SHAHEDUL HALIM KAZI

Making Ends Meet

Entrepreneurship in a Bangladeshi Village

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ACADEMIC DISSERTATION
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This dissertation is dedicated to:

The '71 **martyrs**

AND

The mothers who devote their lives and time to educating their children

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To my knowledge, a doctoral dissertation represents one of the highest standards in education, and perhaps one of the major opportunities from which new knowledge can emerge. There is great pleasure, as well as intermittent stress, in researching, learning and finally writing a dissertation. I believe that in order to accomplish a doctoral thesis, an individual requires cooperation and support from social milieu. It is a real thrill for me to acknowledge the valuable contribution towards this dissertation, as well as to my academic life.

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Tampere, June 2010
Shahedul Halim Kazi

FOREWORD

Entrepreneurship in developing countries is distinctive from that practice in developed countries, and understanding these distinctions is critical to the development of entrepreneurs in developing countries.

Lingelbach et al., 2005

It was a winter day in 2004 when I arrived at Nazipur, after spending years in Finland in higher education. I felt great and tireless. I had forgotten all about the tiring three days hectic journey from Finland to my hometown in Bangladesh. Conducting the fieldwork for my Ph.D. study was the objective of this visit. New passions, energy and impetus generated by the happiness of arriving at the place I was born contributed to my mindset at the beginning of the fieldwork collection for my Ph.D. research. Two days after my arrival, I decided to visit Nazipur bus stand bazaar (see chapter 2) with the intention of discussing the fieldwork with some of my school friends and to ask for their cooperation in this regard. With this in mind, I left my home and looked for a *rickshaw* or *van* – the means of transportation I could use to get there. When I was close to the bus stand bazaar, I saw many people running from one place to another. Thinking there were some explosions, I paid the *rickshaw* puller the 4 taka[1] he requested, and moved closer to the scene.

I breathed a sigh of relief when I saw two bulldozers busy demolishing shops on the footpath in the bazaar. "They just started to clear the space only a few hours ago," said a man watching the incident standing close to me. Some bystanders were talking, "what will happen to those who were operating businesses there?" None of the bystanders, nor myself had any answers to the question – but I was a young anthropologist and had to find a way to navigate through the ethnographic fieldwork for my Ph.D. research.

So as not to spend the whole day standing in one place, I began moving from one place to another to observe the people who were losing their source of livelihood because of the actions of the bulldozers. Some metres away from where I left the *rickshaw,* I saw worried faces and busy hands collecting up their goods and moving them to a safe place, before the bulldozers ran down their shops. Some family members and friends were also helping as much as they could. I continued to walk around the bazaar and noticed in a corner a petty business entrepreneur who had

[1] Bangladeshi currency.

nobody to help him, although he only had a few minutes to manage the situation.

The bulldozers were taken back to the garage a few minutes before sunset. Most petty business entrepreneurs had managed to take their goods to safe places, others had not. Those who did had only lost their shop locations, whilst those who could not, lost both their business locations and also the goods. The petty business entrepreneurs operating such businesses in public places in Bangladesh are used to these inconvenient situation(s), but have no opportunities for avoiding them.

The bulldozer operation of that day punctuated the rhythm of the lives of many villagers from areas around the Nazipur bus stand bazaar. Some of the interviewed petty business entrepreneurs described the bulldozer operation as a nightmare, causing them to lose weeks/months worth of income until they relocated their businesses (see case study 3, 6 & 11 in chapter 6). Others were unable to find new locations for their businesses and were using different influential sources (i.e. local political leaders) to relocate and reopen their businesses.

A similar bulldozer operation took place at the Nazipur bus stand bazaar in the beginning of 2005, which was ordered by a Member of Parliament (MP) in the constituency where Nazipur is situated. One of the restaurant (situated in a public place)[2] owners in the Nazipur bus stand bazaar was a supporter of a parliament member. Their relationship soured and considering him as a potential rival, the parliament member ordered the bulldozing of the restaurant. In order to look like it was an unbiased operation, the parliament member made sure that all shops and businesses situated in the public places of the area were destroyed.

I learned of some other evil strategies used by the same parliament member, manipulating the lives of many locals for political gain. The locals said that in only a few years he had become one of the richest people in the district after becoming an MP, although he came from a poor background. This demonstrates how the lives of the common people are often threatened by a few individuals who control the reins of power in Bangladesh.

During my fieldwork from January 2004 to April 2005, I saw a number of shops reopened in places vacated by the authorities. Some had operated there earlier and some were new-comers, indicating that petty business entrepreneurs will continue to emerge as a means of survival in Bangladesh. In the same way, it is an unfortunate reality that these petty business owners may be driven out now and then by the authorities.

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[2] The owner of the restaurant had rented that place from the district office to run the business.

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ABSTRACT

This thesis focuses on petty business entrepreneurship as the most common non-agricultural source of income for villagers in Bangladesh. In addition, the study empirically examines the reasons for the emergence of petty business entrepreneurs in rural Bangladesh through an analysis of the relationship between the people involved in business and their economic necessities.

The study ties in with social anthropology and sociology. Its nature is inductive with the life and work of petty business entrepreneurs and connects the experiences of the entrepreneurs with theory of inequality and entrepreneurship.

The study primarily draws on detailed ethnographic evidence, from key informants' interviews, group discussions and observations, which are supplemented by quantitative analyses of household surveys conducted in a village situated in northern Bangladesh.

In rural Bangladesh the presence of business activities is not a new phenomenon. Nevertheless, in the past the necessity of business involvement was impractical to villagers because everybody could survive with what their land produced. Unfortunately, nowadays traditional livelihoods in rural Bangladesh have come under severe pressure and become more and more incapable of providing subsistence to inhabitants. In this situation, livelihoods through petty business entrepreneurship have taken an unprecedented turn.

Businesses have been able to lift many households from the study village out of relative poverty, allowing many socially and economically disadvantaged households to gain economic success from working in petty business entrepreneurship. Involvement in business activities provides many households with the ability to survive adequately under prevailing conditions, where gaining a marginal level of livelihood was difficult for a large number of villagers.

The impact of diversification into petty businesses has been analysed on an individual, household and societal level. The increase in business activities has several substantial implications, such as indicating growing penetration of the market and cash economy. The trend towards business also creates openness within cross-class relations, clearly changing gender identities and also affecting gains in social capital.

Personal relations are important for the survival of petty business entrepreneurs. In fact, personal relations were found to be essential for business start-ups and strengthening business operations. Moreover, households were crucial for mobilising labour and other resources.

The petty business entrepreneurs in this study did not have the opportunity to earn a living vertically within society. Most of them thought of business entrepreneurship as their only option for the future. Pride in obtaining a better livelihood than before was important in the professional identity of the petty business entrepreneurs in my study.

KEY WORDS: Entrepreneur, entrepreneurship, petty business, rural, village, diversification, household, farm/agricultural, non-farm/agricultural, developing countries, Bangladesh.

PROLOGUE

In 1988 I was introduced to the village of Bangdom whilst visiting a classmate from high school. Up until 1994, I occasionally visited Bangdom and in this way, I got a chance to observe the lifestyles of the villagers up close. Thus when I decided to conduct a study on rural Bangladesh for my Ph.D. research, I chose Bangdom as the case village of the study. With this in mind, I conducted the fieldwork in Bangdom from January 2004 to April 2005, realising that between 1988 and 2005 there had been huge changes in Bangdom, related to the socio-economic conditions of the villagers. In this transformation, a growing trend towards petty businesses created a scenario unprecedented in the history of village economy.

The village of Bangdom is 3 kilometres away from my home in the Nazipur municipality. Some decades ago, Bangdom villagers needed to come to Nazipur only once or twice a week to buy weekly necessities and sometimes for recreational purposes (a very small number had other reasons). Nonetheless, the present scenario is different, where Nazipur has become an indispensable place for many families from Bangdom to manage their livelihoods.

My observations indicate that many villagers currently in Bangdom have devised a number of strategies to meet their requirements. Alongside this and in direct relation to it, the growth of petty businesses was striking in Bangdom. There was a general trend towards a culture of business, visible throughout the village. The majority of households were still in some way involved in agricultural cultivation, but it was increasingly common for households to move towards business management. Most households involved in such practices considered the transformation in their income generation as a development from vulnerable economic situations.

My observations also show that many villagers in Bangdom realised the usefulness of having extra cash. This tendency associated with the desire for economic solvency, preventing the need for using usurious moneylenders and village patrons. Only depending on traditional sources of income is considered a hopeless struggle to many villagers, as in their point of view, doing business demands small capital, less labour and minimum risk, but provides good profits.

From the beginning of the fieldwork, many villagers cooperated through providing information and thoughts to generate the data for this study. Throughout, the villagers were curious as to what exactly I was studying and after explaining they added valuable suggestions from time to time. It is worth mentioning that this study was not done on my own, it was done in cooperation with the villagers.

1. INTRODUCTION

> Village Economics is an approach which limits
> itself to understanding socio-economic processes at a local level.
>
> Pekka Seppälä 1998, P 12

1.1. Setting the scene

Studies of the rural economy and rural labour markets in Bangladesh traditionally mainly examined the agricultural sector and have explored the expansion of agricultural wage labour and sharecropping relations as exemplars of rural transformation and employment generation (Feldman 1994, 99). Nevertheless, rural livelihoods in Bangladesh are becoming increasingly diverse. The existing structure of rural economy is composed of both farm and non-farm sectors. In the present structure of rural economy, the degree of business involvement is very high. This study focuses on the emergence of business activities as the most common non-agricultural source of income for the villagers in Bangladesh. Additionally, the study empirically examines the reasons for the emergence of petty business entrepreneurs in rural Bangladesh and its overall impact on individuals, households, and society by responding to questions that were raised in the research problem. The analysis is based on the case study conducted during the period of January 2004 to April 2005 in one village in Bangladesh. The name of the village is Bangdom, situated in the district called Naogaon in the northern part of the country.

The growth of non-farm employment in rural Bangladesh

In rural Bangladesh, the presence of non-farming activities for economic gain is not a new phenomenon. Researchers have found that non-farming jobs existed in villages more than a century ago. Nevertheless, in the past, villagers who used non-agricultural practices for economic gain had no prestige, therefore, those who could afford to stay in the village and subsist on what their land produced, did so (Schendel 1982, 230). However, with time, the village economy in Bangladesh has developed in new ways and undergone many changes. These changes have forced an increasing number of people to become self-employed and emerge as entrepreneurs as a means to survive. The current study found that in the present structure of the rural economy, the culture of non-agricultural activities is very common. This also demands the significant attention of researchers.

Both the population census and Labour Force Survey (LFS) indicate an increase in non-agricultural shares of the rural labour force during recent decades (Sen 2001, 299). The share of non-agricultural sectors in the employed rural population has risen from 29% to 34% during 1981-91 (ibid). The population census data shows that rural non-agricultural employment was increasing at a rate of 3.4% per annum over the years 1981-91, compared with 1.2% recorded for agricultural employment (ibid.). Other data shows that in Bangladesh, the rural non-farming sector (RNFS) accounts for over 40% of rural employment. This sector grew at 5% per annum between the late eighties and mid-nineties (Hossain 2002, 1). In 1995-6, it contributed 36% to the country's total GDP compared to about 31% by agriculture (ibid).

The Bangladesh Institute of Development Studies (BIDS) and the International Rice Research Institute (IRRI) sample household survey in 62 villages showed that employment in the rural non-farm sector has

increased by 4.5% per year, while the number of workers employed in agriculture has declined by nearly 1.2% per year (ibid.). In 2000-1, 52% of the earning members of rural households in Bangladesh reported RNF activists as their primary occupation and another 14% as secondary occupations, meaning that two-thirds of rural workers are involved in rural non-farm activities (ibid.). In my study, the household data of Bangdom showed 41% of the earning members of households reported RNF activists as their primary occupation and another 6% as secondary occupations. The BIDS and IRRI sample household surveys showed that over the period 1987-2000, household income grew at a rate of 3.8% per year. Most growth came from the rural non-farm sector (mainly services, trade, businesses and rural transport operations). The same survey indicated that the income from RNF activities increased at a rate of 6.8% per year compared to only 1.4% per year in agricultural income (ibid. 2).

A study conducted in 1974 in a Bangladeshi village called Katni, by two World Bank experts, found that agriculture provided the main source of livelihood for all households except for one carpenter (*khatmistri*) and two *rickshaw* pullers. The total number of the households in the village was 66, with 350 inhabitants (Hartmann & Boyce 1990, 7). In contrast to the previous study, my study during 2004-5 in Bangdom found that non-agricultural occupation provided the main source of income for 110 out of 258 households. The rural economy in Bangladesh is undergoing many changes, where the relative importance of non-agricultural activities in rural livelihoods is increasing. There is an increasing tendency towards standardisation of concepts and definitions of 'agricultural activities' and 'non-agricultural activities' in Bangladesh. Most data define agriculture as including crops, livestock, forests and fisheries (Kazi 2002, 57), whilst non-agricultural activities include:

■ Small and petty businesses

■ Non-agricultural salary jobs

■ Traditional artisans

■ Small scale manufacturing

■ Professional and government services

■ Services and transport operations

■ Household sectors (ibid.; Bakht 1996, 78; Feldman 1994, 116)

Key causes behind the growth of non-agricultural employment in rural Bangladesh

There is no denying the fact that traditionally, most rural inhabitants in Bangladesh used to earn their livelihoods through agricultural employment. Nevertheless, the present economic culture in rural areas is different and dependence on agriculture is no longer as hopeful as it was in the past. Nowadays, agriculture simply cannot provide a livelihood for all households. Consequently, apathy towards agricultural employment and movement into new occupations is common. The decrease in agricultural employment and the trend towards other kinds of economic activities is attributed by the villagers to the following major reasons:

■ An overall increase in pressure on resources with the declining ratio of land to people

■ Corruption in the management of agricultural development projects, that the AID study calls "institutional impediments" on the dissemination of new agricultural technology (Hartmann & Boyce 1981, 192)

■ Natural disasters (e.g. flood and drought)

■ The increasing cost of agricultural inputs (such as fertilisers and pesticides)

The above-mentioned obstacles have alarming effects on the lives of many villagers in Bangdom, who depend on an agricultural source of income (see the case studies in chapter 6). The results derived from these barriers make many villagers unable to use only agriculture as a means of income. When unable to survive through this traditional source, they are forced to use non-agricultural sources. For these reasons, undertaking business activities has become very essential for a considerable number of villagers, who would otherwise suffer from unemployment or under-employment issues.

My study data from Bangdom from January 2004 to April 2005, shows that 53 households (20.5%) in Bangdom ran a business as the primary source of income. A further 12 households (4.7%) were involved in business as a secondary means and 7 (2.7%) as tertiary sources of income. The econometric analysis of the household economic survey (HES) data from rural Bangladesh suggests a shift from agriculture to non-agricultural occupations entail significant income gains among households with similar land ownership and other characteristics (Rahman 2002, 57). Self-employment in activities such as *rickshaw* or *van* pulling and petty trading generate more income than jobs in agriculture. Evidence shows that wages in non-agricultural activities are generally higher than agricultural wages (ibid.). The household data from Bangdom during the study period, presents a similar picture as the above-mentioned data.

Household setting & nature of occupation in Bangdom

A study conducted in rural Africa by Pekka Seppälä revealed that on a village level, it is easy to identify 50-100 sources of income, as one household may have several income sources (Seppälä 1999, 12). In Bangdom, the number of income sources, though fewer, was still considerable. It is common to think that rural people are all alike, doing

largely the same things and sharing the same thoughts. This is an ideological bias which underlies, in one form or another, much of the rural development studies (ibid. 19). In Bangdom, 17 sources of income were found among the villagers. For many households it was also common to have several economic activities. Seasonal economic activities were also seen in the village which is usually common among poor households.

In Bangladesh, especially in rural areas, scarce employment opportunities cause many families to depend on a single income. Most studies on rural income generation reveal rural households in Bangladesh are often classified using the main occupation of the household head or the main source of household income (Mahmud 1996, 7). For 97% of households in Bangdom, the main occupation of the head of the household was considered as the main source of the household's income. In some households, women were also economically active, along with male members. My own experience suggests that nowadays, women in rural Bangladesh play a more visible role in the cash economy because they have a greater presence in public spaces and formal paid labour, than in the past.[3] Women in many families in Bangdom were involved in different kinds of economic activities (e.g. poultry, dairy and goat rearing/herding). Although these are very small in size, they provide considerable income. Children also helped to provide income, either by working independently or assisting their parents.

The household data showed that 53% of households in Bangdom are categorised as agricultural households and 41% of households are non-agricultural. Among agricultural households, 57% cultivate their own land,

[3] Being Bangladeshi, my familiarity with rural people and knowledge of the culture were invaluable assets in understanding recent changes in economic roles regarding females, which perhaps would have been difficult for an outsider.

5% utilise sharecropping[4] and 38% are agricultural labourers. In contrast, among non-agricultural households, 44% are involved in business and 56% in some other kind of non-agricultural job as a primary source of income. Six percent[5] of households receive monetary assistance from relatives (single member households and all were widows). However, businesses or entrepreneurship of various kinds employ almost half of the non-agricultural labour force in the village. Other types of non-agricultural occupations include services, teaching, office works, transport, politics, tailoring, *rickshaw* and *van* pulling, maids or servants, wage labouring, brokering and begging etc. Business is the primary occupation of 18% of household heads in Bangdom. Business is the most common non-agricultural and second most common overall occupation of household heads in the village.

Distinguishing features of the business sector in Bangdom

Some scholars have pointed out that the business sector in rural Bangladesh has been and is largely dominated by retail trade activities (trade in groceries, textiles, furniture, hardware), which account for 72% of all employment in trade. A significant percentage (22%) concerns employment in hotel and restaurant businesses (Bakht 1996, 81). Throughout my study, I found most business households in Bangdom were primarily engaged in petty businesses (e.g. groceries, mini tea stalls, rural transport operations, rice selling, hawking and selling household goods). The size of these businesses was very small and usually run by a single person, although additional workers were employed when required. In the latter case, member(s) from their (the entrepreneurs') own families

[4] In sharecropping agreements, a person cultivates land owned by someone else and the resultant production is equally distributed among the two parties. However, the practice of sharecropping varies from party to party and place to place.
[5] This 6% is excluded from agricultural and non-agricultural households.

were the most common supplementary labour source. Most interviewed entrepreneurs had big families and very low education levels. Before adopting their current occupation, they were employed in agriculture and had to switch to survive. The financial capital supply was very small and in most cases was collected through informal sources. Alleviation of the households' poverty was the primary reason for initiating such enterprises.

Business activities were not confined to only poor villagers. Household data from Bangdom showed middle class and the rich economic class had businesses such as cloths stores, stationary, books and pharmacies; although they operated such businesses to accumulate capital, whilst agriculture remained their primary income source. These businesses were not operated as the main source of income, however they earned a considerable amount each month in doing so.

1.2. Research problem and hypothesis

My data during the period of January 2004 to April 2005, showed that a significant number of the people in Bangdom were employed in business, providing a new picture of village economy compared to the past. The data also reveal that business activities provide better livelihood security than in the past. In addition, business is becoming necessary for many households in rural Bangladesh. With this in mind, the central research question in my study was*: From what kinds of backgrounds and for what reasons do individuals branch into business occupations? A further question was: What differences result from this transformation in income generation for individuals, households and society?*

In reference to the latter question, I made the hypothesis that due to this transformation, the market economy has taken on greater significance within individual lives and society. With changing economic activities,

gender roles within households are likely to shift as well. New occupations in the business sector also affect gains in social capital and thus enhance the scope of business activities. Social capital in this case refers to the opportunity of building relationships with influential individuals that are able to further impact business activities. The trend towards business brings more openness in cross-class relations, as business entrepreneurs build a network of people from different social classes (see chapter 8 for details).

1.3. Purpose of the study

In a theoretical sense, the purpose of the village study was to examine the place of petty businesses in the economic and social system in rural Bangladesh. This was done through an analysis of relationships between people involved in businesses and their economic necessities. This study tried to explore the motives of petty business entrepreneurs and the multiple survival strategies of the villagers in Bangladesh.

Many households switched to businesses in rural Bangladesh for economic survival. Godelier said: "Without money, without income, there is no social existence, no existence at all in fact, material or physical. People's social existence depends on the economy, and they lose much more than employment when they lose their source of income or when they can not find one" (Godelier 1999, 2). In a globalised world, the economy of a country does not stand alone. It is part of what has become a world-wide system, which exerts constant pressure and constraints on all of its sectors and actors. Everyone therefore is obliged to maximise profits by fighting for competitive local, national and international markets (ibid.; Rivero 2001, 45). The petty business entrepreneurs in my study do not lead separate lives in this globalised world; the impacts of globalisation were

conspicuous in their lives and livelihoods. This will be discussed and analysed throughout this thesis.

My study examined the "culture of business in rural Bangladesh." Taking subjective reports of the study respondents seriously, an occupation was considered to be "business" if it was defined as such by the respondents. I have brought together below an analysis of micro-level work of petty business entrepreneurs in rural Bangladesh and local-level political-economic situations that shape entrepreneurs' lives. Throughout my study, an examination of businesses' work remains the focus of the investigation.

Entrepreneurship in its cultural dimensions

There are many ways to define an entrepreneur and scholars have been arguing a long time, often heatedly and confusingly, about the relative merits of this or that decision (Gerschenkron 2000, 129). Entrepreneurship is an important, and until fairly recently, sadly neglected subject (Casson 1990, xiii). Evidence of entrepreneurship can be found in the records of most leading civilisations – in Mesopotamian tablets, in early contracts in Nile grain trade, in orations of Demosthenes relating to commercial disputes at Piraeus in Ancient Greece and so on (ibid. xxii). Entrepreneurship is typically considered synonymous with business start-up or the creation of a new organisation (Keister ed. 2005, ix). In America today, many view the entrepreneur as a hero of capitalism and with the free enterprise system, one can rise from humble origins to a position of power and status through personal merit and skills (Burch 1986, 24).

Two questions arise: Is society in America, or even the Western world, similar to societies in most of Asia, or specifically Bangladesh? Are exchange and power within social life between these two counterparts similar? Nobody could say these are the same. As a matter of fact, while

Western countries are nearing the end of industrialisation, a number of developing countries are on the threshold of it (Jensen 1999, 14). Therefore, societies in these counterparts simply differ from one another. More broadly, the processes of social exchange, the character of relationships between exchange partners and the nature of transactions differ very much from one another (Blau 1967, 98). Even more broadly, society's norms and values are dependent on the structure of culture. Culture is shaped by many different objective conditions: spatial, social, economic and organisational (Blau 1989, 1). With respect to this, while an entrepreneur is seen as a hero of capitalism in the United States, the same does not necessarily apply to all societies. For instance, in Chinese and Japanese social structures, traders were not necessarily high in the social hierarchy (Vesterinen 1987, 64). The nature of entrepreneurship differs from society to society and country to country (Lippmann et al., 2005, 4). In the case of rural Bangladesh, entrepreneurship does not necessarily imply a trend towards capitalist development, as it emerged out of necessity. My study focuses rather on entrepreneurs in rural Bangladesh, whose aim is to provide a living where the struggle for basic necessities is very severe.

Entrepreneurs are people whose task it is to make economic decisions, such as making decisions leading to economic initiatives. In the context of my study, coming up with productive ideas is the first decision. In fact, there is hardly any economic activity that does not involve decisions. Someone who spends his working day sorting out big and small oranges is involved in a continual process of decision making. Decisions refer, for instance, to what shall be produced and how it shall be produced; what goods should be bought and sold, where and when and at what price; whether output shall be kept constant or whether it should be increased or

reduced. Such decisions are entrepreneurial decisions (Gerschenkron 2000, 129).

There have been entrepreneurs in this sense at all levels in all periods of economic history. A peasant in a backward agrarian country who decides when to start ploughing, what to sow and when to reap, makes entrepreneurial decisions. As did a Venetian merchant in the sixteenth century who decided what kind of spices he should buy in the East and carry across the Alps and whether Augsburg in Germany, or Lyons in France was the most promising market for his wares. Such decisions are not that different from those of an executive or a group of executives in a modern American plant. Wilmington in Delaware for example have decided to concentrate on the production of a new vibration-absorbing material. The same goes for an automobile factory in Detroit that decided to add a small car to its list for the next autumn (ibid. 129-130).

Similarly, people in rural Bangladesh who buy goods at certain prices and sell for profit are also considered entrepreneurs because decisions are required. On the other hand, those who buy a *rickshaw*, *van* or motor van to start their own enterprise, are also required to make decisions. Would we be confusing things by also calling them entrepreneurs?

1.4. Tracing the shadows

My study deals with entrepreneurs in rural Bangladesh whose activities in petty businesses were undertaken due to personal incentive and in most cases financed by an informal loan (sources: relatives, friends, acquaintances). Developing countries have recently experienced a development in small-scale individual entrepreneurs (SIEs) – who range

from petty traders to personal service workers such as street vendors, barbers and owners of small shops – as a result of market-based reforms, rapid urbanisation, unemployment, landlessness and poverty (Azmat 2009, 1). My study found that these activities provide a living for a substantial number of people in rural Bangladesh and their presence is clearly noticeable in bazaars, marketplaces and communities. Some other studies portray the same thing, such as a study by Naila Kabeer which illustrated that diversification into business activities have been identified as the most important source of economic survival for rural people in Bangladesh (Kabeer 2004, 23-24). Kazi Ali Toufique and Cate Turton's study stressed that the traditional image of a peasant farmer sitting at the centre of rural economy has long disappeared from much of rural Bangladesh. The reality is that rural households are as likely to be involved in non-agricultural livelihoods as in farming and they increasingly derive income from multiple sources. There is no confusion in a present day context, that a considerable number of villagers are involved in business activities in rural Bangladesh (Kazi & Turton 2002, 22). Sarah White pointed out that diversification into business is a common trend among villagers in Bangladesh, especially among poor households (White 1992, 71-72). Nevertheless, initiatives of small-scale businesses in developing countries or SIEs have received almost no attention (Azmat 2009, 1).

A number of studies have focused on NGO-led entrepreneurship development in petty business activities in rural Bangladesh. To my knowledge, no studies have focussed on people who have been able to create a living through self-organised entrepreneurship activities in a land where material necessity is very severe. There are two reasons that should be taken into consideration with this in mind. Firstly, most studies done on rural Bangladesh are funded by development organisations and as a result these studies mainly explore NGO roles in rural development and socio-

economic transformations in rural Bangladesh. Secondly, data collection for NGO activities is easy because NGOs are considered a good source of data on rural people and their communities and have good documentation of their activities. Derived from such a background, individually organised entrepreneurship in rural Bangladesh is practically untouched. Paradoxically, the role of these entrepreneurs in the rural economy of Bangladesh is still neglected and unmentioned in development discourse of the country. It is the aim of my study to speak about these entrepreneurs.

1.5. Structure of the study

After the introduction, research methodology and fieldwork, the theoretical framework of the study is presented. This study was not conducted to examine any specific theory of entrepreneurship as such, but different well-described approaches relating to the terms 'entrepreneur,' 'entrepreneurial behaviour' and 'entrepreneurship theory' are discussed in order to recognise the people in this study as entrepreneurs. Among these, the *theory of inequality and entrepreneurship* connects the experiences of petty business entrepreneurs with the social reality in Bangladesh. Discussed in this chapter are various causes of entrepreneurial development of small-scale enterprises in rural areas in developing countries, followed by analyses with particular spatial characteristics of the economy in world globalisation.

In chapter 4, the formation of a village and its environment is discussed, whilst chapter 5 focuses on the village in my study and overall circumstances. Chapter 6 discusses the emergence of petty business entrepreneurs by analysing data collected through in-depth interviews with the entrepreneurs themselves and is supplemented by analysing the socio-economic and political situations in Bangladesh. Both past and present

socio-economic and political circumstances were analysed in connection to this. Chapter 7 unveils the impacts of livelihood diversification into business on individuals, households and society. Finally, chapter 8 reviews the emergence of petty business entrepreneurs and traces the outcomes and implications of this, including a summary of the study findings. There is also a discussion concerning the significance of small-scale entrepreneurship in Bangladesh, followed by suggestions of further necessary research.

