

POVERTY IN THE THIRD WORLD

Inequality at chronic levels is scourge of Bangladesh

BEFORE the British arrived, 'Golden Bengal' wove the finest cotton cloth in the world. By the middle of the nineteenth century Bengal's textile industry had been destroyed. It had proved to be too competitive in the local market against British-made cloth.

The hardship resulting from the industry's collapse led the governor general of the East India Company to declare: 'The bones of the cotton weavers are bleaching the plains of India'.

The role of Bengal, later to become Bangladesh, was to produce jute for Britain's ropes and sacks. To this day, jute is Bangladesh's major export and unemployment is still a major problem.

At the root of Bangladesh's poverty is chronic inequality, of wealth and land. In a country that boasts colour TV and three channels, half the population is undernourished. Ten percent of households own 50% of the land, whilst the poorest 60% own only 9%.

Over half the population are landless or marginal peasants with not enough land to live on. In 1981-82, as much as 40% of the 32 million strong workforce were unemployed.

Living on the brink of destitution forces many peasants into debt. The local loan-shark - usually a major landowner - lends money against land.

Each year more peasants join the swelling ranks of the landless as they default on their draconian loan repayments and lose their land. The debt barons never lend money to the landless.

Some organisations have started savings clubs to escape from the debt trap. They are not without enemies, especially from the debt barons. And it requires considerable will-power and determination to make a savings club work.

One organisation describes its savings club for very poor women: 'Although (our women) are starving, they try to make some savings, do earthwork, cultivate vegetables, or collect leaves for fuel. We have heard them saying while taking a rest from

Population per doctor (1980)	10,940	Area (sq. miles)	55,598
Percentage of population with safe water	53%	Population (1983)	94m
Literacy (1980)	41%	GNP per head (1982)	US\$140
Total aid (multilateral & bilateral 1983)	US\$1,678.9m	Life expectancy at birth (1982)	48
		Infant mortality, per thousand births (1982)	133

hard physical labour "sister, how long must we suffer like this?"'

Another credit scheme, designed by a professor at Chittagong University, is the Grameen Bank. No collateral is needed to take a loan from the 'poor man's bank'. The creditor merely has to prove that he or she will use the credit to produce an income. Creditors buy a cow, for example, and sell milk. Or they buy a loom and make saris. 99% of loans have been repaid and up to 50,000 very poor people have benefitted.

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The problem of unequal access to land has yet to be resolved. In September 1984, the government announced land reform laws to limit the size of large holdings and landlords' power. But sanctions are minimal and the prospect for enforcement bleak.

The poor of Bangladesh face the prospect of regular hunger. Spread across the Brahmaputra-Ganges delta, the country is chronically prone to floods. The floods ruin harvests and create food shortages. Land under water cannot be worked and the demand for day-labourers drops drastically, forcing wages down.

With rumours of food shortages the merchants immediately hoard grain, forcing food prices even higher. The

poor are caught between a collapsed income and high food prices.

Employment opportunities, even for skilled workers, are limited. Many migrate to the oil-rich Middle East for work with better pay. These exported skills are sorely needed at home, but the government also finds it a useful source of hard currency.

Bangladesh's commodity-dependent economy has never been strong. It is now in the throes of an International Monetary Fund austerity programme to get a balance of payments loan. Subsidies on agricultural equipment have been removed, together with a government-backed hire purchase scheme.

Poor farmers who used to club together to pay the instalments on equipment, now cannot afford the one-off sale. The costs of basics have also risen, as subsidies on oil and food were removed.

In the export sector, Bangladesh's fortunes have changed little since the days of the Empire. The country still depends on jute exports, although much of it is now manufactured locally, into twine, sacks, carpet backing and even oriental-style carpets. Britain has shown generosity to Bangladesh's jute industry, which enjoys an almost free market.

For other industries, reactions are different. Britain is behind a current plan to slap restrictions on imports into the EEC of Bangladesh-made cotton shirts. Bangladesh is arguing that the move could cause massive unemployment in a new industry that employs 50,000 workers. *Plus ça change...*