,975	
5	Jabbar	55	VIII	7 Own	Wage Labour (5) share cropping (12)	Agri. (Rtd)	Water and Jute Trading	Yes	2	1	1	1	No	Earlier with CPB & now with AL	...	Brother in law Govt member	Cousin UP member	49,000	4 times	5,715	
6	Mozzammel	38	H.Sc	1 Own	Wage Labour (10) share cropping (4)	Agri. (Rtd)	Foodgrain and Dahan	Yes	2	1	1	1	Yes	With BNP	...	Father as UP Chairman	Brother in law Govt Servant	42,000	3 times	12,950	
7	Barek	44	S.S.C	13 Family	Wage Labour (8) share cropping (5)	Agri. (retired)	construction	Yes	2	1	1	1	No	With AL	...	Father in law UCCA Director	Cousin Ex UCCA Director & Nephew	31,000	2 times	5,215	
8	Dabu	36	H.Sc	12.5 Own	Wage Labour (8) share cropping (4.5)	Agri. (retired)	Fertiliser and Dahan	No	4	3	1	1	No	With AL	...	Father in law UCCA Director	Father in law UCCA Director	41,000	2 times	3,450	
9	Ayub	45	S.S.C	8.5 Own	Wage Labour (6.5) share cropping (2)	Agri. (Dead)	...	No	3	1	1	2	No	With AL	With Madh 1984 Comm	Father Ex KSS Member	Brother in law Govt Servant	26,000	2 times	3,700	
10	Muttab	32	H.Sc	18 Own	Wage labour (14) share cropping (4)	Agri. (Dead)	...	Yes	6	3	1	2	Yes	No direct linkage Support AL	Manager of Irrigation Comm	...	Cousin Govt Servant & relatives UCCA chairman	39,000 (crop loan) & 200,000 UCCA loan for DTW	3 times	10,725	
11	Alizab	54	VIII	3 Own	Wage Labour and Self	Agri. (retired)	Medicine shop and irrigation	No	3	1	1	2	No	With AL	...	Brother UCCA Inp. Director	He organised	26,000	Once	4,325	
12	Delwara	27	IX	She organised	...	Once	7,450	

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