2. RESEARCH METHODOLOGY AND FIELDWORK

> A quick look around a rural Bangladeshi village is enough
> to tell the story of how rural livelihood is transforming.
> Kazi Ali Toufique & Cate Turton 2002, P 17

2.1. Nature of the study

From a methodological point of view, this study is a qualitative case study because the fifteen entrepreneurs' cases (discussed and analysed in chapters 6 and 7) is the base of this study. Qualitative data analysis methods can be divided into two categories; thematic analysis [6] and narrative analysis[7] (Miles & Huberman cited in Johnson & Harris 2002, 109), of which my study falls into the latter category. In fact, stories of their (entrepreneurs') livelihoods were made through in-depth interviews with them, in order to present their emergence as entrepreneurs.

The data for this case study was collected from Bangdom and the Nazipur commercial centre from January 2004 to April 2005, whereas Bangdom is the focus of this study. Nazipur is a small municipal town and its commercial centre is called the Nazipur bus stand bazaar. Bangdom is situated 2 kilometres away from the Nazipur bus stand bazaar. People from Bangdom consider the Nazipur bus stand bazaar to be the main area for commercial purposes. The economy of Bangdom is clearly linked to the operation of their business enterprises by many villagers at the Nazipur bus stand location. However, selecting a village for this study was

[6] Where interviews are tape recorded and direct quotations are used for analysis.
[7] Where interviews are tape recorded and stories are made for analysing interview data and writing reports.

imperative as 80% of Bangladeshis live in villages. Researching entrepreneurship in a village setting related to reality because of the large momentum in non-agricultural means of survival in rural Bangladesh.

2.2. Village selection

I selected the village of Bangdom from the many villages nearby the Nazipur municipality to choose from. A recent study conducted in many villages by two researchers in rural Bangladesh found that a quick look around a rural Bangladeshi village is enough to tell the story of how the rural livelihood is transforming (ibid.). This allowed me to investigate only one village.

I concentrated on Bangdom for practical reasons: I knew some villagers there and based on prior experience, I found them more communicative than people living in other villages situated nearby. The following characteristics of Bangdom also added to my interest:

■ It was not a recently inhabited village

■ It was not inhabited exclusively by either the poor or the rich, as was the case of other villages in Bangladesh

■ It was not a "hot house" village: for example the site of various experiments, action programs, area development schemes undertaken by BARD[8], World Bank, USAID, DANIDA, or ADB. On the other hand, it was not completely out of the purview of governmental development efforts

■ Bangdom is situated very close to an important road (highway), which is connected to the municipality town Nazipur and also to a district town,

[8] Bangladesh Academy for Rural Development.

with excellent transport links to both locations (Nazipur is only 5 minutes and the district town is 80 minutes away, by bus)

■ It is well positioned to take advantage of the external economy

■ A number of non-agricultural occupations co-existed along with agriculture

Nazipur bus stand bazaar

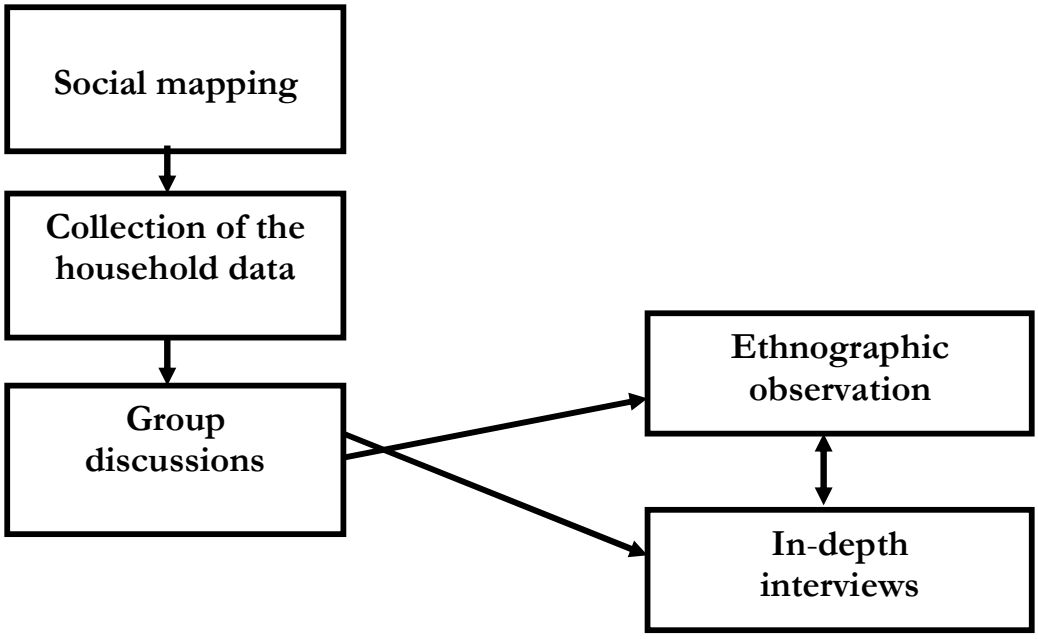
2.3. Collection of the primary data

The research was carried out in three distinct phases, generating mainly qualitative and partially quantitative data. Max Weber stated that the combined use of both qualitative and quantitative data can help in pursuing explanations, adequate at the levels of cause and meaning (Clive 2001, 17). I did not use any quantitative means in proving my hypothesis, rather I wanted to relay the experience seen and the information gathered through observation, group discussions and in-depth interviews. I could have made a traditional study through coding, ordering and categorising, but I realised that in-depth interviews, group discussions and observations

would better explain the entrepreneurs' experiences and emergence as entrepreneurs. In order to focus the research to explain specific issues, qualitative interviews, observation and group discussions were used to complete this study in conjunction with the quantitative analysis of household data. An analysis of the household data led to the identification of lifestyle patterns of the people in the village. I sketched the structure of the fieldwork of my study prior to beginning the fieldwork, shown in the following figure:

Figure 2.1

Schematic of Fieldwork



Social mapping

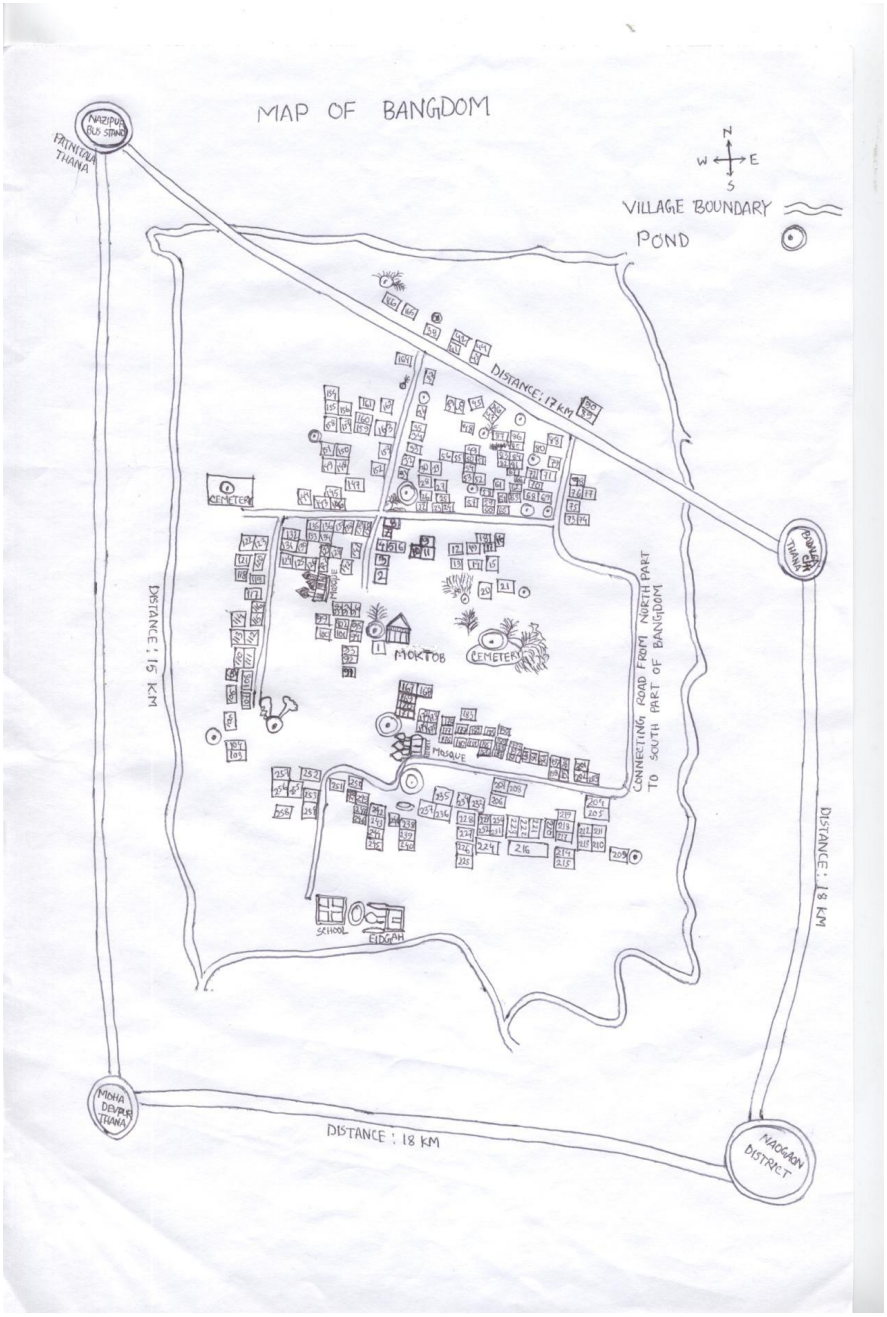
The concept of social mapping, or the participatory drawing of maps for conducting researches in rural areas of developing countries, started in the late 1980s. At that time, development practitioners were inclined to adopt Participatory Rural Appraisal (PRA) methods (i.e. sketch mapping) rather than venturing into more complex, demanding and time consuming scale mapping. Preference was given to eliciting indigenous

knowledge and utilising local community dynamics to facilitate communication between insiders and outsiders/researchers (http://www.iapad.org/). The *social mapping* method for conducting village research was developed by Giacomo Rambaldi, one of the key organisers of Integrated Approaches to Participatory Development (iapad). This approach was developed against a reality that in some developing countries, official large scale topographic maps are under governmental control (ibid). Although I was able to collect an official map of Bangdom from a villager, it was very old and did not have the current structure of the village. Sketching a map of Bangdom therefore became essential for my research.

Social mapping can be used to present information on village layout, infrastructure, demography, ethno-linguistic group, health patterns, wealth and others characteristics (http://www.iapad.org/social_mapping.htm). For my study, the social map of Bangdom served various purposes during the field research. Firstly, the social map of the village helped to determine the layout of the village. Secondly, the map showed the total number of households in the village and the position of each household. Thirdly, the map operated as a guide for collecting household data for the PWR method (see section on household data collection).

At the very beginning of my fieldwork in 2004, some educated men contributed to constructing a map of the village, in combination with some local female villagers. The map was completed by drawing the roads, houses, schools, *moktob* (place to learn Quran and *Hadith*), mosques, ponds and big old trees. In the map, the village (*gram*) consisted of two neighbourhoods (*para*) divided into a north part/*uttor para* and south part/*dhakkhin para*. Additionally, both parts consisted of three different smaller neighbourhoods/sections (*upo-para*). A few acres of arable land owned by families from both parts clearly separated the two parts. At the

time of mapping (in 2004) there were 258 households in the village, consisting of 166 households in the north and 92 in the south part. See the map of Bangdom below:



Household data collection

The Participatory Wealth Ranking (PWR) method was used for collecting the household data in Bangdom. This method was developed by Anton Simanowitz, at the Institute for Development Studies, Sussex, UK (Simanowitz, A. 2000). In the PWR method, the members of a community rank themselves based on their own concept of wealth and poverty. In the beginning, I planned to study only poor households involved in business. With this in mind, I felt that the PWR method would help in determining which households were poor based on the perceptions of the villagers themselves. Nevertheless, I did not limit my study to the poor households, since my aim was to include all the households whose primary income was from business activities.

PWR is based on the assumption that in rural communities everybody knows each other well (see also e.g. Kennedy & Roudometof 2002, 6-7). It relies on local knowledge to identify a household's economic position, according to the members' own definitions. At least three reference groups provide data for each household, producing very accurate results. PWR gives valuable insights into local concepts of poverty and provides transparent and credible results. In a situation where poverty indicators are variable and households move up or down the poverty ladder, PWR is likely to be more accurate because community knowledge includes the current status and even the future potential of the household (ibid. 11).

For my research, the PWR method was very effective because I was able to collect all the necessary data (see checklist in figure 2.2) about each household in Bangdom. It was easier to determine the absolute economic condition of one household because the members of each section (*upo-para*) of the village ranked themselves based on their own experiences.

Moreover, for using this method I did not need to visit each household to collect data.

Collection of household data for my study began in the southern part of the village because in this part there were fewer households than in the northern part. Some villagers suggested that people in the southern part were more open to outsiders than the northern part. This information proved correct and was understood during the fieldwork. From each section of the southern part three groups were made that consisted of four villagers each (two males and two females) to collect data from the households situated in their section. In the map they were asked to mark the households situated in the section and provide the data for each household by following the provided checklist.

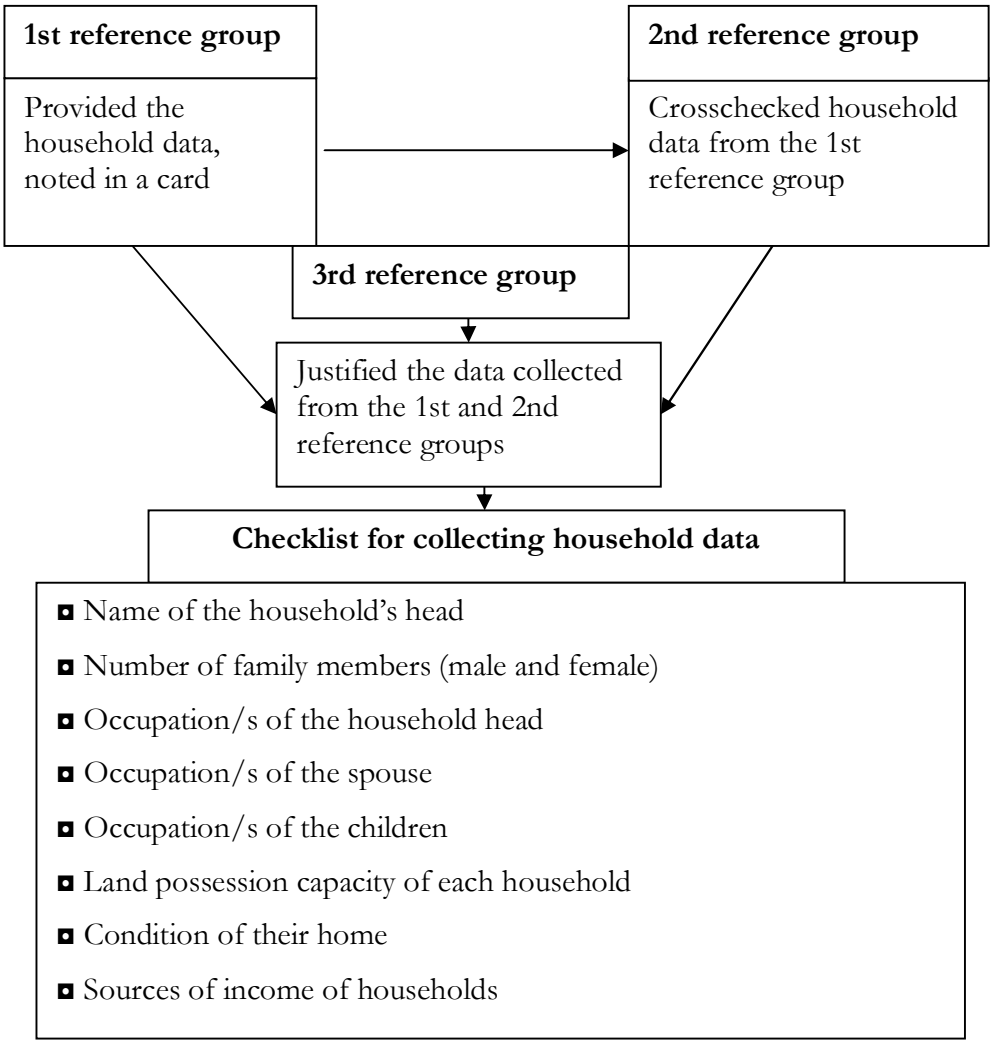
The next day, a second group of different participants (male and female) crosschecked the first group's data. In a few cases there was contradictory data, which was supported by reliable comments from the second group.

Finally, a further day a third reference group (consisting of different participants to the previous groups) made a final cross-check by analysing the two previous groups' notes and data.

After I successfully completing the household survey in the southern part, I used again the PWR method to collect household data also in the northern part of the village. The collection process is presented in the following figure:

Figure 2.2

Process of collecting the household data by using PWR



Focus group discussions

A focus group is a collection of respondents organised in a group discussion format to present their ideas about a subject. Focus group discussions can also be designed to achieve many objectives (Nardi 2003, 9). The term focus group has come to mean different things to different people (Greenbaum 1998, 1). Focus groups are a tool for collecting qualitative data from group discussions. A moderator follows a predetermined interview guide to direct a discussion among five to ten people with the purpose of collecting qualitative information about a

group's perceptions, attitudes and experiences on a defined topic. Participants should be typical of the intended population (ibid. 2). In discussions with the villagers in Bangdom I played the role of moderator.

The key objective of organising group discussions for my study were to collect information on villagers' social, cultural, political and economic circumstances and attitudes related to the subject of the study. It should be noted that official village records about the communities in Bangladesh are scarce. I visited the nearest government administrative branch to collect socio-economic data about Bangdom and the office only had the population statistics of the villages situated inside the administrative area (old statistics). In such a situation, group discussions with the villagers were needed to collect useful information about the villagers' past and current livelihoods.

With the help of villagers, two discussions were arranged in each of the parts of Bangdom. Each group consisted of eight to ten villagers, both males and females were encouraged to participate. An open-ended questionnaire was used to collect data through the group discussions. The discussion structure was divided into five areas: village livelihoods, social issues, gender issues, recreation and leisure time, and business occupations of the villagers (see appendix 2). This type of questionnaire was very advantageous because the respondents felt free to answer questions as they preferred, which is ideal for group discussions (Rahman & Sayed, 1994, 168). I did not use a tape recorder during the discussions but I did write all useful answers on paper for further analysis. Each discussion session lasted many hours as both parties (I and the participants) enjoyed the discussions.

In-depth interviews (IDI)

An in-depth interview is a conversation with an individual in order to collect specific information about the person. IDIs involve discussions

between a researcher and a respondent (Greenbaum 1998, 2). Researchers consider using IDIs for several reasons. Firstly, it helps to generate personal information about the respondents that is not conducive to discuss in a group environment, such as participant's personal finances and future plans. Secondly, some people are not accustomed to talking in a group, so in such cases a one-on-one session is more appropriate. Thirdly, a one-on-one session provides significantly more in-depth information than possible through other forms of qualitative research (ibid. 5). The IDI technique was very appropriate for interviewing petty business entrepreneurs in Bangdom because it provided very detailed information.

A semi-structured interview method was used for interviewing entrepreneurs to allow for focused, conversational, two-way communication. Semi-structured interviews were preferred over structured ones, which may have been too difficult to answer due to entrepreneurs' low education levels. The structure of the interviews was divided into seven areas: general information, work history, diversification, current occupation, income & satisfaction, advantages & disadvantages, and future plans (see appendix 1). The respondents' current occupation was the focus of the interview. Additionally, two questions were asked about government policies related to their current work and their expectations of support from government and Non Government Organisations (NGOs), and the continued support with their current occupation. All interviews were recorded on a tape recorder and later transcribed for analysis. The length of each interview was roughly an hour and a half.

Twenty petty business entrepreneurs were selected based on observations and collected household data. Four interviews were left out of the study, as they were test interviews conducted before the final interview structure was formed. Mainly male entrepreneurs were included - only one female entrepreneur (as bread winner of the household) was

found in the village and included, because business in rural Bangladesh is typically men's work, a feature which is explained later (see case study 15 in chapter 7).

Four types of business entrepreneurs were incorporated: firstly, those who had a permanent shop in the market places or in the village; secondly, those who operate their business in public places[9] at Nazipur bus stand; thirdly, the entrepreneurs who were involved in transport operation; and finally, those who made door-to-door sales in nearby villages. All four were commonly found in Bangdom. The daily life of some entrepreneurs in the market places and in their communities was also observed during and after the interviews. Altogether 20 entrepreneurs were interviewed, from which 15 were selected for case analysis. The 20 entrepreneurs interviewed were involved in the following occupations: 5 in the grocery business (*moodi dokan*), 3 with small tea stalls (*cha-er-dokan*), 2 in the transportation business, 2 selling cloths, 2 selling onions and 6 with other types of petty businesses.

Ethnographic observation

Ethnographic observation is very essential to anthropological research. In many respects ethnography is the most basic form of social research (Hammersley & Atkinson 2003, 2). It would have been difficult to understand the work of the entrepreneurs without observing their work places. This made it easy to formulate questions relevant to their work. For my study, ethnographic observation facilitated an understanding of the meaning of rural entrepreneurs' actions. It helped to gain a closer understanding of social reality than other methods. Although I did not

[9] In this research, 'public places' refers mostly to footpaths. Operating here is prohibited by law, although this is against the needs of many people. Those who operate businesses on the footpaths do not consider that they have a permanent place for organising their business as they can be driven out by law enforcement authorities at any time.

participate in the working life of entrepreneurs in this study, I was able to sketch a picture of what it is like to be a petty business entrepreneur in rural Bangladesh.

I used ethnography as a method for understanding the social micro-cosmos of petty business entrepreneurship. I also aimed to provide an insightful and new description of the system of entrepreneurship in rural communities in Bangladesh and present that realm from the point of view of those involved in it. Petty business entrepreneurship has to be placed in a social and economic context of rural Bangladesh in order to explain the phenomenon through ethnographic description.

How can ethnographic studies of a single, small-scale setting (or of a small number of such settings), at a particular point in time be relevant to a wider audience? There are two ways in which ethnographers deal with this problem. One is to treat the case(s) studied as representatives of a larger population of cases, which is of wider relevance. The other is to use the case to exemplify and/or establish a theory (Hammersley 1992, 5). This study falls into the first category.

2.4. Limitations

In the beginning of the fieldwork (i.e. the beginning of 2004) some villagers in Bangdom thought that I was from a development agency and they politely tried to express their situation, making repeated requests for help. Similar problems arose during the in-depth interviews because many interviewees did not understand what I wanted to know. Some of them asked me why I needed to interview them if I was not an NGO activist. Nevertheless, as soon as I expressed the purpose of the interviews they became very open and started answering my questions.

Some entrepreneurs were not eager to talk about their past, as they probably thought I was going to tell their history to all the local people. This situation was overcome by assuring them that the data I intended to collect would be used only for academic purposes and would remain completely anonymous. However, despite my effort to convince them, five entrepreneurs selected for the study refused to be interviewed.

It is possible that those who refused to be interviewed would have influenced the results. They could have had different opinions, for example, reasons for changing their occupations. I found the 20 interviews that I made sufficient for the research, because some answers begun to be repeated.

I was able to utilise my native language skills to conduct the interviews and many of them said I seemed unchanged from living abroad for many years.[10] They accepted me as a person belonging to the same culture and origin, which provided an opportunity for close interaction between me and the interviewees. In fact, I used this as an invaluable asset in establishing trust and rapport with my informants. None of the entrepreneurs knew where Finland was and how the people in Finland survive and deal with economic necessities. It should be noted that I had some interesting conversations regarding this issue, which is mentioned in chapter 6.

I conducted some interviews on site in the entrepreneurs' workplaces which may have affected concentration and thus amount and extent of questioning. A peaceful environment, as some interviewees gave from their homes may have provided much more coherent and detailed answers and would have decreased the pressure to interview within strict time frames.

---

[10] I have been living in Finland for 10 years.

In some cases there was no other option than making the interview at their workplace, as it was difficult to persuade them to be interviewed at home. For some entrepreneurs I had to talk to their relatives or close friends to explain why I was interested in interviewing them. Five respondents missed three appointments for which they were very ashamed. However, they had good reasons because sometimes they were tired and could not find anyone to take care of the business for the interview. Although interviewing in their workplaces was a difficult task in the sense of hearing clearly and answering suitably, the results were positive because I could observe how the participants went about their businesses.

Moreover, I would have liked to visit the homes of all the entrepreneurs because that would have helped me comprehend their household environment and its connection with their work. I was only able to visit some of the entrepreneurs' homes. I wonder whether the household environments of those who did not agree to be visited at home would have been different from those who allowed it. Nevertheless, my visit to some homes provided information related to the above-mentioned objective. For my study I was also interested in the concept of gender with regards to entrepreneurial change. The differences between gender roles within households involved in business and those in agriculture might not have been evident if I did not visit the homes of the entrepreneurs. The gender perspective is addressed in later parts of this thesis (see chapters 5, 6, 7 & 8).

In order to find out the differences and similarities with other studies, a review of the literatures on entrepreneurs and entrepreneurship can be done to grasp a full understanding of the subject. With this in mind, the following chapter links my study to a general discussion on the theories

of entrepreneurship, followed by an introduction to Bangladesh in the context of my village study.

3. THEORETICAL FRAMEWORK

> The entrepreneur puts material resources together, but is also arguably choosing and putting together cultural behaviours that serve his/her needs, and thereby expands his (and by extension the community's) cultural repertoire.
>
> Ulf Hannerz 1969, P 186

3.1. Entrepreneur and entrepreneurship from mainstream scholars' point of view

The word 'entrepreneur' comes from the French language 'entreprendre', which means 'to do something', and it was originally used in the Middle Ages in the sense of 'a person who is active, who gets things done' (Hoselitz cited in Swedberg ed., 2000, 11). Among the earliest economic uses (16th and 17th centuries) it referred to government contractors for military or public works projects. Later an Irish economist, Richard Cantillon, specified the important function of entrepreneurship – that of being an economic risk (Bird 1989, 3). Since then, the term entrepreneur has been introduced into economics (Burch 1986, 24). The entrepreneur and his unique risk-bearing function were identified by Cantillon in the early 18th century (Kilby 1971, 2). Cantillon's theory of the entrepreneur stresses function, rather than personality or social status (Montoya 2000, 338). In this way, the petty business entrepreneurs in this study fit quite simply into this concept.

According to Mark Casson, there are two main approaches to define an entrepreneur, the functional approach and the indicative approach

(Casson 1982, 22). In this study, the functional approach is more rational than the indicative approach because it matches the characteristics of entrepreneurs. The functional approach says quite simply that 'an entrepreneur is what an entrepreneur does'. It specifies a certain function and deems anyone who performs this function to be an entrepreneur. Reversibly, the indicative approach provides a description of the entrepreneur by which he may be recognised. Unlike a functional definition, this is very down-to-earth. It describes an entrepreneur in terms of his/her legal status, his/her contractual relations with other parties, his/her position in the society, and so on (ibid.).

Cantillon (1931) took his emphasis further by noting that an entrepreneur is someone who engages in exchange for profit, using business judgement in a situation of uncertainty - buying at one price to sell at another, uncertain price in the future (Hebert & Link 1988, 17). All the petty business entrepreneurs in my study were engaged in exchanges for making profit. However, Cantillon established his theory of an entrepreneur at a time when classic entrepreneurs were crop farmers, without any certainty of whether or not they will survive to harvest or what price they will bring. The term has come to be applied to any risk taker, any independent merchant, or any promoter (Bird 1989, 3).

Israel Kirzner, a prominent scholar in this field, defines an entrepreneur as someone who discovers profit opportunities and allocates resources among various possible uses (Kirzner 1985, 45). Kirzner's position, which has evolved over a period of several decades, indicates entrepreneurs move towards profit opportunities. His opinion is that the entrepreneur essentially tries to discover profit opportunities (Kirzner 1973, 25). The Bangdom interview data reveals that economic transformation from previous occupations an action towards profit opportunities.

In order to make the term 'entrepreneur' easy to understand, some scholars later provided simpler, more specific definitions: the process of starting a new profit-making business. This is probably the most common definition of entrepreneurship. Here the type of value (profit) and organisation (business) is specified and the process is limited (to starting a business). Furthermore, the definition implies a standard of success (e.g. profits are indeed made). Some other simple definitions of entrepreneurship express it as the process of providing a new product or service. This definition focuses on values of innovation and creativity, and the certainly of new values (Bird 1989, 4).

The entrepreneur was first accorded a degree of prominence by J.B. Say in the nineteenth century and later by Schumpeter (Burch 1986, 24). Joseph Schumpeter is the first major writer to put the human agent at the centre of the process of economic development (Kilby 1971, 2). In other words, Schumpeter was the first to present a theory putting forward the idea of entrepreneurs as 'catalysts' in economic development, with a crucial role in economic expansion. He saw the entrepreneur as an innovator (Schumpeter 1936, 66). According to Schumpeter, the entrepreneur is an external causal element in development – the free agent of capitalistic change in a theory emphasising the importance of 'individual action' in economic progress (Belasco 1980, 184). This was in direct contrast to the 'classical economists' Adam Smith and David Ricardo, who did not treat the distinction between 'capitalist' and 'entrepreneur' as being important (Kilby 1971, 3). In my view, the people in this study cannot be considered as 'capitalist' since their entrepreneurship action has emerged out of necessity – a point already mentioned earlier. Moreover, the volume of economic enterprises is fairly modest.

Schumpeter's ideas about how to best study entrepreneurship changed considerably over time and his approaches were interdisciplinary

in nature. He looked at different aspects of entrepreneurship during different periods of his life, including economic theory[11], psychology, sociology, and economic history. Despite his versatility and multi-disciplinary approach, Schumpeter never produced concrete guidelines for how the entrepreneur should behave. Until 1940, Schumpeter was mainly interested in developing his own ideas about entrepreneurship and integrating these into a novel system of economic theory, which was centred on economic change or development. During his last decade[12] Schumpeter mainly looked at the sociological aspects of entrepreneurship.

Schumpeter made a first attempt to develop a theory in a book entitled 'The Theory of Economic Development' in 1911, from which Schumpeter's famous theory of entrepreneurship can be found. In his first work he argued that all truly important changes in economy are set off by the entrepreneur, and that these changes then slowly work themselves through the economic system, in the form of business cycles (Schumpeter cited in Swedberg 2000, 14-15).

In the second edition of 'The Theory of Economic Development,' which came more than a decade after the first, he tightened his arguments, made it more systematic and eliminated its broader implications. In 1939, Schumpeter published a work entitled 'Business Cycles,' which carried the process of his work even further. This time he described entrepreneurship in terms of creativity and intuition, where he spoke of entrepreneurship in a considerably more technical and dispassionate manner than in the first edition of 'The Theory of Economic Development'. In his first work, he talked about 'innovation' in an almost Dionysian manner, but became more Apollonian in nature about the term 'innovation' in his work

[11] Schumpeter started his career as an economic theorist.
[12] Schumpeter was born in 1883 and died in 1950.

'Business Cycle'. Here, he referred to 'innovation' as 'the setting up of a new production function' (Schumpeter 1939, 87).

The Second edition of 'The Theory of Economic Development' is more popular for people interested in entrepreneurship than the first. Here he presented 'entrepreneurship as innovation' in the second chapter. In the 'Theory of Economic Development', Schumpeter outlined his theory of the entrepreneur, defining economic development as the carrying out of 'new combinations'. According to Schumpeter, entrepreneurial innovation occurred in any of the five following cases:

i) The introduction of a new good
ii) The introduction of a new method of production
ii) The opening of a new market
iv) The conquest of a new source of supply of raw material
v) The creation of a new organisation of an industry

The entrepreneurial function then, was one of creating disequilibrium. It went beyond discovery and included implementation and commercialisation. However, Schumpeter further argued the theory of entrepreneurship should be based on 'the actual activity of the entrepreneur', as opposed to pre-conceived notions by economic theorists (Swedberg 2000, 13). Schumpeter's theories expressed the terms enterprise and entrepreneur as:

> The carrying out of new combinations we
> call 'enterprise'; the individual whose
> function it is to carry them out we call 'entrepreneurs'
>
> (Schumpeter 1961, 74)

An even more modern view of the entrepreneur that builds on Schumpeter's ideas has been presented by Israel M. Kirzner. Kirzner sees the entrepreneur as one who perceives what others have not seen and acts upon that perception. In this case, marketplaces are constantly sending signals – to those who are alert enough to perceive them. In Kirzner's point of view an entrepreneur is more than just a risk taker and innovator. He or she is one who sees a future that no one else has seen (Kent 1984, 3-4). The entrepreneur essentially tries to discover profit opportunities (Swedberg 2000, 20).

The above-mentioned theories on entrepreneurs and entrepreneurship by different scholars provide the common idea that entrepreneurs are "essential agents of change who accelerate the generation, application and spread of innovative ideas and in doing so… not only ensure the efficient use of resources, but also expand the boundaries of economic activities." There is no doubt however, that the petty business entrepreneurs in my study bear similar characteristics because they can also be identified as essential agents of change in rural areas of Bangladesh. Therefore, calling them entrepreneurs in this sense is straightforward. It is an unfortunate that most studies on entrepreneurs and entrepreneurship have so far been based in Western countries. As a consequence, the results differ in many ways from my study in rural Bangladesh, because the economic reality and cultural phenomena in Western countries differs a lot from a developing country like Bangladesh.

3.2. Developing countries in world globalisation

Nature of the economy in world globalisation

In the long sweep of history, the industrial revolution presents a fascinating study of rapid economic transformation. In eighteenth-century

Britain, a series of technological inventions made it possible to automate production, using machines run by power to speed up repetitive tasks. Simultaneously the creation of factory systems – a crucial innovation in the organisation of production – made it possible to translate the benefits of automation into increased and cheaper output. Together these led to a dramatic increase in productivity. By modern standards, the increase in the rate of economic growth was small, but over time it transformed the economy and social order in Britain. Other countries took example from Britain and also succeeded in their own industrial revolutions, but this process was confined to a handful of countries in Europe. The real paradox is that even though the accompanying improvements in transport and communications made vast distances more accessible, the industrial revolutions fragmented the globe by creating major economic differences between industrial and pre-industrial societies. Steam-powered ships could circumnavigate the earth with great speed and reliability, but the economic gap between Europe and Asia widened (Kapur 2002, 2).

There is no denying the fact that technology has the power to produce rapid economic transformations. Similarly, technology has the power to widen the gap between rich and poor, because technology applied today in the globalisation process creates social exclusion, as automation saves on human labour.

As the twentieth century came to an end, 30% of the world's working-age population were unemployed (Rivero 2001, 6), as enormous factories were gradually being phased out by new technologies. In many industrialised countries this situation could be tolerated, because the population is not growing rapidly and the service sector can often absorb the manpower that becomes redundant. However, in under-developed or developing countries, the large number of unskilled labourers inhibits new technologies from creating sufficient new jobs. Ironically, in a developing

country like Bangladesh, the labour force pushed out of traditional employment positions (i.e. agriculture) can hardly be absorbed into other sectors. In fact, technological interventions in crop production in developing countries encouraged a shift in agriculture from food crops to cash crops, exposing subsistence farmers to great risk due to greater volatility in demand for cash crops. Moreover, the "Green Revolution" has meant big changes in the organisation of agricultural production – not necessarily in favour of poorer populations. Thus, the technological revolution is starting to enter a collision course with the demographic explosion in poor societies. Gradually, the diversity of the global economy will start to take shape, as gross national product (GNP) grows hand in hand with unemployment, or badly paid temporary job numbers. Globalising technologies will also begin to segregate the raw-material-exporting economies from industrialised ones and thus the world will move towards new economic potentials.

The new economy of the world involves growing importance of 'knowledge products' in the total output of the economy (Kapur 2002, 5). This does not only include computer software, but also other services that can be delivered digitally. One relevant feature of knowledge products is that they are costly to produce but cheap to reproduce. For example, it takes thousands of hours of costly programming time to produce a useful piece of commercial software, but once the software code has been written, it is extremely cheap to make a perfect copy. Nevertheless, only a small number of countries in the world have the strength for acquiring 'knowledge products', while most countries do not. Moreover, in order to invest in new economy, it is necessary to have capital and flows of finance to insulate individuals from excessive risk; unfortunately neither the government nor private entrepreneurs in most developing countries have these. Besides, in order to embrace the economic change, the necessity of a

potential labour force is an important requirement. The supply of skilled labour in developing countries with large populations is scarce, which negatively affects them with regards to the new economy of the world. Additionally, in labour surplus economies like Bangladesh, there is additional concern about the displacement of labour by technological intervention. With these backgrounds, the economies of developing countries are more or less stuck in traditional sources of economy (i.e. agriculture in case of Bangladesh). Due to the alarming population growth in a developing country like Bangladesh, the agricultural sector alone is not enough to provide for its huge population – a vast number of the rural people have to find alternative sources of income.

Developing Bangladesh

At the end of the twentieth century, the world consisted - aside from the 24 developed countries - of more than 140 non-developed countries and only 4 developed 'newly industrialised countries' (Rivero 2001, 4). How should one measure the level of development? Conception of development underpins much of the work of international organisations such as the World Bank, and also many national governments in both the Global North and Global South. The World Bank for example, uses Gross National Product per capita (GNP p.c.) to divide countries into development categories. Low-income countries are defined as those with a GNP p.c. figure in 2001 of $745 or less, lower-middle-income countries have $746-2,975, upper-middle-income countries $2,976-9,205 and high income countries are those with GNP p.c. of $9,206 or more (World Bank 2003b:243). GNP is purely an economically-based measure. Because countries vary so greatly in population, the total GNP figure is divided by the number of people in the country, giving a per capita (p.c.) figure to indicate wealth. The use of a wealth measure to represent development is

regarded as appropriate, because it is assumed that with greater wealth come other benefits such as improved health, education and quality of life (Willis 2005, 3).

When Bangladesh emerged onto the world stage in 1972, its name was used as a by-word for poverty, starvation, disaster.[13] In March 1985, a World Bank survey described Bangladesh as the world's poorest country, with an annual per capita income of only $130 (Time, June 10, 1985, 42). In 2004 the average annual income per person reached $170, whilst in 2008, it reached $599 (Ahmed 2004, 38; The Daily Star, June 17, 2008). The growth in per capita income reveals Bangladesh has been able to make considerable economic development since its independence. With this success, Bangladesh has been and is considered as a developing country of the world (Kaplinsky 2005, 42). Ironically, the growth in per capita income in Bangladesh neither asserts that it has positively affected the lives of citizens, nor plays any role in decreasing the economic inequality among the people. Rather, the economic inequality among the people in Bangladesh has increased in recent years (ibid.). A recent study by UNO shows that in Bangladesh, the number of people living below the poverty level has increased in recent years, more so than in the past, whilst in other south Asian countries it has decreased (UNO cited in Daily Prothom-Alo, February 03, 2010).

Bangladesh moved to a democratic government in 1990, after more than a decade of military rule under different occupants. Since 1990 neo-liberal policies have succeeded in freeing up markets from excessive state regulation, whilst investments in infrastructure, transport and communications have helped integrate markets on a local, national and international level (Kabeer 2004, 46). The free market alone has not

[13] Former US president Richard Milhous Nixon called Bangladesh 'a bottomless basket' as he opposed the separation of Bangladesh (formerly East Pakistan) from West Pakistan.

resulted in expanding economic development for the people in the country. Paradoxically, GNP growth in Bangladesh has failed to translate into accompanying rates of poverty reduction and the large amount of poor people – notably those in rural areas – have not shared in the fruit of the development process. Growth in GNP alone is therefore not enough to bring about much needed reductions in poverty. The following examples will clarify this issue:

In the last two decades, the garments sector is increasingly widespread, accounting for considerable employment and value added to Bangladesh. The development in the garment sector is helping the country exaggerate its GNP growth in fact, but rarely benefits rural people. Eighty percent of the total population in the country still live in rural areas, but not a single garment factory is situated in rural areas to provide employment. Moreover, ill-paid garment workers are unable to earn more than what is required for marginal necessities. The surplus the garment industry receives from exporting the manufactured garments is not properly shared with the employees (see case study 13).

Since independence, Bangladesh has made good progress in exporting manpower. Approximately three million Bangladeshi nationals were employed abroad during 1976-99 (Kazi & Turton 2002, 20). Available data shows that in 2007 and 2008 per capita income in Bangladesh increased by 12% and 14% respectively, due to the high growth of remittance sent to the country by Bangladeshis working abroad (The Daily Star, June 17, 2008). Although this sector currently has a significant role in speeding up the per capita growth in Bangladesh, the majority of rural inhabitants in Bangladesh do not benefit from this due to several shortcomings. Firstly, they lack the financial ability to find employment abroad, as both governmental agencies and private organisations make business out of recruiting workers to send abroad.

Secondly, those living in rural areas lack the social capital to find an overseas job.[14] Thirdly, most rural people lack the necessary skills and education to be employed abroad, compared to those living in cities.

The reality is that the surplus Bangladesh receives from export is not invested in a productive manner so its impact would be felt in rural areas, for instance. Squandering of wealth, which could potentially finance development, is only one side of the inefficiency of equality in Bangladesh. The challenge facing Bangladesh today is not only the redistribution of wealth, but also the redistribution of new emerging income opportunities.

3.3. Development discourse and rural development – two sides of the same coin

The income gap between rural-urban counterparts is constant in Bangladesh, therefore rural people do not have the chance to participate in the GNP growth potential, as most emerging livelihood opportunities are urban-based and easier for urban inhabitants to pursue. In a country where 80% of the total population are rural citizens, the wide economic gap between rural and urban counterparts is the primary concern of both the government and international development agencies. Hence, development discourse and rural livelihood development in Bangladesh are two sides of the same coin.

Endeavours to improve rural development in Bangladesh

Bangladesh has a long history of rural development. During British rule (1757-1947), rural development originated mainly from the fad, hobby

[14] Only one villager from Bangdom migrated to Malaysia in 2003. He received this opportunity (*'heavy lucky'* in the villagers' words) through one of his distance relatives whom he met 2 years before the migration. Many villagers (especially young adults) from Bangdom asked me whether I could help them to migrate to Finland or other countries where they could find jobs.

or philanthropic effort of some dedicated British members of the elite administrative corps (Woodruff 1963, 96). During the colonial period, maintaining law and order, and collecting revenues were the two functions of the government, whilst rural development emerged as a distant third. Towards the beginning of the 20th century, its significance was further reinforced by the poetic dreams/ideas of the great Bengali literary figure and Nobel Laureate Rabindranath Tagore,[15] and by his philosophical justification of the virtue of rural life. In limited areas he experimented and implemented some of his ideas in his attempt "to practise what he had advocated" (Braibanti 1966, 200).

During Pakistani rule (1947-1971), two major rural development programmes were introduced into East Pakistan (present Bangladesh), with support and financial assistance from international organisations and some developed countries. The titles of these programmes were: (i) The Village Agriculture and Industrial development (V-AID)[16] Programme in 1950s, and (ii) Rural Works Programmes (RWP) in 1960s (ibid.). The V-AID programme, which was mostly non-political, focused primarily on the development of socio-cultural and socio-economic aspects of community life through a broad programme of informal social education (Abedin 2000, 73). After a military coup in 1958, General Ayub Khan of Pakistan, who had his own political agenda, wanted to use the rural development programme and its money for furthering his own interests and goals. He replaced the V-AID Programme with the Rural Works Programmes (RWP), which was highly politicised. Unlike the V-AID Programme, it emphasised economic and material development, for example infrastructure development in rural areas. No doubt it contributed a

[15] Tagore was the 1913 Nobel Laureate in Literature for his famous book *Gitanjali*: A Collection of *Bangla* Poems.
[16] V-AID was supported by USAID, the Ford Foundation and UNESCO. It was the first systematic institutional intervention for rural development in East Pakistan (present Bangladesh).

considerable extent towards the improvement and construction of road and highway networks, bridges, embankments, drainage system, canals, irrigation system, and the like. RWP failed to gain the peoples' confidence due to corruption, misuse of funds, and members of the so called 'basic democracies' (i.e. local union councils)[17] given the responsibility to plan and implement RWP with the help of government officials. In a nutshell, corruption was institutionalised by the system of "Basic Democracies," and thus RWP benefits were siphoned by those to whom it was appointed to, rather than assisting the common people it was supposed to help (ibid. 74).

When Bangladesh emerged as a sovereign independent state in late 1971, RWP lost its place as the most important government-sponsored rural development programme. The Integrated Rural Development Programme (IRDP), which had been experimented with and partially implemented in the 1960s in the Comilla District by the Pakistani (later Bangladesh) Academy for Rural Development (popularly known as Comilla Academy),[18] was adopted by the government as the national rural development programme (Gov. 1978, 3). With changes and modifications, RWP was incorporated in the overall framework or structure of IRDP,[19] which had four major 'components,' namely: (i) RWP, (ii) Thana[20] Training and Development centre (TTDC), (iii) Thana Irrigation Programme (TIP), and (iv) Two-tier Cooperative System (TCS). IRDP claimed that its main objective was to optimally utilise human and material resources in order to promote all-round rural development, through efforts towards organising

[17] The Union council was and is the lowest administrative unit in rural areas of Bangladesh.
[18] The Academy was established in the Comilla district in 1959 as a training institute for government officials and representatives of local government and village organisations, in various subjects relating to rural development. It is an autonomous institution governed by a Board of Governors of which the Minister for Local Government, Rural Development and Cooperatives is the Chairperson. Administratively, it is attached to the Ministry of Local Government, Rural Development and Cooperatives.
[19] IRDP was an evolved model "Comilla Approach" to rural development initiated by a Bangladeshi Sociologist Akhter Hamid Khan (founder of the academy).
[20] Thana (present upazila) is the upper level administrative unit of the union council (see chapter 4).

farmers into cohesive and disciplined groups i.e. through organised and planned group actions (ibid.). IRDP was carried out through two-tier multi-purpose cooperative societies, which actually provided the institutional infrastructure.

RWP is discussed briefly above. To signify the aims and output of the IRDP an introduction to TTDC, TIP, and TCS will aid in understanding the rural development phases in Bangladesh after independence. TTDC was established mainly to achieve the following two objectives: (i) to facilitate the coordination of development activities at the thana level, and (ii) to disseminate new and emerging ideas and technologies through training of rural leaders and members of local councils. TIP aimed to provide irrigation facilities in small and localised areas through the formation of small irrigation groups, each of which comprised of landowners around a deep or shallow tubewell or power pump. The programmes were originally designed for the purpose of raising an extra crop i.e. *irri/boro* during the dry season. Initially they were constituted as informal groups, but later converted into registered societies and were required to affiliate themselves with Central Cooperative Banks (Abedin 2000, 75).

The fourth component of IRDP, TCS, was a two-tier cooperative system under which the farmers were encouraged to organise themselves into cohesive societies called *Krishi Samabay Samity/KSS* (Agricultural Cooperative Societies). All village levels *KSSs* were further federated into Thana Central Cooperative Associations (TCCA), to act as the supporting organisation for the supply of credit inputs and banking services to *KSSs* and coordinating their activities. The cooperative was supposed to be the farmers' "own organisation" for joint planning and implementation (ibid). Members of *KSS* elected a managing committee, a manager and a model farmer. The committee, which was also assisted by inspectors and the

TCCA, ran and managed the affairs and activities of *KSS*. The production plan was prepared by members of *KSS,* indicating their credit and input requirements. For the purpose of procurement of inputs, credits and banking services, the manager was supposed to maintain regular contact with TCCA management. The main responsibilities of TCCA were to arrange credit and inputs for *KSSs*, to make provisions for banking services and training and to coordinate their activities with the thana level development departments/agencies of government organised by the government to implement IRDP. Thus, one of the most important features of IRDP activities was to organise supervised credit systems linked with credit supply, training and marketing. Another aspect of IRDP philosophy was that the formulation of capital was indispensable in order to boost production and thereby increase the standard of living for farmers. The IRDP, therefore, attempted to accumulate farmers' own capital through the purchase of shares and thrift deposit (ibid. 76).

Another ambitious aim of IRDP was to introduce a marketing policy for agricultural commodities in order to ensure fair prices to growers and eliminate the middlemen. Initially, IRDP played an important role in supplying credit and input to the rural population and building institutions that reinforced government efforts and programmes towards agricultural (and other) developments, and thus changed or modified, in varying and limited degrees, traditional values, attitudes, perceptions and lifestyles (ibid.).

The four basic programmes of IRDP discussed above (TCS, TTDC, RWP and TIP), were based on the following ideology/hypothesis. TCS organised people, RWP protected their land from floods and provided drainage facilities, TIP helped use water resources for irrigation during dry seasons, and TTDC coordinated development activities, trained villagers in developing their skills and provided services and supplies. The four

components were inter-linked and mutually reinforcing. The concept of 'Integrated Rural Development (IRD)' evolved and took a concrete shape through the research and experimental activities of the Bangladesh Academy for Rural Development (BARD), which became the major endeavour for rural development in Bangladesh soon after independence. Beyond its popularity in the homeland, IRDP became popular in other developing countries as the major endeavour for rural development (www.bard.gov.bd/default.htm).

Unfortunately, the success of IRDP was far less than initial expectations. A plethora of projects, with diverse interests and objectives and depending primarily on donor preferences, were initiated under the banner of IRDP, which somehow distorted the basic shape of IRDP and played negative roles in implementing the original version (Abedin 2001, 76). Consequently, the integration desired by planners of IRDP (the Comilla Academy/BARD), which was necessary for development, did not take place in the field. Instead integration was replaced by chaotic mismanagement, and the comprehensiveness of IRDP was lost (Obaidullah cited in Quddus ed., 1993, 266). Research indicated that "the poor, who were intended to be the main programme beneficiaries of IRDP, were bypassed" and a limited number of powerful rural rich enjoyed the real benefits (Shams 1991, 7). Ironically, IRDP was unable to give the light of hope to most rural inhabitants, as it did to the few affluent/powerful groups that dominated the programme's management (Planning Commission of the Government 1974, 4).

In August 1975, Sheikh Mujibur Rahman, then President and founder of Bangladesh, was assassinated in a bloody military coup. In November 1975, a new military government under the leadership of General Ziaur Rahman, was reluctant to provide adequate support for IRDP, which was Mujibur Rahman Government's principal rural

development approach, and consequently IRDP weakened considerably (Abedin 2000, 76). Ziaur Rahman decided to run rural development programmes through the selected *Swanirvor Gram Sarkar* (independence village government) by organising and consolidating all above-mentioned scattered initiatives and programmes into a national 'self-reliance' movement. This nation-wide programme was launched with considerable publicity as a separate model for rural development. This new development ideology attempted to select the members of *Gram Sarkar* in such a way that various socio-economic classes, both rich and poor, could be represented by it. The members of *Gram Sarkar* were even occasionally called Village Ministers, responsible for different aspects of village administration and development, and there were also heads (Village Chief Minister) of *Gram Sarkar* (ibid. 78).

The main aims and objectives of *Gram Sarkar* were (i) to increase production in the agricultural sector, (ii) promote mass education, (iii) encourage family planning and population control, (iv) to organise village defence forces for maintaining law and order, and (v) settle disputes through arbitration. By the early 1980s, *Gram Sarkar* was established in most villages in Bangladesh (NILG 1980, 4-5). The founder of *Gram Sarkar* also wanted to use the rural development programme and its money for fulfilling his own political interests and goals, in the same way that the president of Pakistan General Ayub Khan wanted to do through RWP (mentioned above). *Gram Sarkar* ideology was highly politicised throughout, so it failed to serve the purpose of the common people. Some foreign independent observers, critical of the programme, were of the opinion that there were "primarily two types of *swanirvar* villages: one, probably a majority, where nothing had happened…, and another where something had happened due to the special attention from the government" (Abedin 2000, 79). In 1981, General Ziaur Rahman was

assassinated in a military coup and the leader of a bloodless military coup took over the country in 1982 and abolished the system of *Gram Sarkar* (ibid.).

In 1982, the new military government re-established IRDP as the primary rural development vehicle, but re-designed it by integrating it more with sectoral programmes and target group oriented projects. The re-designed IRDP included an age-based youth programme, a gender-based women's programme, means-based small farmers and landless labourers' development programmes, etc. Simultaneously the governments' rural development policies pursued experimental programmes like problem-based or purpose-based programmes i.e. rural education, health and nutrition, rural communication, literacy, family planning, child care, food for work. These rural development approaches were attempted as a result of pressure/persuasion from world organisations that supplied/donated financial support for rural development in Bangladesh. Unfortunately, these also failed to produce the desired results (ibid. 81).

As the pressure and expectation of the desired output of village development projects continued, the government of Bangladesh accepted suggestions for development policies from donor agencies. Upon negotiation with donors, the government adopted a comprehensive rural development approach called, "The Comprehensive Village Development Programme (CVDP)," the latest rural development programme in Bangladesh sponsored by both government and donor agencies. The primary objectives of CVDP is to establish a link between various types of agencies/organisations, both government and non-government organisations, which make provisions for supplies and services. In the point of view of donors, such collaboration would strengthen the CVDP programme through effective cooperation between government and non-government counterparts (ibid.).

Desultory development policies in a Fertile Land

In the fertile land of Bangladesh, abundant rainfall and warm temperatures provide an ideal agriculture climate. Crops can be grown twelve months a year, despite unexpected natural disasters. Surface water and vast underground aquifers provide the country with tremendous potential for irrigation in dry winter seasons, whilst in rainy seasons the availability of rain water gives farmers the ability to grow crops rhythmically. Rivers and ponds are also alive with fish, and according to a report from the United Nations Food and Agricultural Organisation (FAO), "Bangladesh is possibly the richest country in the world as far as inland fishery resources are concerned" (Abu 1976, 1). Unfortunately, due to desultory development policies, a country with some of the world's most fertile land is also home to many poor people. Poverty in Bangladesh is neither natural nor inevitable and its causes are deeply rooted, but man-made.

In Japan and Taiwan, where small farmers have benefited from development programmes, agriculture productivity has rapidly increased. In both these countries, the groundwork for highly productive agriculture was far-reaching land reform, putting control of food-producing resources into the hands of small farmers (Hartmann & Boyce 1982, 192). In the absence of such reform and with the legacy of political unrest, intervention of development policies by different governments with divergent ambitions disfavour poor, middle class peasants and the landless in Bangladesh from benefiting through development programmes. Society as a whole could have benefited from any development endeavour, if the country's leadership had been on the side of its people (Kabeer 2004, 48).

NGOs in Bangladesh – volunteer activities towards development mission

In the early 1970s, Bangladesh witnessed one of the worst famines, and as a result, a good number of unofficial agencies emerged to deal with the crisis in the immediate post-liberation period (1971); initially to tackle relief and rehabilitation activities, and later to alleviate poverty. New social passions, energy, and impetus generated by the independence war or movement, contributed enormously to poverty alleviation. In the early years of liberation (and even now to a lesser degree), a number of international organisations provided financial and other types of support to some of these agencies/organisations, which went a long way towards strengthening the movement. Prior to liberation in 1971, there were very few NGOs, most of which in fact came into existence immediately after the unparalleled and unprecedented natural calamity that occurred in 1970 in coastal areas of the Bay of Bengal – a cyclone accompanied by tidal waves, which killed about a million people (Abedin 2000, 81).

In a broad sense, the term NGO may include organisations operating outside government structures, e.g. ranging from political parties, interest groups to private and commercial enterprises. Usually the definition of the term 'NGO' includes those organisations which directly, indirectly or remotely "concern multidimensional development activities with the objective of alleviating poverty of the poor people" (ibid. 82). In fact, their activities are more common in rural areas than urban locations, as 80% of the country's total population live in these areas. About 14,000 (over 13,000 local and over 400 non-local or non-local assisted)[21] non-government organisations are registered in Bangladesh, however only

[21] A report published in a popular Bangladeshi newspaper showed that currently there is 1 NGO for every 1923 people in Bangladesh (Daily Shamakal, 23 March, 2009).

about 600 of these are involved in real development activities and directly engaged in the rural microfinance business (Hasan 2006, 5).

According to a World Bank study, the NGO sector has made a notable contribution to rural development in Bangladesh, although not exempt from criticism (World Bank 2000, 74). Statistics show that almost 80% of villages of Bangladesh are covered by NGOs, but directly benefit only 24 million people (ibid. xix). NGOs in Bangladesh are currently involved in providing a variety of services, but the microfinance service is their most prominent activity in rural communities. NGOs have been successful in popularising microcredit in rural Bangladesh, and the primary deal of microfinance lending is targeted towards women from poor households[22] (ibid.; Kabeer 2004, 6). Currently about 65% of total rural credit is disbursed by NGOs, meaning the NGO sector distributes more financial resources than public sector financial institutions in rural Bangladesh (World Bank 2000, xix).

Two aspects of microcredit are significant in rural poverty reduction. Firstly, it is the major source of institutional credit for rural poor; and secondly, microfinance enables the poor to adopt productivity-raising technologies in agriculture and promote a wide range of activities in the non-agricultural sector. Nevertheless, studies have found that these two aspects are yet to reach the majority of the poor and bring sustainable benefits to them.[23] Some scholars have also pointed out, that in order to increase the efficiency of microcredit, emphasis is needed on several issues e.g. sustainability of microcredit programmes; microcredit coverage of marginal/small farmers and small entrepreneurs/petty business

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[22] The social innovation of helping poor rural women to access small-scale group-based loans through microfinancing was pioneered in Bangladesh by Professor Muhammad Yunus in the late 1970s. It was the removal of regulatory barriers in the banking sector that allowed individuals to form microfinance groups.

[23] Excessive interest rates and weekly installment policies negatively affect many borrowers from benefiting from credit facilities.

entrepreneurs; enhancing the capacity of microcredit to address the dynamics of the poverty process; and developing standards and self-regulating mechanisms for the microcredit sector (Mujeri cited in Bangladesh Resident Mission Asian Development Bank Report 2001, 12).

Although advocates for microcredit place great emphasis on lending to women, it is common knowledge among borrowers and bank workers alike that, whilst loans are taken by women, they are mostly used by their male counterparts, usually husbands, brothers, sons, fathers or fathers-in-law. Studies have found that female borrowers often take no part in deciding how the credit is spent. In many cases, the loans are used for purposes (e.g. for purchasing, or paying for other needs – dowry and children's education) other than business investment (Rozario 2002, 124).

A study by Thornton showed the movement of many NGOs into the microfinance industry led to competition over client base, rather than collaboration. Institutionally, these large NGOs have similarities with the public sector – centrally controlled, bureaucratic in nature, weak on accountability and disconnected on a local level (Thornton et al., 2000 cited in Thornton, P 2002, 107). Some have identified NGOs as the source of new patrimonial relationships (Devine 1999 cited in Thornton, P 2002, 107). The current picture is that national NGOs are present in a significant number of villages and often there are several active organisations in the same community that overlap and compete, but steps are only just being taken to address these. Typical situations see NGOs providing services (social, financial community organising) in an independent and disconnected way, with national NGO connections to local bureaucratic and political systems weak. There is little evidence of engagement between emerging community organisations developed by NGOs, and the representative structure of government. Another study illustrates that adopting new projects for the purpose of rural development in order to

receive foreign aid, is an attractive business for many NGOs in Bangladesh (Hartmann & Boyce 1982, 196). In Bangladesh this sector is dominated by a small group of Dhaka-based[24] national NGOs, in terms of financial domination, as well as coverage and activity span (Ahmed 2000 cited in Thornton, P 2002, 107). The vehicles of NGOs ply the streets in Dhaka and their offices are abuzz with activity, nevertheless in most cases they have rarely been successful in reaching needy villagers.

The growth of NGOs in Bangladesh has occurred in response to a fragile and fragmented development of formal institution on one hand, and on the other hand, as a trend in donor aid (ibid). Moreover, the rise of NGOs coincided with the spread of neo-liberal ideology across the globe. As neo-liberalism has taken hold, state provision of welfare has been rolled back in the Global North and South. In this context, many mainstream NGOs have adapted themselves to neo-liberalism (e.g. *Grameen* Bank, BRAC, *Proshika* and *ASA* in Bangladesh). The rhetoric of universal human rights and individual sovereignty, both concerning NGOs, has slotted into a neo-liberal view of the world that also stresses individual rights and the limited scope for state intervention. As Harvey points out, this has accelerated scaling back of state through "privatisation by NGO", in which NGO provision has taken place over government provision (Middleton 2006, 1).

The increasing prominence of NGOs has been seen by many as a potentially transformative force in promoting more equal, participative, and sustainable development. At the same time, NGOs have also been seen as co-opted by neo-liberalism, and functioning in ways that maintain systemic inequality (Klees 2002, 49). Although not discussed here in detail, my own experience shows that like government-run development programmes, NGO-run development projects have not yet been able to

[24] Dhaka is the capital city of Bangladesh.

show a way for sustainable development of rural poor in Bangladesh. Finding a source of income to fulfil necessities in their lives is common among villagers through personal endeavours, and entrepreneurship in petty business is undertaken as a potential source of livelihood for many villagers in Bangladesh (Kabeer 2004, 23-24; Kazi & Turton 2002, 22; White 1994, 71-72).

3.4. International perception of development in Bangladesh

Bangladesh has made great strides since its independence in 1971. Foodgrain production has nearly doubled since 1970, the country has prevented famines and responded to emergencies effectively, and consistently pursued sound macroeconomic policies in many respects. Beyond such development however, rural poverty remains extensive. Up until 1999, more than half of Bangladeshis lived below the poverty line, and about 90% of them lived in rural areas (World Bank 2000, xiii). Two different inferences are presented by the World Bank concerning economic growth and living conditions of the people in Bangladesh. Firstly, the data shows that the country's growth potential has increased since its independence, and secondly the numbers of poor have increased, meaning the poverty situation is worse now than in the past. The World Bank's report reveals the country's economic growth since its independence is not beneficial to the lives of its majority population. Therefore, World Bank's report is ambivalent in this regard.

As mentioned above, since independence in 1971, many programmes for developing rural institutions and reducing rural poverty in Bangladesh were launched by Bangladeshi development initiatives, Government and NGOs, with substantial support from development partners. The World Bank perception of these development programmes

are mentioned below, to establish what has been done and what needs to be done, regarding rural development in Bangladesh:

Single sector rural development programmes

Development strategies and programmes focused on a single sector have not been successful in bringing about a balanced development in rural Bangladesh. It is not enough to have only, for example, agricultural growth. At the same time there needs to be more development in rural infrastructure, education, health, water supply and sanitation, nutrition and rural enterprises. According to World Bank observers, it is very difficult to design/implement multi sectoral programmes administrated from the centre (i.e. capital city). There is an urgent need to find approaches for comprehensive development mission on a local level (ibid. 57).

Government control over development programmes

The initial success of some programmes – such as IRDP – quickly disintegrated as they expanded and became large Government bureaucracies. This means that experiments and pilots of rural institutions developed outside the government have a better chance of success. The government role in this area therefore, should be limited to providing support for initiatives by NGOs and society. The government however, has the primary responsibility for developing a viable, participatory local government system (ibid).

Nationwide development programmes

Social assessments have shown that despite nationwide programmes, communities in geographically remote areas are unintentionally excluded. There is a need to find cost-effective approaches to deliver development services to the community, particularly those who

are outside mainstream development programmes. Adaptation of national programmes to local needs and conditions is difficult. Approaches need to be found to allow development programmes to respond to heterogeneous needs (ibid).

Lack of a political voice for the poor

Development strategies and programmes lacked accountability towards people. Participation of rural poor in the development process is mainly lacking a 'political voice and bargaining power to influence national policies'. Outside Government, NGOs have been able to do better in some aspects, because of non-bureaucratic management and concentration on livelihood development of rural poor, by including them in development activities. Although NGOs in Bangladesh represent the interests of the poor on a national dialogue level for development issues, it is not enough. The poor need to have their own representatives in the decision-making process. It would be hard to imagine NGOs representing the interest of the country on a national level, but also NGOs should not substitute the 'political voice' of rural people (ibid. 58).

Centrally controlled programmes

There is now a growing realisation that more attention has to be given to planning, executing, and financing of rural programmes and servicing in a more decentralised and participatory manner. It is also recognised that coordination is essential in order to achieve holistic development, and that such coordination is possible at a local level, rather than centrally, because this is where people have local information and incentive. Attempts to decentralise have been half-hearted however, and throughout Bangladeshi's history there has been a tendency toward

centralisation. As a result, services often became less responsive to the needs of the people (ibid).

The World Bank perception of rural development in Bangladesh postulates that NGO roles in rural development seem to be more effective than government initiatives, although NGOs have not been yet able to offer a sustainable development paradigm for the poor in Bangladesh. My own observations and The World Bank's perception present a common view that the process of grand scale development initiatives in Bangladesh is not able to reach local needs. In this regard, specific development policies have to be undertaken by considering the local potentials. Policies for developing the conditions of entrepreneurial activities in rural areas are very much needed to channel opportunities for sustainable development to rural lives. As previously mentioned, agricultural growth alone has not been able to serve the needs of the huge population; it also requires the growth of non-agricultural livelihoods.

In the case of entrepreneurship development prospects, macro level programmes rarely pay any attention to individual entrepreneurs and the kind of problems they face. Very little attention has been paid to their potential contribution to the national economy or to the kind of support they might need for enhancing their productivity. The basic philosophy of the NGOs credit programmes is that they (NGOs) rarely address an individual other than as a member of an association or a group applying for credits. The honourable Agricultural Minister[25] of Bangladesh, in the poverty alleviation seminar recently held in Dhaka, expressed: "neither the donor agencies nor the NGOs working in Bangladesh want to pay attention to the real needs of the people" (Daily Prothom-Alo, October 19, 2009). However, to my knowledge, no initiative has yet been taken (either by the government or NGOs) in rural Bangladesh, although some

[25] A female politician known as a friend of the common people (especially peasants) in Bangladesh.

prior researchers have suggested that entrepreneurship development can play a vital role in reducing rural poverty in developing countries (see section 3.7).

3.5. Conditions influencing the emergence of entrepreneurship

Entrepreneurship does not happen in a vacuum (Burch 1986, 6). The literatures that describe the conditions that influence the emergence of entrepreneurship in different societies are many. In addition, scholars from different backgrounds have given emphasis on different factors which influence the emergence of entrepreneurship in different societies and among different groups of people. By analysing different literatures concerning the subject it can be said that socio-cultural variables that influence entrepreneurial behaviour differ from society to society and nation to nation. Entrepreneurs are, to some extent, a product of genetics, family influences, peer pressure, cultural conditions, educational systems, work ethic strength, religion and so forth (ibid. 25). However, from a general point of view, influences from both economic and noneconomic conditions on entrepreneurial behaviour are very much considerable (Wilken 1979, 256).

Economic factors influencing the emergence of entrepreneurship

From a strictly economic viewpoint, the same factors that promote economic growth and development account for the emergence of entrepreneurship (e.g. industrial revolution and the emergence of industrial entrepreneurship in Britain). The important factors are economic in nature they are construed to constitute both necessary and sufficient conditions for entrepreneurial emergence. These economic conditions can be broadly divided into two classes: those that provide market incentives for entrepreneurs and those that influence the availability of capital (ibid. 7).

Market incentives show entrepreneurs' opportunities are exploited and capital is the major resource needed to carry out entrepreneurial functions. Hence, as economic growth and development occurs, the conditions for promoting entrepreneurship also improve. With an increase in levels of per capita income, the demand for goods increases and a greater amount of savings are available for investment. The accumulation of capital results in a productivity increase which further raises the level of economic well-being. In contrast, societies that are economically stagnant offer limited market incentives, and the level of capital accumulation is too small to enable potential entrepreneurs to take advantage of limited opportunities that do exist (ibid. 8). Some scholars have argued that entrepreneurship is basically economic behaviour (ibid. 30). There is no doubt from my study however, that economic factors are crucial for the emergence of petty business entrepreneurs. Nonetheless, the influences of noneconomic factors have to also be analysed to determine if they play a role in their emergence.

Noneconomic factors promoting entrepreneurship

Scholars of entrepreneurship from disciplines other than economics (primarily sociology, anthropology, psychology and history), as well as those economists who are more oriented towards the influence of noneconomic factors of the economic process, have described a wide variety of conditions that either increase or decrease the supply of entrepreneurship. From their perspective, economic factors may be necessary conditions for the emergence of entrepreneurship, but they are also not sufficient conditions. A variety of social and psychological factors are regarded as necessary conditions for the appearance of entrepreneurship. Theories of entrepreneurial supply are constructed from either psychological or sociological elements (Kilby 1971, 6). As a matter

of fact, a variety of social and psychological factors are regarded as necessary conditions for appearance of entrepreneurship (Wilken 1979, 8). Although all the factors noted below do not have relevance to my study, I set out what some scholars postulate as the defining qualities of the entrepreneur and noneconomic variables which govern the appearance of entrepreneurs:

Legitimacy of entrepreneurship

This concept refers to the degree of approval or disapproval that entrepreneurial behaviour will have, and influence its emergence and the characteristics that emerge. In Schumpeter's point of view, the importance of an appropriate social climate is necessary for the emergence of entrepreneurship (Schumpeter 1961, 75). Some other theories have also given emphasis to the legitimacy of entrepreneurship and in this sense these theories have paid attention to cultural themes and sanctions. A cultural value system influencing the emergence of entrepreneurship follows three possible functions – institutional, justification and imperative. Legitimacy of entrepreneurship focuses upon the last two of these three. A normative-evaluative system may not only give approval to entrepreneurial behaviour, but may also more actively encourage individuals to behave accordingly. The legitimacy of entrepreneurship is significant in determining the likelihood of entrepreneurial emergence because entrepreneurs will be more likely to emerge in a setting in which legitimacy is high (Wilken 1979, 9). However, petty business entrepreneurship has emerged in rural Bangladesh, even though entrepreneurship legitimacy has been found to be low, or low for the poor section of society. Legitimacy in this sense does not cause or prevent the appearance of entrepreneurship (ibid. 10). At least my study presents a

facet of it, revealing that entrepreneurship is a field that also needs to be studied from different cultural perspectives.

Social mobility

Three different views are common with respect to social mobility and entrepreneurial emergence. According to some scholars social characteristics are regarded as being significant for entrepreneurial emergence. Although different writers have used different terms, they have all discussed the degree of mobility, both social and geographical mobility, and the nature of a mobility channel within a situation. These mobility factors have been pointed out in the three following views:

High degree of mobility: a high degree of mobility is favourable towards entrepreneurship (Bruton, 1960; Cameron, 1961; and Katzin, 1964 cited in Wilken 1979, 10). In this regard, Hoselitz and Marris both refer to the need for the "openness" of a system (Hoselitz & Marris cited in Wilken 1979, 10). McClelland speaks of the need for "flexibility" in a role relationship (McClelland cited in Wilken 1979, 10).

Lack of mobility: the opposite point of view concerning mobility factors and infers that a lack of mobility possibilities promotes entrepreneurial behaviour (Hagen cited in Wilken 1979, 10). Hagen refers to this as relative social blockage, indicating only some channels of mobility must be blocked. Specifically, the possibility of mobility in non-entrepreneurial roles must be limited, while the possibility of upward mobility by means of entrepreneurship is available to particular groups or individuals. Marris and Somerset similarly emphasise the importance of the inability of individuals to find rewards in established, non-entrepreneurial occupations (Marris & Somerset cited in Wilken 1979, 10), whereas Cole describes entrepreneurship as coming through the crevices in a rigid society (Cole cited in Wilken 1979, 10).

Neither too rigid nor too flexible mobility: the third position may be seen as combining the first two. Rostow mentions the need for both flexibility and the denial of conventional routes to prestige (Rostow cited in Wilken 1979, 10). Brozon simply notes that a setting should not be too rigid or too flexible. If it is too flexible, then individuals will gravitate toward other roles; if it is too rigid, entrepreneurship will be restricted along with other activities (Brozen cited in Wilken 1979, 10).

I consider the pattern of mobility factors are definitely important, in that they will determine relative opportunities offered by entrepreneurial and other roles. Nevertheless, what I have found is that in the context of rural Bangladesh, although the mobility channel is rigid[26] for the poor, the emergence of petty business entrepreneurs is still common. They pursue it as a last resort (Lippmann et al., 5).

Marginality

A prominent argument presented by another group of scholars is that entrepreneurship is very often promoted by social marginality (Brozen 1954, 340). A marginal social position is generally believed to have psychological effects making entrepreneurship a particularly attractive alternative. Marginality may be drawn from a religious, cultural, ethnic, or migrant minority group. A marginal social position held by any minority section is generally believed to have psychological effects that make entrepreneurship a particularly attractive alternative for them (Wilken 1979, 11). The commitment within a minority culture to entrepreneurship is very strong (Michaelson 1983, 33). Here, I would like to argue that marginality may be drawn from an economic group because this also has considerable influence on the lives of rural people in Bangladesh and the inhabitants in the study village, because in a marginal social position it may

[26] It is rigid in the sense of not having good governmental support for entrepreneurial behaviour.

only draw from economic levels, but not religious, cultural, ethnic, or migrant minority groups.

Social integration

The necessity for some degree of social integration is needed for the emergence of entrepreneurship. Marris and Somerset have emphasised this factor most strongly. They have expressed that an increase in the scale or range of interaction is necessary and that barriers for interaction must be broken down if entrepreneurship is to occur (Marris & Somerset cited in Welkin 1979, 13). McClelland and Winter have found a sense of group identity, which is indicative of social integration, to be an important characteristic among entrepreneurs in developing societies (McClelland & Winter cited in Wilken 1979, 13). This was found to be an important factor for many entrepreneurs in my study. Those who operated their business in Nazipur become a member of the local trade union (*Banik Shamiti*). On one hand, it helps them have social integration between each other and on the other hand, it provides the strength to tackle any unfavourable situation through grouping together.

Security

Entrepreneurial security is an important facilitator of entrepreneurial behaviour. Security may have either economic or noneconomic bases. Easterbrook has been among the major advocate who considered noneconomic security as more important than economic security. In his point of view, security concerns all roles, for instance, entrepreneurial, social, ethical, and political, which are all desirable for entrepreneurial behaviour. This means that an equilibrium situation is necessary for entrepreneurship to appear. The opposite point of view presented by some scholars argues that entrepreneurship is more likely to appear under

turbulent conditions than under equilibrium conditions (Wilken 1979, 13-14). I consider in the context of rural Bangladesh, entrepreneurship is more likely to appear under turbulent conditions because most petty business entrepreneurs moved to business due to a lack of security from other income sources.

Ideology

The best known example of entrepreneurial ideology has been Weber's Protestant Ethic. It constituted an organised set of beliefs about the world and joined its adherents to behave in a mode that Weber described as worldly asceticism. The "calling" incorporated when heeded by its followers, resulted in the savings and investment of capital and in entrepreneurial behaviours, although not its intent. Thus the Protestant Ethic illustrates the content of ideology need not be explicitly entrepreneurial (Wilken 1979, 14). In the Weberian system, driving entrepreneurial energies are generated by the adoption of exogenously supplied religious beliefs (Kilby 1971, 6; Rohoman 1994, 11). Rostow and Parsons have emphasised the promoting function that nationalistic ideology may have for entrepreneurship (Rostow and Parsons cited in Welkin 1979, 14). I do not consider that *Protestant Ethic* nor a *nationalistic ideology* have any influence on entrepreneurial emergence in the context of Bangladesh. *Protestant Ethic* had much influence on entrepreneurial emergence during the very early stages of the industrial transition in Britain and the United States (Welkin 1979, 262). However, most inhabitants in Bangladesh are followers of Islamic ideology, and entrepreneurship has been encouraged in Islam. Although influences from Islamic ideology on entrepreneurial behaviour was not found as a key factor, some of the interviewed entrepreneurs mentioned that they were very proud of their

current livelihoods because they were governed by the rules of Quran and the Sunnah of Prophet (Sm.). This issue is discussed in more detail later.

Other social factors

A society's distribution of the resources required for entrepreneurial behaviour, especially wealth and knowledge, has major implications for the pattern of entrepreneurship found within society. Scholars have pointed out that actors must not only have an interest in entrepreneurship, but they must also possess at least a minimal supply of the resources needed to enact that role. Many of the earliest entrepreneurs were drawn from either mercantile or artisan occupational backgrounds because they had the requisite resources for entrepreneurship. Merchants had the advantage of possessing relatively liquid capital, and artisans brought their knowledge of producing goods to the industrial entrepreneurial role (ibid. 15). Wealth and knowledge are not certainly necessary for the kind of entrepreneurship that is discussed in my study, as it occurs out of necessity. Nevertheless, kinship and social capital are very much essential because these are directly related to business start-up and for sustainability of business (see the concluding chapter).

3.6. Understanding entrepreneurship with particular spatial characteristics

Entrepreneurship theories and the conditions influencing entrepreneurial behaviour have been discussed and analysed in different sections of this chapter. Some of these theories and influencing conditions have been considered useful in recognising the entrepreneurs in my study, whilst some have disagreed due to practical differences with the entrepreneurship observed in my study. In fact, entrepreneurs who created a new economy and their stories and accomplishments are more

enlightening than any theory offered on the topic (Marc cited in Formaini 2001, 2). Theory however, remains integral to understanding, and so theories appeal more often to the idea of entrepreneurship and the role of entrepreneurs as explanatory variables for economic reality. It is useful to look at the historical development of this concept to understand the present (Formaini 2001, 3), and in a present day context, spatial characteristics in entrepreneurship are conspicuous. An interconnection between theories and spatial differences is needed in this regard. The ethnographic evidence from rural Bangladesh presents a facet of it.

Due to different socio-economic, cultural, and political environments, economic survival among people in the world is very different. Likewise, reasons for becoming an entrepreneur or conditions influencing entrepreneurial behaviour also differ depending on country and economics. The concept of entrepreneurship is not broadly discussed in the case of development economies, as it is in the advanced capitalist economies, although the existence of entrepreneurial activities is common to both. My study on rural entrepreneurship in Bangladesh draws attention to this gap. Before discussing rural entrepreneurship in Bangladesh, a glance at prior studies conducted on entrepreneurship and entrepreneurs in Bangladesh will elucidate the kind of studies available in Bangladesh on this subject.

Review of literature on entrepreneurs and entrepreneurship in Bangladesh

Available studies on entrepreneurs and entrepreneurship show that due to several barriers, the trend towards entrepreneurship development did not happen in Bangladesh before 1975. Since then, number of articles (but no books) have been written and published in different journals discussing several aspects, including theoretical and empirical studies by

academics from different areas. Although not all prior studies on entrepreneurship in Bangladesh have relevance to my study, some are recognised here as containing similar features to my study. The main issues that have received attention on entrepreneurship studies in Bangladesh can be divided into four categories:

- The characteristics and profiles of Bangladeshi entrepreneurs
- Issues related to problems and prospects of entrepreneurship development in Bangladesh
- Entrepreneurship training
- Female entrepreneurs

Several studies were done in order to identify characteristics or profiles of Bangladeshi entrepreneurs. For instance, a survey by Farouk on successful Bangladeshi entrepreneurs found that most surveyed entrepreneurs in his study had a poor educational background and low educational level and were neither trained nor skilled (Farouk 1983, 77-81). Similarly, most entrepreneurs in my study had a very poor educational background and low educational level, and none were trained or skilled. Rahman surveyed 5 Bangladeshi entrepreneurs and found most of them had non-business backgrounds (Rahman 1989, 70-75), however previous job experience helped them acquire practical knowledge in decision making, managing workers, handling accounts and dealing with bureaucracy. They diversified their risks into different types of industries, trade and building houses, after gaining initial success (ibid.). The petty business entrepreneurs in my study also had non-business backgrounds, as most of them were employed in agriculture before switching to their current endeavours.

A study by Begum on female entrepreneurs in Bangladesh, conveyed unemployment, job dissatisfaction and death of husband, as primary factors for women to become entrepreneurs (Begum 1993, 99-106). Similar results were found in my study revealing entrepreneurship is almost inevitable in a situation where one cannot find an alternative income. This suggests entrepreneurship not only exists in a capitalist economy, but rather it exists in any place or society in the world, which can be discovered through ethnographic observation, especially by a researcher.

There is no doubt that the reasons or conditions for becoming an entrepreneur vary from one person to another. Similarly, reasons or conditions for becoming entrepreneurs vary between those living in cities and rural areas. In a broader view, the reasons between people living in Finland and Bangladesh vary due to different economic realities. We do not need different theories to identify such uniqueness, if we pay attention to spatial differences. As my study concerns rural entrepreneurship in Bangladesh, I will now briefly discuss rural entrepreneurship in developing countries and the types of rural entrepreneurship in Bangladesh.

3.7. Rural entrepreneurship in developing countries

Entrepreneurship is a vital component of productivity and growth (Baumol cited in Ozgen & Minsky 2007, 1). According to the 2001 Rural Poverty Report (RPV), 75% of the world's poor live and work in rural areas, and the majority will remain so for several decades (IFAD Rural Poverty Report; IFAD 2002). The International Fund for Agricultural Development (IFAD) stressed the need for developing poverty-reduction policies and programmes with a primary emphasis on rural areas (IFAD Rural Poverty Report, 2001). Rural areas in developing countries are

experiencing poverty and depopulation, are geographically more isolated, require infrastructure and subsidies, and lack structural institutional factors (ibid). Various social, economic, political, and ecological problems in rural areas in developing countries create challenges in employment. In order to reduce the tremendous employment crisis in rural areas of developing countries, prior research indicates positive strong relationships among entrepreneurial activity, economic growth and poverty reduction (UN ICD Task Force, 2002).

To date, there are some high-level initiatives and projects underway to support entrepreneurial activity in developing countries. Although these efforts to foster entrepreneurial development were recorded effective in creating employment, many developing countries are still unable to provide an environment conducive to entrepreneurship (ibid.). This is due to a number of barriers (e.g. lack of economic, social, and community development) that hinder entrepreneurial talent in rural areas (Petrin cited in Ozgen & Minsky 2007, 2).

Fostering entrepreneurship is a crucial factor in energising rural economy (Petrin & Gannon 1997 cited in Ozgen & Minsky. 2007, 2) in impoverished rural regions because entrepreneurship creates wealth and employment and has a profound impact on the quality of lives in rural populations (FAO Corporate Document Repository 1997). If entrepreneurship is an important factor in reducing poverty, then the concept of rural entrepreneurship should be incorporated into entrepreneurship literature as brilliantly as possible. We must remember that most of the world's population live in developing countries, and most these live in rural areas. Therefore, rural entrepreneurship in developing countries should not be isolated from entrepreneurship literature in general and in practice.

Rural entrepreneurship in Bangladesh

The entrepreneurship concept was introduced to rural areas by NGOs (primarily by *Grameen* Bank) for the purpose of alleviating rural poverty in Bangladesh. There is no contradiction that the existence of entrepreneurial activities in rural Bangladesh had been there prior to the NGOs microcredit theory. As no research had been conducted to unveil this before, its existence remained silent in rural economy. The current situation is different however, and a study conducted on rural entrepreneurship reveals that small-scale entrepreneurship in rural Bangladesh is important, as 80% of people live in rural areas. In order to gain a living in rural Bangladesh, engaging in small-scale entrepreneurship has become necessary for many inhabitants in order to solve unemployment problems and escape poverty (Uddin et al., 2006, 52). Some feasible small-scale entrepreneurship activities in rural Bangladesh are artisan work like the small cottage industry, fishing, dairy and poultry, small trade (ibid. 53).

Rural entrepreneurship occurs in economically and socially depressed areas with inadequate infrastructure, economic stagnation, a low level of education, low skilled workers, low income, and a culture not supportive of entrepreneurship one study suggests (Kulawczuk cited in Ozgen & Minsky 2007, 2). If this is the case, then the presence of entrepreneurship in rural Bangladesh is common as rural Bangladesh carries most of the above-mentioned traits necessary for rural entrepreneurship. My study also postulates this as a reality, and according to my experience in the field, there are usually two types of entrepreneurs found in rural Bangladesh. The first type consists of entrepreneurs whose entrepreneurship activities are organised by personal incentives, and in most cases through informal credit sources. By contrast, the second type includes entrepreneurs who pursue entrepreneurship activities planned by

different microcredit institutions or NGOs. NGOs apply group approaches in entrepreneurship development among the rural poor. Available data shows that there are more than 600 microfinance institutions in Bangladesh, which act as catalysts for rural people's entrepreneurship development (Hasan 2006, 5). These microfinance institutions encourage rural poor, especially women, to organise themselves and develop business, thus addressing their own social challenges in innovative ways (Babu & Anderson 2007, 2). A study shows that there are 8 million people (out of a labour force of about 46 million) currently served by different microcredit providers in Bangladesh (Hasan 2006, 5) and among these, more than 80% are women (ibid. 10). However, opinions differ as to whether microcredit has helped rural people engage in entrepreneurial activities or not (Rozario 2002, 124). Considering this aspect, there is also a kind of contradiction among academics in Bangladesh as to whether microcredit facilitates the entrepreneurship scope to rural people, or whether it is just an ideology. The entrepreneurs in my study are an exception from such a contradiction because their entrepreneurial activities are organised and operated through their own endeavours, with no outside/institutional support.

3.8. Theory of inequality and entrepreneurship

Inequality and entrepreneurship theory explains that an uneven distribution of a society's financial resources within its population may lead to an increase in rates of entrepreneurial activity. Obviously, society in Bangladesh falls into this category because the distribution of the country's resources is very uneven. This uneven distribution of the resources has created strong inequality among the people. According to this theory if certain types of entrepreneurial activity require financial resources, then the

unequal distribution of these resources and differential access to them could restrict entrepreneurship to certain groups and restrain entrepreneurial activity. Alternatively, if inequality limits individuals' opportunities to participate in the formal labour market, they may pursue self-employment as a last resort (Lippmann et al., 2005, 4-5). This concept is similar to the cases in my study as most of the petty business entrepreneurs can be considered as self-employed individuals. In the theory of inequality and entrepreneurship, necessity and opportunity entrepreneurship and their relationship to social, human, and financial capital is described as:

Necessity entrepreneurship is undertaken when there are few or no other opportunities for gainful labour market participation. Necessity entrepreneurship typically relies on little or no financial capital. The success in necessity entrepreneurship is partially depended upon social and human capital. Reversibly, opportunity entrepreneurship is undertaken to take advantage of perceived market opportunities. Such opportunities are positively related to social and human capital and financial capital is relevant to success (ibid. 10).

There is no denying the fact that the entrepreneurship in my study relies on very little financial capital and their entrepreneurship function is mostly dependent on social capital and partly upon human capital. In this regard, considering the petty business entrepreneurs in this study as 'necessity entrepreneur' seems to be very appropriate. The case studies in chapter 6 will address this issue in more detail. In the rest of this chapter I will pay attention to various causes of economic inequality in increasing entrepreneurial activity. Firstly, I would like to look at the distinguishing features of necessity entrepreneurship and opportunity entrepreneurship:

Necessity Entrepreneurship

People undertake necessity entrepreneurship when there are few, if any, other options for finding suitable work. Entrepreneurs often undertake this type of entrepreneurial activity with little or no financial capital because it constitutes a final effort to secure an income when other employment options have failed (ibid.; Maritz 2004, 255; GEM cited in Maritz 2006, 4; Desai 2009, 4; Azmat & Samaratunge 2009, 2; GEM cited in Rosa et al., 2006, 4; Juan et al., 2006, 4; Bosma & Harding cited in Kantola & Kautonen 2008, 894; William & Cooper 2008, 5). This type of entrepreneurship will be more prevalent in certain economic and social context than others (Lippmann et al., 2005, 4-5). In the context of Bangladesh, the availability of necessity entrepreneurship is considerable because the economic inequality among the people is very high. Moreover, unemployment is a severe problem for a large segment of the population.

Opportunity Entrepreneurship

People undertake opportunity entrepreneurship when they perceive an opportunity in the market, which can include underserved, poorly served, or newly emerging niches. Knowledge of these niches can be considered a form of human capital, typically gained from industry experience. In addition, people embedded in wide-ranging and diverse social network have greater access to such knowledge. Opportunity entrepreneurship probably depends more on the procession of human capital, than necessity entrepreneurship. Opportunity-based entrepreneurship provides the greatest potential for individual mobility, organisational growth, and job creation. Opportunity, entrepreneurship is more beneficial to economies and societies than that arising out of necessity (ibid.). The entrepreneurs in my study cannot be called opportunity entrepreneurs, their entrepreneurship in petty businesses have

not provided the greatest potential for individual mobility (although their success in business activities has provided upward mobility for many of them), any organisational growth in the community, or played a role in job creation in society (except for the entrepreneur and their family members).

Discussions concerning necessity and opportunity entrepreneurship

The Global Entrepreneurship Monitor (GEM) project found that the greater the level of wealth inequality in a society, the higher the level of total entrepreneurial activity. GEM reports show that high level of wealth inequality should be positively related to high levels of necessity entrepreneurship. Countries with high levels of inequality do not experience much opportunity entrepreneurship because people lack the resources and information required to take advantage of opportunities essential for such activity (ibid 12-15). Although the GEM project has given emphasis only to national-level data for analysis, I think the same concept can be extended to analyse community-level data too.

The theory of inequality and entrepreneurship has found that factors that affect countries' levels of income inequality also affect their labour market structure, dynamic, and outcomes (ibid. 15). A country's level of economic development or position in the world system, affects the size and growth of various economic sectors, and these sectoral dynamics affect income and wealth inequality and opportunities for social mobility (ibid). According to the authors of this theory, there are seven structures and processes linked with varying levels of entrepreneurship and inequality (ibid. 16). Although all processes mentioned below do not completely match my study, these more or less connect the experiences of petty business entrepreneurs with the social reality in Bangladesh.

Development and economic inequality

As countries begin to develop an industrial infrastructure, newly created wealth becomes concentrated in the hands of those that control infrastructure. As development continues, opportunities for increased income spread to more segments of the population. Therefore, a country's level of economic development constitutes a major predictor of its level of inequality. So, developing nations experience higher rates of entrepreneurship. As countries develop more opportunities for entrepreneurship, the under-served may emerge and expand and more people become self-employment because traditional sectors shrink (ibid. 17). Social structures of modern societies severely inhibit mobility chances for some people (Blau 1977, 19).

In the last few decades, agricultural production in Bangladesh has been transformed by the use of a range of new technologies imported from abroad (Lewis 1991, 9). Nevertheless, this development in agricultural production became concentrated in the hands of those that control changing infrastructure in agricultural production. As a result, in this structural change the economic inequality got broader range. Although most of Bangladeshi population is rural and depends directly or indirectly upon agriculture for its livelihood, more inequality was created by the technological transformation in agricultural production causing many peasants to be forced out of their traditional way of living. Consequently, many of them have become entrepreneurs in petty business operations.

Government support for new businesses

Several key factors associated with national economies in both developing and developed nations may account for variation in economic inequality and entrepreneurial activity. Clearly, development may be the result of an active strategy pursued by governments wishing to compete in

the global economy. State agencies and programs in developing nations play a large role in industrial development that favours business and entrepreneurial activity. To compete in an increasingly global economy, developing nations may encourage the growth of certain targeted industries, which can create industrial elite and increase economic inequality. These same policies may also provide the seeds for new businesses. It is perceived therefore that governments, whose policies and regulations favour the emergence of market economy and industrial developments, will experience more opportunities for entrepreneurship (ibid. 18-19).

I would argue that when governments' policies and regulations favour the emergence of market economy and industrial development it can also increase the rate of necessity entrepreneurship. People from some segments of the society are not able to take advantage of opportunity entrepreneurship because they lack social capital, which is very true in the context of Bangladesh because it, in many senses, is dependent on political capital. A vast majority of the population does not have it therefore the opportunity of the market economy is concentrated in the hand of politically privileged groups. Derive from such background a considerable number of people need to survive in the changing environment through their personal initiatives. Consequently, the numbers of the people involved in necessity entrepreneurship are likely to be increased as well.

Foreign direct investment

Industrial development may also be the result of foreign direct investment (FDI) in industrial infrastructure, with firms taking advantage of welcoming environments in many developing nations, including cheaper labour costs and more lax regulatory standards. As foreign firms invest money directly in their own operations or through sub-contractors and

other outsourcing arrangements, they also create opportunities for entrepreneurial activity by stimulating new markets and pumping new financial resources into the economy. Therefore, foreign investments in developing nations increase opportunity entrepreneurship rates (ibid. 19-20). It is true in the context of Bangladesh, but FDI in Bangladesh is structurally centred in the big cities. People from the rural areas do not receive the benefits of FDI. Therefore, foreign investments have not been able to decrease necessity entrepreneurship rate in the rural areas of the developing countries.

Sectoral shift

Developing nations often undergo a dramatic sectoral shift away from agriculture and into manufacturing and services. As agriculture shrinks, those individuals or families formally engaged in agriculture must compete in a new economic order. This process disrupts traditional means of securing a living and leads to increased economic inequality. Although many make the adjustment by becoming employees for other firms, many also turn to entrepreneurial activities. For some, the decline of agriculture reduces traditional opportunities for securing a living. As the sectoral balance shifts away from agriculture, these individuals may have few opportunities in new sectors that emerge. Entrepreneurship may create new economic opportunities that entrepreneurs can exploit. Developing countries' economies shift away from agriculture, and thus both necessity and opportunity entrepreneurship will increase (ibid. 20-21).

This is very true in the context of Bangladesh. Nevertheless, the impact of the sectoral shift is not equal for people all over the country. Therefore, benefits of sectoral shifts are still concentrated in the hands of politically dominant groups, who are the social elite and power holders. Rural peasants are far from receiving benefits of the sectoral shift, in many

ways they become stagnated in their economic life. The sectoral shift reduces traditional opportunities for securing income and affects rural peasants and landless labourers, rather than rural landlords or elites. In the case of rural Bangladesh, the sectoral shift increases necessity entrepreneurship, rather than opportunity entrepreneurship, because those who can take the opportunity of the sectoral shift are few.

Changing employment institution

Advanced stages of industrial development constitute one component of an active strategy by firms, to move manufacturing overseas. Deindustrialisation is not simply the outcome of a natural evolutionary process, but rather part of a managerial strategy undertaken in the advanced industrial nations in response to increasing global competition. In addition to massive reductions in capital investment and development, a large part of this strategy involves reducing labour costs. In connection with this, a massive number of the workers become unemployed. Their companies no longer provide any job security for them. To cope with the situation, employees have slowly developed an adaptive response to this instability by identifying opportunities for career advancement and mobility (ibid. 21-22).

It is not only firms that are less committed to long-term relationships with their employees, but employees also feel less committed to specific firms over the course of their career. In response to the decline of firm internal labour markets and stable employment, many workers have taken on a more individualistic approach to career development. Often, this means taking on more self-directed work within firms. As employment instability and an emphasis on self-direction evolve in tandem, however, many workers opt out of building relationships with firms and behave like independent contractors. In particular, workers with

high levels of education and valued skills are seeking new opportunities for themselves. People in the emerging "creative class" often seek these opportunities through business start-ups. Therefore, increasing employment flexibility leads to an increase in opportunity entrepreneurship (ibid.). I do not consider the changing appearance of the employment institution which leads to an increase in opportunity entrepreneurship in the developed countries can have any relevance to the rural society in Bangladesh.

Welfare State

The policies and provisions provided by modern welfare states vary greatly from nation to nation. The scholars categorise this structure into three regime types. The regime types differ in the level and type of provisions they guarantee citizens and the effects they have on labour market dynamics. According to the same scholars, the three regime types – liberal, corporatist, and social democratic – differ in the degree of decommodification they allow (ibid. 23).

The most generous social democratic welfare states go the furthest in allowing citizens to maintain a livelihood without reliance on the market, whereas liberal regimes tie benefit provision directly to market participation and stigmatise recipients, furthering dependence on the market for all except the most desperate citizens. Nations with social democratic welfare sate regimes often have a strong egalitarian ethic. Such nations bring down the level of wealth inequality by decommodifying labour and redistributing large amounts of wealth. On the opposite end of the spectrum, liberal regimes have high levels of wealth inequality and mechanism to encourage participation in the labour market as a source of income and mobility. Welfare state policies also affect entrepreneurial activity, reinforcing the relationship between inequality and entrepreneurial

activity. If necessary entrepreneurship by definition is a final effort to secure a living when other labour market options fail, then strong welfare policies in the form of unemployment insurance and job training programs reduce the need to rely on necessity entrepreneurship. Therefore, a nation with more generous welfare sate policies has lower rates of necessity entrepreneurship (ibid. 23-24).

If we make a comparison between Bangladesh and Finland, it is obvious that in Bangladesh constant pressure and insecurity of citizens creates the grounds necessary for entrepreneurship, whereas state policies providing citizens with a basic living standards, removes the grounds for necessity entrepreneurship in Finland. Nevertheless, the absence of such policies or let us say the lack of ability to create such policies for the huge population creates ground for necessity entrepreneurship in Bangladesh. When I talked to the informants in this study about the welfare facilities in Finland, in the beginning they considered it as a joke. More emphasis on this issue is presented in chapter 6.

Strength of the working class

Nations with highly organised and influential working-classes experience less inequality because unions and other working class organisations are able to exert their influence to gain a larger share of the economy and social fruits of their labour. In many industrially advanced European nations, unemployment benefits and other related social benefits help the nation to cope with their breaking situations. Therefore, the presence of a highly mobilised and influential working class reduces the necessity entrepreneurial rates (ibid. 25).

Some researchers who have done studies on rural transformation in income generation have found that rural elites in Bangladesh are still powerful and can manipulate the economic well-being of peasants and

landless labourers. Neither have unions or organisations (Hartmann & Boyce 1981, 207). Therefore, coping with breaking situations for them is possible only by finding alternative economic prospects. Petty business entrepreneurship provides for many a way out. It can be assumed that Bangdom villagers utilising necessity entrepreneurship, would not necessarily get involved in petty business if they received unemployment benefits or some other social benefit. If this were the case, the rate of necessity entrepreneurship would be much lower than usual.

3.9. Entrepreneurship in an Islamic economy

"Once a man asked for some money from the Holy Prophet Muhammad (Sm.) expressing that he (the man) was hungry and lacked the means to buy food. The Holy Prophet (Sm.) found that the man was physically able to earn a living by his own means. Therefore, he (Prophet Sm.) asked him, 'Why do not you work to earn a living?' The man answered that he had always begged and therefore had no other means of income. The Holy Prophet (Sm.) asked whether he (the beggar) had anything that he could sell in the bazaar in return for buying an axe to find a way for earning a living. From his home the man brought a blanket (the only thing he had) and sold it to someone in the bazaar to buy an axe with the resulting money.

With the axe the man started to chop wood from the forests and sold it in the bazaars, founding a source of livelihood. After some weeks, he returned to Holy Prophet (Sm.) and described his success in earning a livelihood by his own means."

The above mentioned story signifies that entrepreneurship is authorised and also encouraged by Islam. I was born in a Muslim family and Islam is my religion. During my childhood I heard this 'story' several times from elders (including my maternal grandfather and my mother) within our community/village.

On the basis of religion, the people of Bangladesh mainly belong to two groups, of which 86% are Muslim (Sunni) and 14% are Hindu (Ahmed 2004, 31). Due to factors such as geographical location, language and ethnicity, the facet of Muslim culture[27] in Bangladesh vary from other Muslim countries, but as a whole is based on the fundamental beliefs of Islam.

Islam[28] has a pervasive impact on the life of villagers in Bangdom. It was perceived that cultural aspects of life, clothing and eating habits among villagers were mostly based on Islamic values. It can therefore be said that Islam is a major element of the cultural environment and the mainspring of culture in Bangdom.

A brief discussion on entrepreneurship in the Islamic economy is an important issue to incorporate into this study, as some entrepreneurs were inclined to mention it while I interviewed them. Although I did not have any prepared questions to gather data on this matter, when some of the interviewed entrepreneurs raised the issue, we discussed it further and as such the following paragraphs represent the results:

Income generation and economic achievement were found to be very limited in Bangdom villagers' lives, but in most cases these were confined to Islamic values. Generating income and economic achievement through entrepreneurship in petty business activities was found to be based on Islamic values and as such, they (entrepreneurs) were proud of maintaining such a livelihood and upholding their admiration for the Holy Quran and Sunnah of Prophet Muhammad (Sm.).

Based on the Holy Quran and Sunnah of Prophet (Sm.), Islam provides a detailed and well illustrated guideline for all to ensure peace and justice in every aspect of one's personal and social life. It states that in

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[27] E.g. clothing, traditions and folklore.
[28] The followers of Islam are called Muslims. Bangdom is inhabited only by Muslims.

business and economics, there should be an equitable distribution of income and wealth, and that all transactions should be equitably undertaken, so that no one suffers from any form of injustice and loss. Islam prohibits *riba* (interest) and *gharar* (doubtful transactions). The Holy Prophet Muhammad (Sm.) also restricts establishing, conducting and operating business, which ensures not only socio-economic justice and ethics, but also provides a comprehensive guideline for solving unemployment problems. In fact, expansion of self employment, enhancing production, improving socio-economic welfare and economic development through taking risks in operating and investing in business and applying efforts, skills and knowledge to bear the risk of financing have been encouraged by Muhammad (Sm.). As entrepreneurship involves risk, profit and loss, and related to the effort of entrepreneurs, this is permitted and encouraged in Islam, if it complies with Shariah and is completely applicable to all Muslims (Chapra 1991, 129-153).

The Islamic value system requires that the financier, like the entrepreneur, also participates in the risks of the business through sharing the outcome, whether it is profit or loss. The financier cannot be given the right to have a predetermined positive rate of return, irrespective of the net outcome of the business. It is an unflinching conviction of Muslims, that putting the risk of business fully on entrepreneurs not only violates Islamic justice, it also tends to promote a concentration of wealth and violates long-term commitments of funds for productive investments (ibid. 153).

The abolition of interest and its replacement by profit sharing activities, according to a fair ratio between the financier and entrepreneur, should remove one of the major sources of uncertainty and injustice and be more conductive to growth. It must be appreciated that the entrepreneur is the primary force behind all investment decisions and removal of sources of uncertainty and injustice. By turning savers into

entrepreneurs, the risk of business can be more equitably distributed, thereby improving the investment climate (ibid.).

It is clear that the emergence of entrepreneurship agrees with Islamic beliefs and prohibits unjust and unlawful distribution of income and wealth, as well as injustice in the economy. It ensures mobilisation of resources and generation of employment through positively changing the socio-economic structure of the country. As all the interviewed entrepreneurs were followers of Islam, entrepreneurship in petty business activities is an appropriate generation of livelihood for them, through which they have been able to play a role in mobilising local resources, and generating employment for themselves and also for some others. Most entrepreneurs in my study conducted business through informal credit, mostly collected from friends or relatives (they do not need to pay any interest for such informal loan). If they were to join an NGO-organised entrepreneurship activity, then the credits they would receive would require a very high usury interest and conflict with Islamic values. Comparing these two aspects, the entrepreneurs in my study were very satisfied with their economic venture and also the way of life they had pursued (which some of them explained to me proudly during the interviews).

4. VILLAGE FEATURES

> In the past Bangladesh was a land of plenty, exporting its riches to the far corners of the world. It traded with Romans, the Chinese, and the Arabs. Then came the East India Company, and the old Bengal was no more.
>
> Marin L Garry 1999, P 3

4.1. Bangladesh and its administrative structure

Bangladesh is located in Southern Asia, bordering the Bay of Bengal, between Burma and India. The total area of the country is 144,000 square kilometres with a population of 147 million. This area was under *Mughal* rule (which was predominantly Muslim) for five and a half centuries and past into British Indian rule in 1757 AD. During British rule it was a part of the British Indian province of Bengal and Assam. In 1947 it gained independence from British rule along with the rest of India and formed a part of Pakistan known as East Pakistan. Finally, Bangladesh came into existence in 1971 when Bengali East Pakistan seceded from its union with West Pakistan. See the map of Bangladesh on the next page.

Map of Bangladesh

The country is divided into 6 divisions which are comprised of 64 districts. The districts are divided into 'thanas (present upazila)', of which there are currently 508 in Bangladesh (BBS 2008, 6). The 'thanas' are further divided into 'unions' and there are 4,484 unions in Bangladesh (ibid). Union Council/*Parishad* is the lowest administrative unit in rural areas and currently there are 4,466 Union Councils in Bangladesh. Union Councils are divided into mouzas and the number of mouzas in Bangladesh is 59,229 (ibid). A 'mouza' is also marked as the lowest revenue collection unit and during the Mughal period, the term was extensively used in the sense of a revenue collection unit (Banglapedia 1). During the 20th century, a mouza[29] became synonymous with a *gram,* or village, which is a social unit. The number of villages in Bangladesh as under the 1991 census is 68,038, with a national average of 232 households per village (Banglapedia 2).

4.2. Social structure in Bangladesh

The social structure in Bangladesh is very inegalitarian by nature, because of inequality in resource distribution among its citizens and groups. This unequal resource distribution system has given rise to a relatively small resource-owning group and a vast group having only limited resources. This resource-owning class is commonly called the patron class and the group having only limited resources is called the client class in the sense that they have reciprocal exchange ties. Neher argues that throughout Asia, "exchange bonds" determine power, status, authority relations, and the citizen's role in society. These exchanges constitute rewards and values which one person provides for another in exchange for comparable benefits. A person who has command over resources (e.g.

[29] Some mouzas contain no homes.

land in rural Bangladesh) attains power over others who need those resources but have only limited access to them (Neher, 1994). In Bangladesh, the dominant pattern of exchange interaction is the superior-subordinate relationship, characterized by personal, reciprocal ties between persons or groups of persons who command unequal resources by mutually beneficial transaction. These patron-client ties can be seen all over the country, both in the countryside and in urban areas. Primarily, patron-client bonds emerge from personal relationships such as kinship groupings and political groupings.

There can be different types of reciprocal transactions in patron-client relationship. In politics, a patron seeks the vote of a client with a promise to return benefits if the patron get elected. In rural Bangladesh, a patron helps clients by providing financial help and intellectual services in return for loyalty and support on different occasions. There is a superior-subordinate consideration all over Bangladesh in all socio-political issues and cases. The patron is always in the superior position and the client is always in the inferior position. Bangladesh is a high power distance country, which is clearly seen in these patron-client relationships. It is possible however for a person of low status to gain power and become a patron by accumulating resources. The type of resources a patron holds are not always financial but may be intellectual, enabling access to official channels to get work done quickly, the ability to influence an issue (see chapter 5 - electricity in the village). High power inequality has created two separate classes in Bangladeshi society: rulers and ruled, where patrons can be identified as the first group and clients belonging to the second.

4.3. What is a village (*gram*)?

In general, the word 'village (*gram*)' conveys certain qualities rather than a specific quantity. 'Village' means living in the midst of fields, as opposed to a 'town' where one finds shops and government offices. When the villagers speak of 'our village', they have only vague limits in mind, which change depending on the context. Sometimes they mean the *mouza*, sometimes they mean their immediate neighbourhood, and sometimes they mean their *jamat*, which refers to all the households served by one mosque. The numbers of the households in the villages differ from one to another. In a small sized village, there are usually 50 to 100 households. In contrast, a medium size village may contain 100 to 200 households and can be divided into two neighbourhoods (*para*). A big size village covers approximately 200 to 300 households and may have several neighbourhoods (*para*). Photos in the following show some features of villages in Bangladesh:

Crops fields and villages are quite close to each other.

Cattle in an open area in front of a home situated in a village.

Everybody knowing everybody is a common characteristic of a village. They practice many things in common. The villagers get together in one place for different reasons, for instance: marriage, funerals, religious festivals, New Year (*Pohela Baishakh*)[30] celebrations, Independence Day (*Shadhinota Dibosh*)[31] celebrations, Victory Day (*Bijoy Dibosh*),[32] celebrations and sometimes for giving verdicts on crimes[33] that have occurred within the village. The villagers practice social harmony by cooperating with each other for different purposes. These types of social cooperation may include monetary support from rich to the poor, in different situations. For instances, monetary support from the rich villagers to their poor neighbours can be vital in situations when poor families cannot arrange marriages for their daughters.[34] Moreover, monetary support from a rich neighbour can be even needed for the poor villagers in a situation when a member of a poor family gets sick.[35]

It should be noted that in most of the cases whatever the rich households do for their poor neighbours they (the rich households) expect a kind of compensation sooner or later for their donations. In this regard, they (the rich households) receive free or paid physical labour from clients in emergency situations. For their donations they (rich) can even expect support from their clients for holding power in the community and sometimes in local government administrations. Patrons can also expect

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[30] Bengali New Year.
[31] 26th of March.
[32] 16th of December.
[33] While fieldwork was going on, a man stole some pumpkins from a peasants' field. He was found the next day in a weekly market place (*hat*), selling the pumpkins. The owner of the pumpkins asked the villagers to give a verdict on this crime. In villagers' words that was an unexpected and exceptional incident in their village. The man who stole the pumpkins was asked by the villagers why he did it. The man answered that he did not have any money to buy household needs because it was a lean season and there was no job available for him. The villagers gave a verdict that he would pay the values of the pumpkins to that peasant when he could.
[34] Poor families always face difficulties in arranging marriages for their daughters due to the monetary demands (dowry) from the grooms' family.
[35] Although government hospital(s) poses free treatment to the citizenries of Bangladesh but in most cases they need to visit private hospitals/doctors to receive good service. In fact, most poor people are not able to afford a private doctor.

returns for donation(s) to poor neighbours by giving their (rich) daughters as brides to the educated sons of poor neighbours.[36] Moreover, a donation from a rich patron to a poor neighbour may also happen in order to acquire a beautiful unmarried girl/woman as a wife from a poor family. However, these practices are fewer nowadays, than in the past. More importantly, there are both horizontal and vertical kinship networks in a village. Horizontal networks are mutual assistance networks between people of similar socio-economic levels. Vertical networks join families of different socio-economic backgrounds in patron-client relationships. The political powerlessness of many people in Bangladesh leads them to look for a more connections that would give them access to more powerful people and networks. These relations help upper and middle class patrons manipulate their clients, for example for political support (Canak & Swanson 1997, 99-103). In a positive light, a village is a place where people live in harmony, follow common practices, exchange talents between each other, and enjoy the surrounding nature (see also Cohen 1985, 21-28).

4.4. What is a household (*khana*)?

In Bangladesh, the household (*khana*) is both a site of production and reproduction, and a basic economic decision making unit. Generally this equates to a group of people who share the same living space and eat together. The definition of a household used in this study, is that of a body of people who share the income and pool their assets. Mostly a household is built around related father-sons and brothers/uncles. Whilst this basic definition of a household is accepted, it is important to note the extent to

[36] The only engineer from the study village was married to a daughter from a well-to-do family in the village, since he was pursuing education at the university. According to the villagers, this marriage benefited both parties. The engineer groom received money from the bride's family to continue his education and the bride's parents got the only engineer from the village as their son-in-law.

which households pool assets and share resources. In the village of Bangdom households vary considerably in size, from a single person to a unit containing 13 people. Some households operate within broader kinship networks, for example, sharing land and generating private income from other sources in addition to the income coming from the land. The biggest household in Bangdom had 13 members and all the male members (father and sons) had individual incomes. They (sons) had wives and children but they lived in the same house and shared the same meals. Their father used to cultivate the lands belonging to the family and used the income from the lands for the consumption of all the households' members. However, the sons also provided support to the father according to their ability depending on their monthly incomes. There were more households in Bangdom, which carried the same kind of characteristics. It was found that there were several households sharing the same family compound, whilst some households, especially the rich villagers had non-shared family compounds.

A family compound (*bari*) shared by several households.

A family compound (*bari*) shared by two households.

A building house owned by one household.

A two storey clay house owned by one household.

In the context of rural tradition it is interesting to note the ways in which resources are shared or divided when younger generations establish new households. The decision to pool resources rather than to separate land for different households to be managed independently, is a key determinant of livelihood success (the informants mentioned this during the focus group discussions). Additionally, households also include members who spend a considerable amount of time away from the homestead, but add the remittances. Villagers who migrate stay away for three to four months and therefore maintain close ties to the homestead. Permanent migration is rare and migration incomes are generally part of a strategy to improve livelihood security within the village.

It should be mentioned that in Bangladesh, especially in the rural areas the management of households' resources (financial and other resources) is traditionally under the supervision of the household head. In the traditional management system female members in the families have a weaker position than males, even when a woman earns a better income than her husband. However, the roles of female members in families have improved in the recent years, even of domination of the males on their female counterparts still exists, especially in respect to decision making. Bangdom is not different from this trend.

4.5. Village survival

Land and labour are the key modes in the lives of people living the cultivating villages. In any village of Bangladesh, pressure on land is intense but one of the important factors in Bangladesh is that the climate allows for two or three crops in every year. It is very common in Bangladesh that farmers try to make up for the scarcity of land through intensity of their labour. The villagers work hard, driven by a most powerful incentive: they need to fill their stomachs. They plough with oxen[37], sow and meticulously weed the crops by hand, and reap with sickles. The importance of rice as a main crop is manifest in the abundance of words. Unhusked rice (which in the west is familiar as 'paddy') is *dhan*, husked rice is *chal*, boiled rice is *vhat*, and each of the dozens of rice varieties has its own name. Almost all of the lands around the villages are planted with rice during the rainy seasons.

Traditional method of ploughing land.

A *Langol is a* traditional instrument for ploughing land.

[37] The use of a power tiller for ploughing is becoming more and more common in Bangladesh. Although most farmers in Bangdom do not have their own power tiller, they could rent from other farmers. Still a considerable number of farmers apply traditional methods for this purpose.

Paddy sowing.

The villagers first sow monsoon rice (*amon dhan*) in well-manured seedbeds, a method which conserves land since the new seedlings can start to grow while the spring crops (*irri/boro*) are maturing in the fields. After harvesting the spring crops, peasants plough the flooded fields, usually six times, and when the mud is as smooth as paste the fields are ready for transplanting the rice seedlings. The peasants plant their lowest land first, so that the rice can grow there as the water rises. As they move to higher land, they plant different varieties, each adapted to the slight changes in timing, water and soil conditions. By notching the small earth ridges between the rice paddies, the peasants carefully control the water level in each plot.

The rains end in September, and as the land dries, the fields of villages turn to gold. The *Amon* rice harvested in December gives way to the sowing of often winter crops – mustard (*Sharisha*), lentils (*dal*), potatoes (*alu*), sweet potatoes (*misti alu*), and onion (*piaj*). With moderate temperatures and plenty of sunshine, the winter season has great agricultural potential, but production is limited by lack of water. In their homes, where the villagers can manage water easily, they plant by hand; and they grow vegetables such as cabbage (*patakopi*), cauliflower (*phoolkopi*) and tomatoes (*tamayto*).

Farmers harvesting paddy.

Farmers reaping paddy (traditional method).

Winter crops being sown.

Winter crops being harvested.

When temperatures rise in March, violent thunderstorms water the earth, and the land is ready for spring rice (*irri/boro*) and jute. The economic history of the farmers in Bangladesh postulates that jute had a great potential as cash crop to the peasants in Bangladesh, as jute had been considered as the main export items from Bangladesh to other parts of the world. However, in the recent years jute is a diminishing crop to the farmers in Bangladesh due to the availability of synthetic materials. As a result of this remission, the cultivation of jute is on the way to being abolished in Bangladesh. During 2004-2005 there was only one peasant in Bangdom who grew jute in a small piece of land with the motive to use it for his own household needs.

A new cycle begins with the arrival of the monsoon in June/July. The seasonal rhythms of agriculture shape life in the villages, but they hardly create a romantic pastoral harmony. Nature often curses the peasants with too little water or too much. Drought and floods are ancient enemies, but today the primordial struggle above all is the control of land. In rural Bangladesh, where land ownership can spell the difference between life and death, about 20% of the families in the study village owned over half the cultivable land, while about 54% of the villagers owned no cultivable land.

4.6. Economic environment within the village

In countries with rain-fed agriculture, the success of cultivation is largely dependent on unpredictable weather conditions. It is impossible for many villagers to escape the notion that fate and luck, rather than work and objective-systematic thinking determine a person's destiny and condition of life. "Good luck", in the form of a fine harvest, freedom from sickness, finding buried treasure, or acquiring a helpful patron, is the principal hope for improvement and, conversely, bad luck is a method for explaining failure. Anthropologists and sociologists who have studied village life in different parts of the developing world have come across a common theme that the average villager's represent fatalism, dependence on 'luck' and his/her short-range point of view (Choudhury 1978, 32-33).

Under fatalism a person accepts with passive resignation whatever befalls him as part of his *Vaggo* or fate.[38] In connection to this, diseases, flood, cyclone, and drought, cause disasters and death to people who find themselves helpless in the face of such overwhelming forces. This

[38] Here the people in South Asia are noted and this region is inhabited by people belonging to different religious faiths (e.g. Muslims, Hindus, Buddhist).

helplessness may give them a sense of impotence that makes it extremely difficult for them to really believe and act on the notion that by changing their method of doing things they could affect their destiny. Along with the feeling of helplessness, of the powerlessness of dependence, there is also a widespread feeling of inferiority – the traits that constitute what has been called the 'culture of poverty' (Lewis cited in Choudhury 1978, 33). A fatalistic outlook where whatever happens is the will of God, seems to be the best adjustment one can make to an apparently hopeless situation as prevailing in Bangladesh and other developing countries (Choudhury 1978, 33).

A study by Elder in Indian villages shows that more people are inclined to think that the results of anything are in God's hand rather than depend on the work producing the results (Elder 1966, 230). Elder's findings have relevance to the villagers in Bangladesh. Nevertheless, in the context of Bangdom it was found that along with the trend of depending on 'luck', many villagers were conscious about money and savings, especially in management of the necessities of life and in their efforts to have economic solvency.[39] The symbolic value of money (*taka*) and savings (*Joma*) have found their way even in Bengali proverbs that many villagers expressed at different times during the fieldwork:

1. takay taka ane
Money begets money
2. taka jar duniya tar
Whoever has money, the world is his
3. takay kina hoi

[39] As Lewis argues, fatalism is widespread and gives one a comforting fallback option. If you succeed, you are well off; if you fail, it is destiny. These attitudes encourage villagers to be economically better off, but in some cases fatalism obstructs/discourages many of them to be dependent just on luck (Lewis 2000, 241).

If there is money, all is done

4. taka madhur ceye misti

Money is sweeter than honey

5. takar nam babaji

Money's name is father

6. taka korey kam, marder hoi nam

Money does the work; men get recognition

7. bari, gari, nari

House – then carriage – then women

8. maiyar biya dibana? taka koi? joman lagbay

Won't you give your daughter in marriage? Where is the money? We must save.

9. pula maiya hoiche, kichu jomao, ato khalay kaikaray hobay

There are boys and girls in the family; save a little! If you eat too much how will you manage?

10. barighar bhalo na hoilay, valo jagai maiya biya deyan jaibona

If one's house is not decent, one cannot give a daughter in marriage to a decent place.

11. taka jomao, pula maiyare manus korba hobayna?

Save your money! Don't we have to bring boys and girls to the state of wisdom?

The villagers in Bangdom believed that the result of everything was in Allah's hand, but considered their own efforts as an important factor in maximising their overall condition. They expressed that one should work hard to shape his/her destiny but Allah would ensure the destiny which is also written in the Holly Quran and Sunnah of Prophet (Sm.). Most villagers in Bangdom mentioned that one's destiny could be enhanced by his/her personal effort.

4.7. Changes in village livelihoods

The struggle for survival within villages is no longer confined only to farming activities (White 1992, 71-72). My study found that in Bangdom 105 (41%) households out of 258 households are categorised as non-agricultural households. Non-agricultural employment included businesses, office works, service works, teaching, seasonal migration to the big cities, *van*[40] pulling, employment within transportation (e.g. buses, trucks) sector. Moreover, various combinations of agriculture and non-agriculture livelihoods were also prevalent, because of increased household needs. It can be noted that in the changing livelihoods of the villagers, the growth of business involvement was a common feature of the economy in Bangdom. The villagers involved in businesses were the main actors of the non-agricultural economy. The growth of business activities among the villagers was an indication of the overall expansion of the economy in Bangdom, although the characteristic of the businesses were really very tiny (petty businesses).

These days the educational levels in villages have risen, which provides access to outside government jobs for villagers, although in most cases men have a much better chance of finding a job than women. Moreover, private offices situated in nearby towns have created employment opportunities for some rural employment seekers. The increasing number of educational institutions, such as schools, colleges, *Madrasha* (religious institution combined with scientific education), are providing teaching opportunities to some educated villagers. Due to the technological transformation in the agricultural sector, the need for service

[40] *Van* is a three wheeled man-pulled vehicle. Nowadays, *van* is the dominant mode of transport in rural Bangladesh.

workers in the villages has become very important, a fact that has provided employment opportunities to some poor villagers. Men from 2 households in Bangdom were professional Shallow Tube-well (STW) mechanics and had a number of contracts for the *irri/boro* season to maintain the irrigation scheme for their employers. Service workers also included village doctors, who create employment opportunities for themselves after receiving training on basic health care. Some high school-educated people are currently carrying out such professions.

The struggle for survival within the village through various economic activities other than farming is also strengthened by different NGO activities. For instance, microcredit programmes run by different NGOs have become popular in rural areas of Bangladesh. NGOs often claim their success for empowering the village women in economic activities. Moreover, due to the growth of NGOs some educated villagers (both male and females) have been able to find employments as NGOs activists while staying in their own villages.

4.8. Types of businesses ran by villagers

There is no doubt however that in the past, business activities were not common practice among villages in Bangladesh. Nevertheless, in the present day context, diversification of income generation among the villagers in Bangladesh is visible through different kind of business activities. One can easily find villager-owned stores, provisions shops, restaurants, tea stalls, grocery shops and other kinds of businesses in nearby towns or bazaar areas. These days the number of regular stores in villages is also noticeable. A study by Sarah C. White shows that business activities among the villagers can be described into four different types (White 1992, 80) as follows:

Grocery stores (*moodi dokan*)

This type of store is run by villagers common to nearby town and bazaar locations, as well as within the villages. The items consumers can buy from a grocery store are soap, rice, flour, lentils, spices, oil, biscuits, nuts, molasses, tea, sugar, dried milk, potatoes, onions, cigarettes, matches, kerosene.

A grocery store in Bangdom

A grocery store in the Nazipur bus stand bazaar, run by a petty business entrepreneur from Bangdom.

***Hat* traders (who live in villages)**

The weekly open market, *hat*, is the main focus (at least it used to be) for marketing in villages, and it is eminently male. No woman goes there without a very good reason, and usually not even with one. The exclusion of women from *Hat* is based on customs and traditional values of the society, for which I could not get a clear explanation. There is no doubt that women's marketing options are constrained by their exclusion from the *hat*. Nonetheless, many favour the possibilities for self-reliance and profit in business, over dwindling opportunities for employment with little financial reward. A *hat* trader mostly sells a variety of consumer goods, for instance items that a grocery store (*moodi dokan*) would usually sell. Moreover, there are many other things that are available from *hat*

traders such as cloth, fish, meat, household things. Usually *hat* traders take their shops to all possible *hat* locations near their villages. Many have permanent customers who trust them and always buy their consumption items from their favourite traders.

The owners of many grocery stores who have permanent shops in nearby towns or bazaars also sell goods in the *hats*. In this case, they close their regular shop(s) during the hours when they are in the *hats*. With this practice, they can maintain a big circle of regular customers. Moreover, the owners of the grocery stores maximise the level of their income by taking their business to the *hats*. Most of the customers who come to purchase at the *hats,* do so in big quantities. *Hat* is considered by the villagers neither a wholesale market nor a retail market, but it can be both. Many villagers believe they can buy many items at cheaper prices from the *hat* than from other market places. Besides commercial purposes, many villagers prefer going to a *hat* for social interaction as well.

A *hat* in Bangladesh

Sales from households within villages

This is an old trend of marketing in the rural areas of Bangladesh, which has almost disappeared nowadays, due to the increasing number of grocery stores within the villages. The main focus of the sales from households is that villagers usually buy goods on credit from their neighbours' household businesses. Both parties have benefited from such transactions. Those who sell the goods can sell with higher prices than normal market prices and customers pay when they can. Usually, sales from households are confined to such very basic consumption items needed in the village like egg, milk powder, rice, kerosene, cigarettes, snacks, biscuits, peanuts, potatoes, onions, sugar. It should be noted that the households who run this type of business keep their service open to villagers 24 hours. During the period January 2004 to April 2005, households in Bangdom no longer sold from home. Nevertheless, the villagers mentioned that only a few years ago there were a couple of households that sold things from their households.

Door-to-door traders (*feriwala*)

The tradition of the door-to-door trading is a very old phenomenon in rural Bangladesh. It is worth mentioning that a couple of decades ago the number of door-to-door traders was much higher than nowadays. A large number of villagers bought many things from such traders. Due to the rapid expansion of market places and bazaars, the tradition of door-to-door trading is almost gone. However, some households in the villages still manage their livelihoods through door-to-door trading and some villagers purchase their goods from such traders. Door-to-door traders also sell their goods on credit, which benefits both traders and purchasers. The door-to-door traders sell things, for instance cloth, *sari* (traditional female costume in Bangladesh), blouse, *loongi* (traditional male costume), imitation

jewelleries, pots/pans, glassware, baskets, snacks, sweets, and household items. Even it the numbers of door-to-door traders in Bangdom were few, some households were involved in such ventures. However, it can be mentioned that women especially are more used to purchasing their necessary items through these types of traders than men because many women do not like to buy for instance their underwear from bazaars. They like to buy intimate items in their homes from door-to-door traders.

A *feriwala* selling imitations of jewellery & cheap cosmetics.

4.9. Service-cum-businesses

Poor households have developed businesses linked to new technology (as mentioned earlier). In every village one can find Shallow Tube-well (STW) mechanics that have a number of contracts to provide services for the *irri/boro* (second cash crops for the farmers) season. They also sell spare parts of STW machines as a sideline business. There are some people in the villages involved in metal work services (*kamar*) making different kinds of metal tools. In the past, they made the tools after

receiving the raw materials from the customers, but nowadays they buy the raw materials from the markets and make the tools and then sell to the customers especially in the *hats*. Moreover, in every village there are some who repair and sell locks, as well as repairing bicycles and selling spare parts (both types are called *maker*). Shoe repair (*muchigiri*) is a very ancient job in rural Bangladesh and this job belongs to some lower caste Hindu families. Shoe repairers/cobblers (*muchi*) also sell their handmade shoes to the villagers especially in the *hats*. The village healers/doctors who provide health services to the villagers also sell medicines to their patients.

Traditionally rice in the rural areas was husked by *dheki*, in which women stand at one end of the heavy wooden beam supported on a pivot, working the beam up and down with their feet in order to pound grain with the other end. In place of this, rice is now husked by electricity-driven or diesel-driven rice hullers, which are highly intensive and almost exclusively handled by males. Some well-to-do households in the villages have been able to run rice hulling businesses as an expansion of their capital accumulation process. In the study village there was one such rice huller who provided a considerable income to the owner but when the machine broke the owner did not repair it.

4.10. Business in rural transport operations

In the last few decades, the numbers of villagers employed in rural transport operation has increased enormously. The development of road conditions has encouraged many poor villagers to consider *rickshaw* or *van* pulling as an easier source of income and to make a living, than agricultural labouring. The *rickshaw* or the *van* pullers usually get involved in this work by renting these vehicles from garages where the owners rent their vehicles to the employment seekers. They take on this employment to manage their

lives during the agricultural lean season. Nevertheless, when they get involved, they are able to improve their economic situation and generally stay in this employment permanently. Some of them even buy *rickshaws* and *vans* to start their own enterprises (see the case study 2 & 8).

***Rickshaws* in the street**

A *van* puller from Bangdom with passengers

A new kind of transport business

The last decades have seen a new kind of transport business become very popular and provide employment to many villagers in Bangladesh. In the case village, two household heads[41] were involved in such a business, although not as a primary source of income (but provided a considerable amount of money). Some machinery workshop companies situated in small towns construct a motor van with the water pump machines farmers use for irrigation which is completely local innovation. This type of motor van can carry 10-15 people or 1.5 ton goods at a time. Many rural communicators nowadays prefer to use this kind of motor van because it is faster and cheaper than other available transportation. In some areas people call these motor vans "*Vootvooti*" and in some other areas people call these "*Nosimon*". It should be noted that this type of motor van was first made at a town situated in the south part of Bangladesh and the

[41] I wanted to talk to them they were unwilling. I asked some villagers and came to learn that without a licence, they were not happy to discuss their venture with an outsider.

owner named it "*Nosimon* Transport." Within a decade this type of motor van became one of the most common rural transport methods in Bangladesh. Although "Roads and Transportation Department of Bangladesh" has never provided any license to the owners who have this transportation business but the local administration allow them to run anyway.

A *vootvooti* carrying passengers.

A *vootvooti* carrying passengers & goods.

Current livelihoods of the villagers in brief

Rural communities in Bangladesh have become increasingly linked to a wider economy. Nowadays the interaction between market and non-market, agricultural and non-agricultural activities in rural economy of Bangladesh is conspicuous. This has provided an opportunity for many villagers to diversify their income generation, achieving a kind of livelihood security. The household data from Bangdom reveals that nowadays rural communities of Bangladesh livelihoods of marketing and non-marketing, agricultural and non-agricultural almost parallel, whilst petty businesses are providing a living for a substantial number of villagers, unprecedented in village history.

5. BANGDOM – THE VILLAGE IN FOCUS

> Bangladesh is a mosaic of fields, whose colours change from browns to greens to golds with the cycle of the crops.
>
> Hartmann Betsy & James K. Boyce 1990, P 17

5.1. Location and characteristics of the case village

The village of Bangdom is situated in Patnitala Upazila/Thana (the upazila has 301 villages), within the Naogaon District (district has 2795 villages). The total area of the Naogaon District is 3435.67 square kilometres (banglapedia.3). This district is boarded by West Bengal of India on the North, the Nator and Rajshahi districts to the south, the Joypurhat Bogra district on the east, Nawabganj district and West Bengal (India) on the west. There are eleven thanas in this district. See the map of the Naogaon District below:

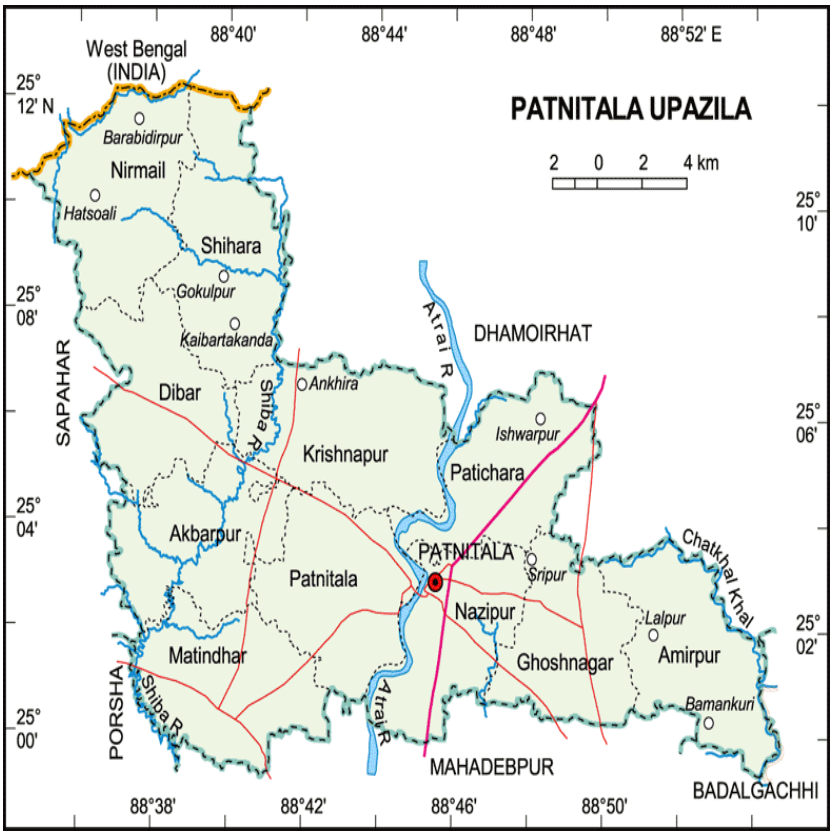
Map of Naogaon District

Naogaon is considered the storage area of food supply for Bangladesh. Local people are mostly farmers. Paddy, wheat, potatoes, onions, garlic and pulses are the main crops. It is also home to significant rice processing industries.

Patnitala Upazila/Thana

Patnitala Upazila, with an area of 382.39 square kilometres and about two hundred thousand people, is boarded by Dhamoirhat Upazila and West Bengal of India to the north, Mohadevpur Upazila towards the south, Badalgachi Upazila on the east, and Sapahar and Porsha Upazilas on the west (banglapedia.4). See the map of Patnitala Upazila below:

Map of Patnitala Upazila/Thana



According to data published in 2004, the population of Patnitala consists of 51% males and 49% females. The biggest religious population of the area are Muslims - 77% of the total population. The rest are, Hindus 16%, Christians 1% and unspecified 6%. Like in many other upazilas, the main occupation of people in Patnitala is agriculture - 49%. As for the rest, 32% are agricultural labourers, 7% involved in commerce (according to official statistics) and wage labourers total 2%, services 3% and others 7% (ibid). The upazila has 11 unions and 301 villages, including Bangdom.

A municipal town in Patnitala Upazila is called Nazipur, which is considered the centre of Patnitala and all administrative offices for this upazila are situated in the municipal area. This municipality has three main bazaars and two weekly markets (*hat*). The area of the municipal town is 4.73 square kilometres, with a population of 8586. The population density is about 1815 people per square kilometre (ibid.).

Bangdom (study period January 2004 to April 2005)

There is no official record about the age of the village of Bangdom, however, according to oral history provided by the oldest person (about 95 years old) in the village, the age of Bangdom is about 350 years. One clay house was found in the village, known to be 200 years old according to information given by its owner. Bangdom can be considered a large sized village in Bangladesh, with 258 households and 1015 inhabitants – 533 (52.5%) males and 482 (47.5%) females. In Bangdom, all inhabitants were Muslim and all belonged to the *Sunni* sect.[42] There was no caste-based stratification in the village, which is found in some villages in Bangladesh (especially in majority Hindu inhabited villages). Most villagers did not even know about caste and what a caste-based society looked like. In fact, there were no Hindu families living in Bangdom, making it a homogeneous village with regards to religious practices.[43]

A 200 year old clay house in Bangdom

The oldest person in Bangdom (in 2005)

The literacy rate in this village was lower than the national standard. Especially women had a much lower literacy rate than men (group discussion data from the villagers). Although some initiatives have been

[42] There are two main sects in Islam, one is *Sunni* and the other *Shia*. In Bangladesh more than 99% of Muslims belong to the Sunni sect.

[43] It is very rare in Bangladesh that there are no Hindu families in a village. During the group discussions a villager mentioned that there were some Hindus living in the northern part of the village. They were forced to move away to a nearby village, as the majority of the villagers did not like the way they pursued their living. According to the elders in the village, this happened around 100 years ago.

undertaken by the government, non-government and international donor agencies to improve the literacy rate in the village, the expected result has not been achieved, a fact mentioned by the villagers. There was only one government primary school in the village, which was not enough for the large number of young children, according to the villagers. For the last couple of years a satellite school in the village, organised by one of the nationwide NGOs called Bangladesh Rural Advancement Committee (BRAC), had been providing basic education to the village children and illiterate adults. The project made some progress educating poor children, but not illiterate adults. Many students, especially girls, were not able to continue their education after completing primary school, because there was no higher level school in the village, or close by. The nearest high school was situated in Nazipur, 3 kilometres away. Many parents found it problematic to send their daughters to a school that was 3 kilometres away, whereas it was not a problem to send their sons. This trend highlights the inferior position of women in rural Bangladesh. Many parents in Bangdom were confused about whether their daughters would feel comfort participating in a school situated 3 kilometres away from home or not.[44] Moreover, many villagers still consider higher/upper education (*beshi shikkha*) is not needed for girls as they would move to their husbands' home after marriage.

[44] As girls do not have free movement in the streets and outside locations like boys have.

The government primary school in Bangdom

A ***Moktob*** **(place for learning the Quran and *Hadid*) in Bangdom. Built and run by some villagers.**

A health care facility for the villagers was not particularly good, since there was no health care centre in the vicinity of the village. The nearest government health care centre was situated in Nazipur but most villagers did not go there. In their opinion, they do not receive good treatment from government hospitals. Some non-government organisations were working by providing knowledge to the villagers about basic health care, but their service was not enough compared with needs. Many villagers were still subject to treatment from traditional healers and paramedic professionals.[45]

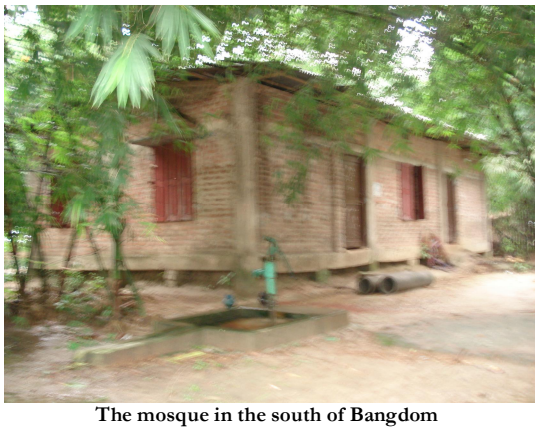
The village had two mosques (*moshjid*) and many villagers visited five times each day for prayer. The *imam* of the mosque situated in the north was not born in the village and did not live there. He migrated to Nazipur a couple of years ago and was employed as *imam* there. Nevertheless, the *imam* of the mosque situated in the south was born and lived in Bangdom. Moreover, the village had a place (*Eidgah*) to make *Eid* prayers. There are two *Eids* each year.[46] The mosque situated in the north and the *Eid* prayer

[45] A paramedic is a medical professional (3 years degree) who can usually works as medical assistant in government hospitals. In these days a considerable number of people obtain this degree though there are not enough vacancies. Many start practising in rural locations where many people do not understand the difference between paramedic professionals and MBBS doctors.

[46] One *Eid-Ul-Fitter* takes place after a month-long fasting period during the month of Ramadan. The other *Eid-Ul-Azha* takes place two months and 10 days after *Eid-Ul-Fitter*. During *Eid-Ul-Azha* all Muslims slaughter pet animals, following ancient Islamic tradition.

location were built in the village approximately 4 decades ago by a rich village farmer who donated the land and built the primary construction. After his death, these holy places have been maintained by a committee of villagers. They hardly received any donations from the government to maintain the mosques or the *Eid* prayer location. Usually villagers who have economic solvency provide monetary support for yearly maintenance costs and renovations. On the other hand, poor households contributed to the maintenance of these projects through physical labour. All villagers paid equal attention to maintaining these because it is an integral part of their religious practices. There were two graveyards (*koborsthan*) in the village, which belonged to the villagers and nobody knows who donated the land. One was situated in the northern part of the village and the other in the southern part. The graveyards were not clean and organised as I found the mosques and *Eidgah*.

The mosque in the north of Bangdom



The mosque in the south of Bangdom

The only *Eidgah* in Bangdom

A graveyard in Bangdom behind a paddy field

The village had a few toilets. Mainly rich and middle class households had a toilet. Many villagers from poor families did their business in the open (usually in bushes). However, some government offices and some non-government organisations were working to encourage the village people to build toilets to avoid health hazards. Their initiatives improved the situation compared to the past.

Drinking water facilities were not adequate, according to the villagers' needs, but its supply was better than earlier, as the villagers mentioned several times. Only the rich and middle class families had their own tube-well inside their home. There were a few tube-wells provided by the Union Council office, but their number was inadequate, considering needs. Most villagers took their baths in ponds, of which there were 5 in the village. In the same ponds they washed pet animals (e.g. cows and buffalos) and clothes.

A public tube-well in the north part of Bangdom that is a source of drinking water for many households situated nearby.

A big pond in Bangdom owned by different households; any villager can take a bath and wash their clothes in it.

A small pond owned by the richest family in Bangdom and for the sole usage of its members.

The drainage system in the village was not very good and many open places were under water during the rainy season. In the rainy season, the narrow roads became so muddy that it was almost impossible to walk on them. During the fieldwork for this study, a clay road in the north part of the village was under construction through money and supervision of the local Union Council. The highway situated very close to the village was a good communication facility for villagers from Bangdom to nearby towns and district locations.

A clay road in Bangdom during the rainy season

The highway which passes through Bangdom.

The conditions of arable lands around the village were very plain and most owned by the villagers. However, some rich households had arable land outside their village. Some villagers mentioned that there was one rich person in the village who bought a lot of arable land 15

kilometres away from the village in the area of his father-in-law's village. According to the same villagers, the reason behind this was to keep the other villagers unaware of the expansion of his wealth. This person was working as a clerk in a land registry office and collected a small salary each month, but still managed to expand his wealth. Therefore, most of the villagers were curious about the expansion of his wealth. I asked some villagers how he had been able to achieve his wealth and none of them had a clear answer.

Villagers grew two crops on the cultivable land in a year. Some villagers also grew winter crops in their homesteads, although many poor families did not have such opportunities, due to land scarcity. Many households primarily dependent on agriculture still used traditional methods to grow crops. Only a few of them had a power tiller to plough land or prepare fields. Nevertheless, some farmers rented power tiller and other modern equipments for agricultural production from Bangdom and from nearby villages to avoid the lengthy process of traditional methods. Most of the poor and middle class farmers could not utilise modern agricultural technology, due to the higher costs of using them compared to traditional methods.

A significant number of households in the village lived together in an extended family compound in the same house (*Bari*)[47]. In most cases, they were close kin. Those villagers facing financial scarcity shared homesteads to reduce costs and save on land space. The most common type of house in Bangdom had clay walls and tin-shaded roofs. The second most common type of house was made of brick walls and had a tin-shaded roof. Half brick and half clay houses with tin-shaded roofs were also seen in Bangdom. Other types of houses in Bangdom had two storey clay walls and a tin-shaded roof and clay walls and a straw-shaded roof. There were

[47] A kind of family compound.

only 2 brick houses in Bangdom. It can be mentioned that 34 households did not have their own homes but lived with close kin. There are more details in the following table:

Table 1: Types of houses in Bangdom

Types of houses	**N**	**%**
Clay wall and tin-shaded roof	197	76
Bricks wall and tin-shaded roof	13	5
Half bricks wall, half clay wall and tin-shaded roof	5	2
Two storey clay wall and tin-shaded roof	4	2
Clay wall and straw-shaded roof	3	1
Building made of bricks	2	1
No self-owned home	34	13
Total	258	100

The types of houses in Bangdom can be seen below:




5.2. Overview of households in the village

Household members

Recent development policies initiated by the government of Bangladesh and donor agencies are significantly concerned with family planning, to prevent the alarming population growth in Bangladesh. In addition to their campaign, they are primarily encouraging villagers to decrease family size compared to the past, to reduce household poverty levels. Although significant results have been achieved with this campaign, absolute implementation is still far away. In Bangdom, many couples had more children than expected family planning numbers.

The most common number of members in one household was 5 to 8 people. In Bangdom, one in four households had 3 members living within it. The following table shows this in more detail:

Table 2: Household members

No. of members	No. of households	%
12-13	2	1
5-8	82	31
4	69	27
3	64	25
2	25	10
1	16	6
Total	258	100

Land possession

In Bangdom, the per capita land holding is 35 decimals (0.35 acres). The numbers of households with 1-10 decimals of land were 53, about a quarter of the total households in the village. Households with 1-10 decimals of land only had homes and some had a very tiny open area around their homes. The majority (a total of 99 households) had 11-100 decimals of land. The numbers of households possessing between 101-500 decimals were 52. There were 8 households in the village that had land between 501-1000 decimals. More details are to be found in the table below:

Table 3: Land possession (in decimals)

Quantity(in decimal)	No. of households	%
1-10	53	21
11-100	99	38
101-500	52	20
501-1000	8	3
1001-1500	5	2
More than 1500	2	1
No land	39	15
Total	258	100

Sources of income of the households

In Bangdom the majority of households had two sources of income, which covered 118 households (45%) in the village. Household numbers with only one source of income were 93 (36%). There were 43 households (17%) with 3 sources of income, and 4 households (2%) had 4 sources of income,[48] as is shown in the table below:

Table 4: Number of income sources

No. of income sources	No. households	%
1	93	36
2	118	45
3	43	17
4	4	2
Total	258	100

[48] The households' sources of income were counted during the household survey. There may be more sources of income that were not regular, or were not considered worth mentioning by survey participants.

Monthly income of the households

According to my survey conducted in 2004, the differences between household monthly incomes in Bangdom were rather large. Monthly income of households in Bangdom can be categorised into 5 different levels as can be seen in the table below:

Table 5: Households' monthly income (taka)

Income range	No. of households	%
200-1500	47	18
1501-3000	94	37
3001-5000	60	23
5001-9000	32	12
More than 9000	25	10
Total	258	100

The majority of households in Bangdom earned 2500 taka ($42). The second largest majority of households in the village earned 2000 taka ($33) and the lowest monthly income was 200 taka ($3.5), with 3 households belonging to this income level. Only one household in the village earned 25000 taka ($415) per month, which was two and half times more than the starting salary of a first class civil servant in the country.

5.3. Occupations of villagers

Primary occupation

Despite moves towards diversification, agriculture remains the mainstay of the economy in Bangdom. According to the survey conducted in 2004, 53% (138 households)[49] of household heads in the village were

[49] This percentage included farmers who cultivate their own land, sharecroppers and agricultural labourers.

primarily employed in agriculture. The percentage of people that were dependent on agriculture in Bangdom was lower than the national figure. In Bangladesh, 63% of people are dependent on agriculture as a main source of income in current years (UNDP 2005, 61). After agriculture, business is the primary occupation for 18% (46 households) of the household heads in the village. The third most common primary occupation of the household heads was service work covering 6%. The rest of the 17% household heads were involved in different non-agricultural occupations. There were 6% of household heads that did not have any occupation. All were widows and survived with help from relatives.

Secondary occupation

In Bangdom, more than half of household heads did not have a secondary occupation. Agriculture remained the most common secondary occupation, which covered 36.8%. Business was the second most common secondary occupation with 2.7%, *van* pulling was 1.9%, service work was 0.8%, deed writing[50] was 0.4% and poultry farming represented 0.4%.

Tertiary occupation

In Bangdom, only 4% of households had a third occupation. Tertiary occupations were confined to three sources - agriculture representing 3%, business was 0.4%, and service work was 0.4%.

[50] See section 5.4 for details.

Occupation of a spouse

An amount of 246 household heads' spouses (95%) did not have any official occupation apart from household chores.[51] The most common occupation of these women was based on income from household production sources. These included cattle and goat rearing, small poultry, and homestead agriculture, and covered 2.5% (7 households). Among the other occupations of the spouses were teaching - 1%, office work - 0.5% and being a housemaid - 1%.

Employment of offspring

Based on the tradition and culture of Bangladesh, adult offspring (especially males) have to find a source of income to support their families even if the latter belongs to a well-to-do category. Similarly, when parents are old, their offspring may need to support their parents, as there is no state welfare scheme for old citizens in Bangladesh. Support from their offspring may not be necessary for retired parents from government services or other types of official jobs because a pension scheme is provided to such retirees. However, as the sources of employment in Bangladesh are scarce, in such a situation, many adult children were unemployed when I conducted the fieldwork.

My data shows that in Bangdom, 89% (232 households) of offspring (including those less than 18 years old) had no income/employment. The most common income source for offspring was agricultural labour - 3%. Business followed with 3%, office work - 2%, service work - 2% and wage labour - 1% of families (2 households) had a second child also employed.

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[51] Spouses used to do most housework and some spouses from very poor families used to work part-time at rich neighbours' homes. These were not identified as an occupation by the villagers.

5.4. Characteristics of different households

Agricultural households

Agricultural households were divided into three categories. Among them, 78 households (30% of the total households) managed to live from their own land and 20% managed to live through agricultural labouring. The remaining 3% of agricultural households managed to live with sharecropping. This means that within agricultural households, 57% earned their livelihoods primarily from their own land, 38% of households managed to live as agricultural labourers and 5% through sharecropping.

Business households

Business was the second most common occupation of household heads in Bangdom. For 53 households (20.5%) business was the primary source of income. Business was increasingly very popular throughout the village. There were different kinds of businesses run in various ways according to the households and they were mainly situated at the Nazipur bus stand.

A few households ran small shops in the village where all the family members were more or less equally involved. The types of business run by the villagers were small tea stalls, grocery shops, vegetables shops, rice shops, shops for selling the spare parts of the bicycle, shops for selling household items (e.g. mats, hand fans, broom), transport businesses (e.g. Rickshaw *van* pulling, motor van), paddy buying and selling businesses. A total of 3 of the household heads in Bangdom were involved in door to door selling and 3 business entrepreneurs in the village took their businesses to *hat* places twice a week while their main business was situated at Nazipur.

Business activities were also operated by rich and middle class households mainly as capital accumulation strategies, which helped them to buy more land in the village or nearby areas. These categories were often involved in businesses such as medicine shops, book stores, stationary shops, shops to sell sanitary items, big grocery shops (*moodi dokan*), stamp vending and cloth stores. The heads of the families did not invest much time in these businesses however. A few also had paid employees to work in their businesses.

A bookstore in the Nazipur bus stand bazaar, run by a rich household from Bangdom.

Office workers

The household heads involved in office works were mostly employed in land registry offices situated in different locations within the district. These households had good monthly incomes from their jobs and some of them also had good incomes from the land. They had savings in the bank[52] and were able to develop their economic condition faster than the other household types in the village. One household in the village had

[52] Some villagers mentioned this during the group discussion.

expanded its wealth within and also outside of the village since the head[53] got a job in the land registry office (as mentioned earlier). According to villagers, this household was the richest household in the village.

Service workers

Most of the service workers were involved in construction work as masonry workers (*rajmistiri*), building cement houses and toilets. Some household heads from this category also had skills for fixing hand tube-wells and irrigation pumps. A few household heads in the village were involved in healthcare services (e.g. providing treatment to village people through herbal medication). The numbers of Rural Medical Practitioners (RMP) were increasing because it provided income as well as a chance to hold status, after completing as little as a 3 month course in basic health care. One household head in Bangdom was involved in such an occupation as the main source of income.

School teacher

An occupation as a school teacher was one of the most prestigious occupations in the village. All villagers' respected those performing this occupation because they themselves were educated and helped others become educated. There were only three school teachers in the village and they belonged to the rich household because they also owned a good quantity of land. Beyond their teaching salaries, they received substantial annual revenue from their land. They grew crops in their land using agricultural labourers from the village. Some of their adult children stayed in the big cities for their higher education, as well as for jobs.

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[53] In Bangladesh the head of a household is usually the one who is either the oldest or the breadwinner, following common patriarchal traditions.

Poultry farming

There were five households in the village that created income primarily through poultry farming, which is commonly considered as a woman's occupation in Bangdom. Sizes of poultry farms were very small and organised within the owners' homestead area. Especially female-headed families utilised such occupations, because there were very few alternatives otherwise.

Drivers

Two drivers (one bus driver and one truck driver) in the village belonged to the poorer households in the village. Their families lived in the village, but due to professional duties, the drivers sometimes used to stay outside the village. They earned good wages every month and also had extra income from driving. The truck driver in the village started this occupation just as a driver for someone else's business, but later drove a truck in which he had a small share.

Maid

This is typically a female occupation within the village. The women who were employed as maids belonged to very poor families. In most cases they were either widows or divorced women. In some cases when male members of households were physically unable to work due to chronic diseases, the female members undertook jobs as maids to produce income.

Wage labourer

There were two wage labourers (excluding agricultural labourers) in the village that worked on road construction projects and they had been managing their livelihoods for five years in this way. Both of them were unmarried women and the villagers did not like to see women in such an occupation. Problems with finding any other job forced them into such employments. By doing such a job however, they were earning much better wages than if they had worked as maids in the village (information from group discussions).

Politics as an occupation

There were two households in the village that utilised political affiliation to generate income. Their activities included helping the villagers to receive different kinds of benefits that were provided by local government offices situated in the upazila/thana. Their good connections to local administrators and local politicians saw some villagers using their services for different purposes. In this case, villagers were required to pay for their services and retain good relationships with them for future services. One of the two households lived completely through politics. The other considered politics as a primary occupation, whilst also having some income from land. The head of this household was also one of the elected members of the local Union Council (*union parishad*).

Broker

There was only one household in the village that earned an income from brokering. The head of this household worked in different *hats* in nearby areas. If villagers needed to buy cows, bulls, goats and other pets,

they asked help from him to make a good buy. In such cases, the broker received a commission from both parties in terms of buying and selling.

Begging

Begging was not a well accepted occupation within the village. If a person was involved in such an activity, without any decent reason, the villagers showed unusual attitudes towards the person. In Bangdom only one household managed to live through such an activity because the head (a beggar himself) of the household was a paralysed patient and had no physical capability to work. The main area of his begging was the Nazipur bus stand bazaar location where he begged in different shops situated there. I saw him also asking passers-by and people commuting via the Nazipur bus stand for coins (*poisa*)/money (*taka*). He asked me to give him money a couple of times while I was conducting fieldwork for this study. Prior to begging, this family earned a living through business, however the continuous illness forced him (head of the household) into begging.

Rickshaw and van puller

The numbers of people involved in *rickshaw-van* pulling have increased, compared to previous years, because of the development in road conditions in rural areas and also due to a lack of employment in the agricultural sector. There were 7 households in the village living through such employment. In addition, some poor household heads were also involved in *rickshaw* and *van* pulling during agriculturally lean seasons. Moreover, there were two households in Bangdom who had motor-van businesses which were not the main source of income, but earned good money as discussed earlier.

Tailor worker

Only one households' head in Bangdom was involved in tailor work as a primary source of income. A renowned tailor shop, situated in Nazipur, recruited him when he completed a six month training course provided by a government office in the district town. With the income he earned very good money and found this job as the primary source of income for his household.

Deed writer

Deed writers (*muhury/dolil lakhokh*) are professionals who write deeds (*dolil*) when someone needs to buy new land(s). A deed writer usually organises his workplace nearby land register offices. In the present day context, the occupation of deed writer is not as beneficial as it was before, because selling and buying of land happens much less frequently than in the past, due to land scarcity. It can still provide income however, enabling a family to hold a middle class economic status, as my informants mentioned during the group discussions. I had chance to talk to the household head that lived though this occupation in Bangdom and came to know that his source of income had come under pressure in current days. The reasons he mentioned were due to the decrease in land transactions and the government's current plan to computerise the land transaction process operated by bank authorities.

5.5. Economic classification of households

Very poor household (*khoob gorib poribar*)

Households belonged to this category if they had no cultivable land and some of which did not even have their own homes. Most households

belonging to this economic level managed their living through physical labour mainly in agricultural works and a few through wage labouring outside agricultural works. Some households belonging to this category were involved in petty business employment and also *rickshaw* or *van* pulling. The villagers considered very poor households as 'hand to mouth' households. The household survey showed that in Bangdom 122 households (47%) belong to this category. Usually both male and female members of very poor households took part in income generation.

Many women from very poor households worked in rich homes and received a much lower wage than their male counterparts. The demand for their labour was not the same all year round. Usually two out of six seasons there was high demand in the village, mainly during the harvesting period of the farmers' cash crop *Amon,* lasting December to January. Women from very poor families sold their labour to rich farmers within Bangdom. When this harvesting period was over, they stayed in their own homes. They were again able to work during May and June, when the farmers' second cash crop *Irri/boro* was ready for harvesting.

The men from very poor households also did not have the chance to be employed all year round. Usually they had jobs in the village for 7 months or less. During the lean seasons, many of them could not find any jobs in the village and became worried about their daily subsistence. They had two alternatives to consider for overcoming such situations; either they could pull *rickshaw* or *van* (at Nazipur) or take a loan from the traditional money lenders or in some cases from NGOs, but at very high interest rates. They usually returned the loan when there was a job available in the village. A few considered going to cities to pull *rickshaw* or finding other jobs during the lean season. Some of their wives managed to acquire credit from the NGOs to cope.

Poor households (*gorib poribar*)

Households belonging to this category had a little bit of cultivable land, which enabled them to produce crops and manage part of their yearly food consumption. There were 84 households (33%) belonging to the poor category. Only male members of poor households worked in their land and every now and then could be employed as a seasonal labourer to higher class farmers. The women from these households usually stayed at home and took care of children, as well as preparing food. Some women from this category also had small poultry and livestock. With such activities they added to the household income.[54]

A considerable number of household heads from poor category households were involved in petty businesses at Nazipur and utilised family members to contribute to the business. Usually male members ran the business, but wives also contributed in different ways. Poor households did not have any savings, nor were they 'hand to mouth' households. For emergencies they had to borrow money from traditional money lenders. Some of them even lent money to others if they had surplus (*barti uperjon*).

Middle class households (*moddho bithto poribar*)

Those households with arable land of more than 3-4 acres and able to properly grow crops belonged to the middle class households. Data shows that in Bangdom 43 households (17%) belong to this category. Members of the middle class households usually did not work in arable

[54] While conducting the fieldwork, I bought two cocks (*morog*) from a woman in Bangdom who otherwise would sell those in a *hat* through one of her nephews. However, the woman mentioned that they usually made such selling in case of any urgent need; otherwise the productions from their small poultry and livestock were used for household consumptions only.

land alone, but hired labour from lower-class households. A few middle class households in Bangdom also had shops at Nazipur.

The household heads from some middle class families worked in land registry offices situated within the district. A few women from this type of household worked outside their village (e.g. teaching, office work). The middle class households accumulated money easily. A few households belonging to this category had a bad reputation as money lenders because they had very high interest rates of the money they lent to others. Almost all the households belonging to this category continued to educate their children as long as the children were interested.

Rich households (*dhoni poribar*)

The households that had more than 12 acres of land were considered rich families in the village, of which there were only 9 households (3%) out of 258 households in Bangdom. They never worked on their own land and always maintained their farming by buying labour from the village and sometimes outside of it. Some male members from this kind of household worked for government offices in the cities. Only one rich household in the village was involved in business at Nazipur, although land was the main source of income. Rich households had 3-4 paid home servants all year round. Male servants usually took care of cattle, whilst female servants made food for household members and kept the home and its surroundings clean.

Rich households were very conscious about the education of their children. Male children from some rich families lived in the big cities for higher education and also employment. The rate of education was higher among rich families than others because they had better opportunities.

5.6. Women in Bangdom village

The roles of men and women in rural Bangladesh mostly function in such a way that the responsibility of earning an income is the male task and household related tasks are the responsibility of females. Some government organisations and many non-government organisations including donor agencies, have been working for some decades to make rural women economically mobile and reduce gender inequality in rural Bangladesh. With this in mind, many projects related to government agencies and mainly non-government organisations, have initiated efforts to improve the position of women in the country. Most projects deal with developing the level of female education, economic conditions,[55] and motivate the use of birth control, and encourage political involvement. All these projects have not had very rapid development in many prospects, although they have made some changes in society.[56]

It should be noted that to implement the above-mentioned projects, local participation is limited. For instance, during focus group discussions, some women from Bangdom mentioned that they could not receive benefits from any projects for two main reasons. Firstly, household work keeps them busy at home and makes it impossible or difficult. Secondly, in many families male members do not like to let the women take part in the outside activities.

Many female organisations nowadays are pushing the government to increase the number of women as members in national parliament. Those organisations are arguing to elect female parliamentarians through direct votes. Currently, there is a quota of 45 selected seats (earlier it was

[55] E.g. microfinance projects for poor women in rural areas considered as an endeavour to develop the economic condition of rural women and their participation in the market.
[56] Even if female participation in work outside of the household is rising, the positions they hold and the roles they play are still very much constrained by a trio of factors, i.e. family, religion and gender.

30) for women in national parliament. All these female parliamentarians are usually chosen by male politicians and therefore they seldom speak about female development issues in parliament. Female organisations in Bangladesh are currently urging an increase in female national parliament members from 45 to 100 and that they should be elected by the people. Although the leaders of the two main political parties are female and both have been Prime Minister since 1991 during different terms,[57] male domination in Bangladeshi politics is common.[58] None of the women in Bangdom had a direct involvement in politics. During the group discussions some women mentioned that in order to improve the overall condition of the rural women, their participation in politics should be increased.

In 1997, a campaign carried out by different female organisations within the country and supported by donor agencies, influenced the government to pass legislation in parliament that 30% of seats be reserved for women in local government elections at the Union Council level. This new legislation has provided some development with respect to the gender situation in rural communities, although the expectations were greater, since most of the elected female public representatives depend on their husbands. This caused two different shortcomings. Firstly, because of their economic insolvency, their husbands spend all the election expenses to make them win and secondly, in a male dominated society there is always a fear of making decisions alone. No females in the case village have ever been elected to serve as a member of the local Union Council, although

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[57] Sheikh Hasina (daughter of the founder and the first President of Bangladesh, the late Sheikh Mojibur Rahman) has served one five-year term (1996-2001) as prime minister and was re-elected in December 2008 to function as prime minister until approximately 2013. Begum Khaleda Zia (widow of the late army general and president) has served two five-years terms (1991-1996 and 2001-2006).

[58] The situation looks better now because more female ministers have been included in the national cabinet. Currently the four most significant positions in the country's government i.e. prime minister, agricultural minister, foreign minister and home minister are chaired by women. Moreover, the current numbers of both elected and selected female members in the national parliament are higher than previously. Nevertheless, political participation of the females in the countryside is still limited.

two women from the village have competed in the election during different terms. All women from Bangdom showed positive attitudes towards such initiatives taken by the government. Many women in the village said there was no doubt about their weaker economic situation compared to their male counterparts.

I had doubts about whether the women in Bangdom would participate in the group discussions, however considerable numbers of women took part. It was interesting to note the reaction when a certain woman mentioned she was one of the main breadwinners in her family. She continued and revealed there were more cases in the village like her. I became sure about her data when other women supported her by nodding their heads. In fact, the economic contribution of women to their families in rural Bangladesh is not a new phenomenon, but the degree of contribution is higher and more diverse nowadays than in the past (see the case study 15 in chapter 7).

During the group discussions, some women mentioned that the majority of women in the village were credit borrowers from different NGOs. NGOs were also (in their words) involved in activities to encourage women to take part in social activities, rather than staying home as a housewife. As a matter of fact, most NGOs working in rural areas are commonly known as female organisations, as they give priority to female clients.

Grameen Bank (Village Bank) is one of the biggest NGOs in Bangladesh which has been working in rural areas for 35 years. This NGO had many projects in Bangdom dealing with the involvement of women in the economy. In 2006, *Grameen* Bank and its founder were awarded the

Nobel Peace Prize.[59] Data shows that 97% of *Grameen* Bank's credit borrowers are women (http://www.grameen-info.org/). A number of the women from the case village were involved in *Grameen* Bank's microcredit project.

Another renowned NGO called Bangladesh Rural Advancement Committee (BRAC) had different projects in Bangdom. Many women from all kinds of households used to take part in BRAC activities, especially those that were organised for providing microcredit to poor women. BRAC is one of the biggest NGOs in the world (http://news.bbc.co.uk/2/hi/south_asia/8435957.stm); it was founded in 1972 as an organisation to provide relief to people affected by war in Bangladesh (http://www.brac.net/about.htm). For the last couple of decades however, this NGO has been working with many development projects and its microcredit programme is one of the most popular among them. Some other NGOs were also working in Bangdom with different kinds of poverty alleviation and rural development programs. Among these, *ASA* (hopes), *Thangamara* Women Cooperative, Partner, *Proshika*, *Brarendro Vomi*, Islami Bank are important. Some women from middle and rich category households take advantage of the microcredit projects of NGOs to cope. Many poor women mentioned that some NGO administrators even liked to give credits to women from middle or rich households because they are considered to be better candidates in the sense of credit refund, for giving credits, than poor women. Enquiries into this issue found that almost all local NGO workers were involved in such practices. They usually did it because they had pressure from higher officials to collect credit instalments in time. In this case, to retain their

[59]"The Norwegian Nobel Committee awarded the Nobel Peace Prize for 2006 into two equal parts, to Muhammad Yunus and *Grameen* Bank for their efforts to increase economic and social development. Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty. Microcredit is one such means. Development from below also serves to advance democracy and human rights."

employment, they acted in this way. Apart from this, many men and women in Bangdom mentioned that credits which the women received from NGOs were used for purposes other than investing in businesses. For instance, one man from Bangdom told that once he borrowed 10,000 taka ($150) from one of the group leaders of a microcredit cooperative run by a NGO, as he needed the money for an urgent matter. He returned the money in one week but with an interest of 1000 taka ($15) for using the money. There were some other cases similar to this which I came to know in different phases of the fieldwork in Bangdom. My data revealed that no women in Bangdom were able to develop any kind of permanent or significant enterprise using credits borrowed from either *Grameen* Bank or any other NGOs.

The current activities of the women in Bangdom however, were not only limited to NGOs. Some women worked outside the village, which was mentioned earlier in this chapter. A few unmarried girls in the village lived in big cities for educational purposes and participated in computer training courses to find employment afterwards. Girls from poor families however, did not have such opportunities.

5.7. Link from the Village to Markets

The village of Bangdom is linked mainly to the Nazipur Bus Stand marketplaces for commercial purposes. Nazipur bus stand is considered the main commercial place for the 4 upazilas/thanas in the district. Nazipur became a municipal town in 1999. Since then, the expansion of the town and migration of people from different nearby upazilas to Nazipur has become increasingly noticeable. In addition, a number of market places have been established by local capitalist groups. This has

created employment opportunities for many people, not only from municipal areas, but also nearby upazilas and the surroundings.

In becoming a municipal town, Nazipur channelled many good opportunities for the villagers of Bangdom into managing their livelihoods through business activities. Some villagers mentioned that the number of people involved in business activities from their village increased a lot since 1999. Due to good communication facilities, villagers were able to reach Nazipur bus stand even faster than many people living inside municipal areas. The villagers were facilitated by three different transportation services to reach Nazipur bus stand. Buses going to and from the district town stop just in front of the village. For villagers, using a bus to come to Nazipur bus stand was the fastest transport compared to other transportation services available. Villagers usually did not use buses to come to Nazipur however, as the buses were mostly overcrowded. The most common transportation for villagers was by *van*[60], which took only 15 minutes to reach Nazipur bus stand. Another available method of transportation for the villagers was motor-van (*Vootvooti*), which was even faster than *rickshaw or van.* Many villagers did not like using motor-vans because the accident rate is much higher than other transportation services. Transportation to Nazipur bus stand did not take more than 15 minutes, in any case.

Villagers in Bangdom did not only have a link for commercial purposes to Nazipur bus stand. Some villagers from Bangdom also had links to another nearby bazaar called Matazihaat, which is 8 kilometres away. This bazaar is not situated in the same thana, although people from

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[60] There is not a very big difference between a *van* and a *rickshaw*. *Rickshaw* is a three wheeled man-pulled vehicle with a hood, where usually two persons or several kilos of goods can be carried at a time. A *van* is also a three wheeled man-pulled vehicle, but without a hood, where six-to-eight passengers or a quarter tonne of goods can be carried. Nowadays, *vans* are more common in rural areas than *rickshaws,* which have become a source of livelihood for a considerable number of poor villagers in Bangladesh.

Bangdom village and other neighbouring villages have had good links there already for more than 100 years for commercial purposes. In Matazihaat there are popular weekly markets (*hat*), which are considered some of the biggest weekly markets in the Naogaon district. The *hat* traders from Bangdom village take their business to Matazihaat once a week. Apart from these two places, villagers from Bangdom had links to other market places within different locations inside and outside of the district. The recent development of roads and highways has created better links between villages and different market places inside and outside the district.

5.8. Major Developments in Bangdom since the independence of Bangladesh

Various poverty alleviation strategies, such as participation by the poor, restructuring of institutions, better access by the poor to production means, employment generation, human resources development, targeted development, etc. initiated development for the villagers' livelihoods in Bangdom. The villagers mentioned the following developments in their village since independence:

Development in health and family planning issues

After independence, government-owned radio, television and mobile film units made a considerable effort to create public awareness and provide relevant information to local people about health and family planning. Consequently, many villagers in Bangdom were able to get rid of their superstitious beliefs regarding health and family planning to some extent, and at the same time learnt about these matters from the correct perspectives. Most families in the village did not have more than 4

children, but in the past they had many more. However, some families in the village are still afraid to accept permanent family planning methods, for fear of religious obstruction (e.g. no proper burial after death). Some males in Bangdom mentioned that even many of their neighbours had apathy for condom use because of losing pleasure of sexual intercourse. As a result of a serious shortcoming in information, extension and communication, the entire burden of family planning now falls on women, and both government agencies and NGOs have failed to persuade many men to accept permanent family planning methods (some women in the group discussions expressed this).

Men in the village were less interested in accepting family planning methods than women; however efforts to reduce the population growth initiated by government and non government organisations benefited all classes of villagers. However, it was females from poor and middle class households who gained the most, since they neither had awareness nor purchasing power to procure and use family planning materials and primary health services in the past.

Increase in toilets and hand tube-wells

Since independence, there has been an increase in the number of sanitary latrines and hand tube-wells within the village. Most of the tube-wells were procured privately and 10 tube-wells were installed free by local government officials. Some government organisations ensured awareness with regards to arsenic poisoning from drinking water and keep examining the tube-well water twice in a year. While many of the rich households acquired toilets by themselves, the base and rings of these were supplied free to some poor families by the local Public Health Department.

Development in rural infrastructure (e.g. roads, bridges and culverts)

Three different roads were built in the village with the help of the central government, local government and some foreign development agencies. For instance, decades ago there was no established road to go from the northern part or the southern part. When it was built, the villagers' lives became much easier. For natural drainage of water, ordinary culverts were constructed on the road, which helped to take the water overflow away from the village during the rainy season. Most places however stay muddy during the rainy season because of a lack of proper sewerage facilities. Two decades ago, the highway was built beside their village, allowing access to the nearby town and the district town more easily. A large bridge was built over the *Attrai* River in 1994, which the people in Bangdom and nearby areas had been expecting for more than 30 years. For those villagers who were involved in business, the bridge especially helped them to expand. Before independence, roads continued to be circuitous, occupying more land and increasing journey time. No attempt was made to straighten them because it would hurt the interests of rural elites who benefited from the situation. Poor people generally walked and used bicycles, which did not require drivable roads. Moreover, there was a marked improvement in transportation and communication. Such improvements have not only made movement of human beings and goods easier, but also led to employment expansion, both long term and short term. Digging and moving earth during construction, maintenance and improvement afterwards, has led to short-term employment, whilst *van, rickshaw* pulling, bus and motor-van services have provided long-term employment to local people.

Development in education

Since independence, one can notice government interventions for expanding education in the countryside. For example, legislation for primary education, plus the abolition of fees and distribution of free books has made a difference to the poor children of the village who would otherwise be employed in agricultural and domestic jobs. Similarly owing to a massive campaign by government agencies and the media, parents have become more conscious and enrolment in institutions imparting secondary education has made substantial progress. The provision of stipends for girls also went a long way in increasing the enrolment of girls in secondary schools.

The number of proper schools in Bangdom has not increased (i.e. it still had only one primary school and no high school). However, BRAC set up a primary school, benefiting some children, especially those from poor families. This school also arranged some hours in each evening for providing basic education to adults. Just after independence, a privately-owned college was set up 3 kilometres away in Nazipur and in 1985 it was taken over as a Government College and provided better facilities for students, including Bangdom. In 1996, a female college was established close to the bus stand location at Nazipur. This encouraged some families in Bangdom to send their girls to the female college on completion of high school, who were not interested in attending the government college because of co-education. As the government realised that there were clear demands for many vocationally trained people, even at local levels due to the expansion of technological changes in different sectors. In connection to this, a government grants vocational college was established in 1996 at Nazipur, which trained some young villagers from Bangdom, that have since engaged in some income production using the training.

Electricity in the village

Electricity reached Bangdom a couple of months before the fieldwork for this study started. Villagers in Bangdom expected electricity many years ago. Since there was no influential political leader in the village to manage the electricity office situated in the district town, their demand for electricity was not taken into consideration for many years. They asked the last parliament member of the constituency in which Bangdom is situated to demand electricity for the village.[61] The man was elected for the second time as a member of parliament and the election was held in 2001. Finally, electricity reached Bangdom in the middle of 2003. In order to get electricity to Bangdom however, the heads of two rich families in the village had to join the same political party (the then ruling party) of that parliament member, even though they were supporters/activists of the main opposition party at the time.

Villagers mentioned that electricity made their lives easier in many ways compared to the past. They considered it very essential for families of students, as electric lights made it easier to read books. Moreover, many villagers expressed that electricity helped them escape hot summers, where by the use of electric fans. Electricity provided comfort and happiness to many villagers in Bangdom, although many poor households lacked the ability to get electricity. They did not have the economic ability to bear the costs of having electricity. In fact, the rate of electricity usage was very high compared to the income level of many villagers.[62] Moreover, because of corruption in this sector, poor people quite often received unreasonable bills.

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[61] Some villagers in Bangdom mentioned that political leaders promise many things to get votes in elections, but these are not fulfilled.

[62] In 2006, 20 people were killed by law enforcement authorities in a rural area in northern Bangladesh whilst protesting against the high rate of electricity usage. All the victims were poor villagers.

5.9. Villagers' self-perception of the poverty issue

Most petty business entrepreneurs in this study perceived poverty as playing a crucial role in diversifying their current occupations. Knowing about the causes of poverty in rural communities in Bangladesh from a villagers' point of view therefore provides important information on this issue. Like many other places in the world, poverty has a very direct and severe influence on the livelihoods of villagers in Bangdom. Villagers themselves have put forward different issues that were directly and indirectly related to poverty in Bangdom. Nowadays an explicit global concern has noted that poverty is not a threat for a specific community, society, area or nation, rather it is a threat towards the whole world. Poverty is the greatest threat for social peace. The poor have not created poverty; our social mechanism has created and encouraged poverty in the world (Daily USA Today, November 27, 2006). [63] The villagers in Bangdom mentioned the following points as causes of poverty:

Birth in a poor family

When children from poor families grow up they do not receive any wealth from the parents, so it becomes hard for them to escape poverty. Consequently, they get stuck in poverty if no miracles happen during their life. The villagers in Bangdom mentioned that for most of those who suffered from poverty in their village, it was because they were born into poor families.

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[63] Professor Muhammad Yunus, the founder of the *Grameen* Bank and Nobel Laureate for peace, 2006, expressed poverty as being so.

Lack of education

The literacy rate in villages is much lower than cities and towns. In Bangdom most uneducated villagers lived under the poverty level. Uneducated villagers have very few options to improve their economic conditions. Recently, some government and non-government agencies are very much concerned about the education of poor children in Bangladesh, but in many cases, poor families have very little awareness to send their children to school. Most of the poor villagers still consider education as being for the rich because they have money, but the poor need to engage their children in economic activities from childhood (see also news.bbc.co.uk/2/hi/business/8054960.stm). Derived from such a background, the poor will always be stuck in poverty. Bangdom was not different from this trend.

Too many children/Too large a family

In the villagers' point of view, having many children is also one of the main causes for a family to live in poverty in Bangdom. Some families in Bangdom had many members, but not enough land or other resources to manage the necessities which gradually led them into extreme poverty.

Gender exploitation

Dowry, polygamy, abandonment of families by male household heads, low wages for women, discrimination against female children, play very severe roles in retaining poverty in rural societies in Bangladesh. The custom of dowry and discrimination against female children has continued to increase the level of poverty in villages. The female participants in group discussions expressed that gender exploitation was a strong obstacle to the reduction of poverty in their village.

Lack of adequate employment

There is no denying the fact that employment sectors are inadequate in Bangladesh, according to mass needs. Since most of the industries are situated in urban locations, rural people have little options other than to make their living through agriculture. There were not many employment sectors for the villagers in Bangdom, so the lack of adequate employment was one of the most important reasons for poverty.

Sickness or sudden death of the family breadwinner

When the head or breadwinner of a family becomes sick, the poverty level for that family worsens, leading families into a permanent poverty situation (e.g. the beggars' household in Bangdom). Alternatively, the death of the head or breadwinner similarly creates a permanent poverty situation for such families (e.g. the widows in Bangdom).

Inadequate institutional credit, making the poor dependent on usurious money lenders

The villagers expressed that although many government and non government organisations were working to eradicate the level of poverty in Bangdom, insufficient supply was unable to reduce poverty by a large amount. Moreover, because of the weak distribution of institutional credits, existence of usurious money lenders was still noticeable. Consequently, a considerable number of poor were dependent on usurious money lenders, making them unable to rid themselves of poverty.

Laziness and mismanagement of properties

Selling family properties and gambling habits among the main income earners plays a vital role in retaining poverty within rural communities. Some petty business entrepreneurs mentioned this as one of the main reasons why they were deprived of inherited assets (see the case study 11).

Lack of organisation and awareness among the poor

The inability of the poor to fight for their rights is another one of the main reasons for poverty in Bangladesh. Extortion by the powerful from the rural poor is very common, and ultimately strengthens social poverty. Some organisations are working to create awareness against this trend among the rural poor, although in many cases the local administrators of those organisations are convinced by the rural elites to act in favour of them. Many villagers in Bangdom considered this as one of the main obstacles for eradicating poverty from their lives.

Anita Desai has written a book called, "The village by the sea." In it, she talked about villagers and their struggles against the prevailing poverty in a village situated on the western coast of India. In her story, which was based on real facts, a boy had to move to Bombay (Mumbai) in his youth, in order to earn a living for his family (including himself, his parents and sisters) (Desai 1982).

My study on the livelihoods of the people in Bangdom more or less presents a similar picture of poverty as Desai. In my study however, a positive point was that petty business entrepreneurship activities enabled a considerable number of villagers to struggle against poverty, whilst staying in their own village. The next two chapters introduce the readers to the local entrepreneurs.

6. THE EMERGENCE OF PETTY BUSINESS ENTREPRENEURS

> J.M. Keynes in his now-famous essay, called "The Economic Prospects of Our Grandchildren," from 1930, wrote "In the not distance future, I envision the greatest upheaval that has hitherto occurred in human history. Of course, it will happen gradually, not as a catastrophe. Actually, this development has begun. What will happen is, quite simply, that the problems of economic necessity will be relieved for an increasing number of classes and groups of individuals." Keynes estimates, that this upheaval will take place within 100 years – in other words, by the year 2030.
>
> J.M. Keynes (1930): cited in Rolf Jensen 1999, P 75

6.1. Socio-economic features of Bangladesh – Past and present

When agriculture emerged 10,000 years ago, with it came the un-remitting effort to subjugate nature and achieve mastery over it (Jensen 1999, 11). Family life and production took place under the same roof. The pre-dominant part of the global population still perpetuates this way of life. With the beginning of agricultural livelihoods, people also started to think about keeping livestock, meaning that humans were investing in the future – realising that today's endeavours would not yield results until a certain number of months had passed (ibid.12). During this time, the concept of production was born. Production requires patience – an ability to postpone the gratification of needs, as well as the ability to think beyond a basic hand-to-mouth frame. Then with the desire to acquire wealth, the birth of the industrial revolution took place in Great Britain, around 1750.

With the birth of the industrial revolution, the world became divided into two: rich (industrial nations) and poor (non-industrial nations). This also increased the speed of colonial domination within the world. Ironically, the Indian sub-continent came under British colonial domination in the mid-18th century. Since then, the socio-economic environment of the Indian sub-continent was controlled by the British colonial power up until the middle of the twentieth century. Acting as a part of the British Indian province, the socio-economic environment of Bengal/Bangladesh was very much unstable throughout the colonial period.

The view from Golden Bengal

Six hundred years ago, the Moroccan adventurer Ibn Battuta, whose travels took him to Persia, China, Sumatra and Tumbuktu, recorded these impressions of Bengal: 'This is a country of great extent, and one in which rice is extremely abundant. Indeed, I have seen no region of the earth in which provisions are so plentiful' (Yule cited in Hartmann & Boyce 1990, 11). Rabindranath Tagore expressed: '*Dhono Dhanno Pushpe Bhora Amadeer Ei Boshundhara.*' [64] Translated to English it means, 'our motherland (Bengal/Bangladesh) is full of assets, full of crops, full of flowers.' Tagore's expression reveals the abandoned wealth was more than enough to fulfil the necessities of the people in the area of Bengal. Today, Bangladesh is considered one of the poorest countries in the world, where many of its population live under the poverty line (Azam &Imai 2009, 5). The decrease in Bengal's wealth did not happen in a day; rather it has resulted from chronic social, political and environmental tragedies in the region, which has currently turned into an alarming problem.

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[64] Tagore is the writer of the national anthem of Bangladesh.

The first envoy from the British court to the Mughals at the beginning of the seventeenth century said, "Bengal is feeding India" (Etienne 1997, 3). In the 1660s, Bernier, the famous French traveller, noted that, "Bengal produces so much rice that not only does it supply large quantities to its neighbour provinces, but also to remote countries." Bernier quoted also other produces like sugar, textiles, fruits, as well as fish, poultry… "In one word, Bengal is a country where everything is abundant" (ibid. 3).

Bangladesh was not only known for its agricultural products, but also for its high quality cotton textiles - famous Dhaka muslin fabrics - once prized in the imperial courts of Europe and Asia. Available data reveals that a thirty foot long and three foot wide muslin turban was so fine that it could be folded to fit inside a match box. The weavers of Dacca (Dhaka) once produced this cloth on their handlooms, using thread spun from cotton that grew along the bank of the Meghan River.[65] Today, the cotton and weavers have disappeared. The variety of cotton plant adapted to the moist Bengali climate is extinct, and Bangladesh must import virtually all of its cotton from abroad.

European traders started visiting Bengal in the sixteenth century and found Bengal land a place for making trade. First the Portuguese, and later the Dutch, French and English – were lured to Eastern Bengal above all by its legendary cotton textile industry, which at that time ranked among the greatest industries of the world. After the Portuguese, the British East India Company wrestled control of Bengal from its Muslim rulers in 1757,[66] and the line between trade and outright plunder faded. In the words of an English merchant, 'various and innumerable are the methods of oppressing the poor weavers. Such as by fines, imprisonment, floggings,

[65] Bangladesh lies in the delta of three great rivers – the Brahmaputra, the Gangas, and the Meghna.
[66] British ruled the Indian sub-continent a little less than two hundred years.

forcing bonds from them, etc.' By means of 'every conceivable form of roguery', the Company's merchant acquired the weavers' cloth for a fraction of its value (Mukherjee 1974, 302-303).

Ironically, profit from the lucrative trade in Bengali textiles helped to finance Britain's industrial revolution. As their own mechanised textile industry developed, the British eliminated competition from Bengali textiles through an elaborate network of restrictions and prohibitive duties. Not only were Indian textiles effectively shut out of the British market, but even within India, taxes discriminated against local cloth (Lamb 1955, 468). According to popular legend, the British cut off the thumbs of weavers, in order to destroy their craft. The decimation of local industry brought great hardship upon the Bengal people. In 1835, the Governor General of the East India Company reported to London: 'The misery hardly finds a parallel in the history of commerce.' The bones of the cotton-weavers are bleaching the plains of India (Mukherjee 1974, 304). The economic extortion by the British East India Company excluded a huge number of people from Dhaka (Dacca), the population in Dhaka was reduced from 150,000 to 40,000, even less. As a result, Dhaka, which used to be the "Manchester" of India, fell from being a flourishing town, to a very poor, small one (ibid. 537-538). With the decline of local industry, Bengal assumed a new role in the emerging international division of labour as a supplier of agricultural raw materials. At first, using a contract labour system not far from slavery, British planters forced Bengali peasants to grow indigo,[67] a plant used to make blue dye (Hartmann & Boyce 1990, 13).

In 1859, a great peasant insurgency swept Bengal, and after this 'indigo mutiny' the planters moved west to Bihar. Jute, the fibre used to

[67] During the American Revolution the British lost their American sources of indigo. As a result, the East India Company was encouraged to grow indigo in Bengal (Kling 1966, 17).

make rope and burlap, soon became the region's main cash crop. By the turn of the century, Bengal produced over half of the world's jute. Jute was known as the "golden fibre of Bengal." Unfortunately, under British rule not a single mill for its processing was ever built there. Instead, raw jute was shipped for manufacture to Calcutta (*Kolikata*), where the British East India Company held its headquarters - also commonly known as the burgeoning metropolis of West Bengal - or exported to Britain and elsewhere (ibid. 14).

The land reform act and its impacts on the lives of the Bengali people

The British not only promoted commercial agriculture, they also introduced a new system of land ownership to Bengal. Before their arrival, private ownership of agriculture land did not exist – land could not be bought or sold. Instead peasants had the right to plough soil, and *zamindars*, notables appointed by Muslim rulers, had the right to collect taxes. Land was plentiful, so if the exactions of the *zamindar* became too severe the peasants could escape simply by moving elsewhere. In the Permanent Settlement of 1793, hoping to create a class of loyal supporters as well as finance their administration, the British vested land ownership to the *zamindars*, which were required to pay a yearly tax to British rulers. In one stroke, land became private property that could be bought and sold. If a *zamindar* failed to pay his taxes, the state could auction off his land. The architects of the settlement set a fixed tax rate, expecting the new landlords would then devote their energy towards improving their estates. But *zamindars* found it much easier to collect rent, than to invest in farming. Instead of becoming agricultural entrepreneurs, they became absentee landlords. Numerous intermediates – sometimes as many as fifty – each of whom sub-leased land and took a share of the rent, arose between

zamindars and the actual tillers of the soil (Abdullah 1976, 69). Excessive rents had a devastating effect on peasants, forcing them to borrow from moneylenders whose usurious interest rates further impoverished them. As early as 1832, a British enquiry commission noted that the settlement fashioned with great care and deliberation had to their painful knowledge subjected almost all the lower classes to the most dreadful oppression (Hartmann & Boyce 1990, 11-14).

Little of the wealth extracted from peasant producers by way of commercial agriculture, rent and land taxation, was ever productively invested in Bengal. The budget of the colonial government clearly revealed the colonists' sense of priorities. Resources that could have financed development were instead devoted to subjugating the population. For example, in its 1935–1936 budget, the Indian Government spent 703 million rupees on military services and the administration of justice, jails and police. Another 527 million rupees were paid as interest, largely to British banks. Only 36 million rupees were invested in agriculture and industry (ibid. 14).

The loss of communal harmony

In end of eighteenth century, the British set their original tax assessment so high that many estates were soon sold to arrears, and as a result land rapidly changed hands, passing from old Muslim aristocracy to a rising class of Hindu merchants. In eastern Bengal (now Bangladesh), where the majority of peasants were Muslim, Hindu *zamindars* came to own three-quarters of land. Conflict between landlords and tenants began to take on a religious flavour. The British rulers in India had probably planned this (Tripathi 1967, 95).

Throughout their rule, the British consciously exploited Hindu-Muslim antagonism in a divide-and-rule strategy. Overall, the Bengali

population is roughly half Hindu and half Muslim, with Muslims concentrated in the east and Hindus in the west. At first, the British favoured Hindus, distrusting the Muslims from whom they seized power. But as nationalism took hold among Hindu middle classes in the late nineteenth century, the British tried to win the support of well-to-do Muslims by offering them more government jobs and educational opportunities. This strategy culminated in the late 1905 Partition of Bengal, and created a predominantly Muslim province of East Bengal, with Dhaka (Dacca) as its capital. The Partition exacerbated Hindu-Muslim tensions (ibid).

The Separation of Bengal

When the departing British carved the Indian subcontinent into Hindu and Muslim homelands in 1947, Bengal was again divided. West Bengal, including Calcutta (*Kolikata*), became a part of independent India, and East Bengal became East Pakistan. This division caused many Hindu families from East Bengal to migrate to India. In addition to this, in the part of East Bengal (born as East Pakistan) the oppressive *zamindari* system was formally abolished. As a result, control of the land passed into the hands of new rural Muslim elites. Although the members of these new elites lived in the villages, they were reluctant to invest in agricultural production. They preferred the easier profit of trade and money lending, than depending on the lengthy process of agricultural outputs. Because of this, agriculture continued to stagnate.

Cut off from Calcutta, East Pakistan experienced a limited amount of industrial development. The first jute mills were at last built in the world's foremost jute-producing region. Growth remained stunted however, by the new quasi-colonial relationship in which West Pakistanis replaced the British. The majority of Pakistan's people lived in the eastern

wing, yet those from the west dominated the military and civil service. Moreover, in 1952 West Pakistani authorities declared *Urdu* as the only national language of Pakistan, disregarding Bengali (*Bangla*) completely. Finally, they were forced to withdraw their decision but it cost the lives of several great Bengalis who were martyred by the West Pakistani armies in a mass demonstration, which was carried out in Dhaka (Dacca) against West Pakistani fascism. Apart from this, East Pakistan's jute was the main source of the nation's foreign exchange, but development expenditures were concentrated in West Pakistan. Incomes grew in the west, but not in the east, and the widening disparities fuelled political tensions between the two wings. Whatever the experience, it is clear that colonialism changed the social structures, political, economic system, and cultural norms of Bengal (Willis 2005, 20). The legacy of these changes continued into independence.[68]

The birth of Bangladesh

In 1971, politicians, along with the people, finally brought huge demonstrations into the streets, against the extortion of West Pakistani rulers over East Pakistani people. The stage was set by the December 1970 election, when Sheikh Mujibur Rahman's Awami League won an overwhelming victory in East Pakistan, on a platform of regional autonomy. West Pakistani rulers considered the Awami League's programme as secessionist and responded by launching a vicious military crackdown. When West Pakistani military rulers refused to hand over power to the elected parliamentarians led by Sheikh Mujibur Rahman (Founder of Bangladesh) and started to kill the innocent people in East Pakistan, the people in East Pakistan moved a step forward towards

[68] March 1971, Sheikh Mujibur Rahman announces breakaway from East Pakistan and establishment of Bangladesh (see also news.bbc.co.uk/2/hi/south_asia/8483988.stm).

having a sovereign land. On 7th of March 1971, at a huge public meeting in Dhaka, Sheikh Mujibur Rahman declared: '*Ebareer Shangram Amadeer Mooktir Shangram, Ebareer Shanggram Shadhinater Shangram*'. The translation is 'This is the struggle for liberation, the struggle for independence.' After his rhetoric speech, common people and political leaders waged a guerrilla struggle and continued fighting against the cruel West Pakistani armies. Over nine months of guerrilla war that demanded the lives of three million martyrs (*shahid muktijoddha*), Bangladesh occupied a place on the world map. Bengalis pronounced the official name of their independent land 'People's Republic of Bangladesh', with an area of 144,000 square kilometres and 70 million inhabitants.

Post independence in Bangladesh

Independence brought hopes that the country, freed at last from the shackles of colonial domination, could itself begin to address the needs of its people. But beneath the euphoria of independence lurked the deeply rooted problems of economic stagnation and poverty. The country became known for its low productive agriculture and large unemployment. Jute,[69] which had been considered as the main cash crop, could not retain the economic strength of the villagers.[70] As a newborn country with the experience of a guerrilla war, the post independent Bangladesh turned into a land of hunger. In 1974 the country suffered a severe famine and an estimated 100,000 people died from starvation (Hartmann & Boyce 1990, 16). Although the government attributed the famine to floods,[71] many

[69] World market demand for jute started to expand after 1920 and continued to do so until the late 1960s. After that synthetic substitutes began to displace jute (Faraizi 1994, 64).
[70] While conducting a study in a village (1974-1976), two Western Anthropologists were asked by a peasant, 'jute is called the golden fibre of Bangladesh, but who received the gold?' (Hartmann & Boyce 1981, 189).
[71] Between 1960 and 1971, there were nine major cyclones and tornados and six major floods in Bangladesh, causing about 250,000 deaths and loss of crops worth Tk 2,530 million (this excludes crop losses due to the 1970 cyclone for which no figures are available) (Siddiqui 2000, 50).

Bengalis placed the blame on the corruption and inefficiency of the ruling party. Aid officials conceded that the problem was not so much a lack of supply of food grains, as inadequate distribution. Corruption forms an attribute of the fabric of public politics and bureaucratic life in developing countries. Some politicians, legislators and superior officials frequently take advantage of their position to make undue gain for themselves, their family, or social group (Myrdal 1968, 948). With all these bad experiences, poor people became frustrated and many of them stated that 'first the English robbed us. Then the West Pakistanis robbed us. Now, we are robbed by some of our own people' (Hartmann & Boyce 1990, 16).

Suffering from the unexpected myriad of problems, the newborn Bangladesh faced difficult social and economic turmoil. Since this region did not have an industrial base (whilst serving as part of British India and after as part of Pakistan), 90% of the peoples' livelihood became dependent on agriculture.[72] Industry was constrained by both the lack of investment and impoverishment of people from the market and employed only 7% of the country's workforce in cities. Among the remaining 3%, most were involved in government jobs and physical labouring in cities (ibid.). In order to serve the mass number of rural inhabitants for their economic necessities, the government of Bangladesh with the support of international AID agencies, commenced various agricultural development projects. These development projects were not able to improve the conditions of all levels of farmers, which has been described and analysed in chapter 3 of this book. Therefore, a considerable number of rural people were forced to manage their living through non-agricultural sources. In the process of this transformation, gaining a livelihood through petty business activities became common in rural Bangladesh.

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[72] Among the 90%, there were landowners, sharecroppers and agriculture labourers.

6.2. Diversification into business – Case study

Case study 1: As previously noted land has long been the key resource in rural Bangladesh and a central factor in each household's social status and economic strategy. Land is much more than any other commodity; it represents security and is held in an almost mystical regard. In rural culture, to lose land is a matter of shame that may damage the household's long-term economic prospects (White 1992, 53). Nevertheless, an overall increase in pressure on resources, with the declining ratio of land to people, has been changing this traditional socio-economic value. Land, the ultimate source of wealth and power in rural Bangladesh, is becoming concentrated in fewer and fewer hands (Hartmann & Boyce 1981, 182). Over time, tremendous demographic pressure has also reduced the per capita land owned. The top holding group in Bangladesh is also experiencing a decline in their average quantity of landownership. At the same time, there has been an emergence of a huge mass of marginal and landless rural households (Ullah 1996, 10). Erik G. Jansen's study on rural Bangladesh in 1987, found that twenty years ago only a small percentage of rural households did not own agricultural land; today about one third of rural households are landless[73] (Jansen 1999, 2). Another study shows that 50% of rural households in 1978 were technically landless in terms of ownership, when 'landless' is defined as owning less than 0.5 acres of land, excluding a homestead (Januzzi & Peach 1980, 47). My study found 54% of the households in Bangdom were landless, if 'landless' is defined as owning less than 0.5 acres land, including the homestead. In Bangladesh, where the reduction of land is a common and continuing threat to the lives and livelihood of rural inhabitants;

[73]A report shows that in 20 years, about 5 million acres of arable land (*abadi Jomi*) have been reduced from farmer ownership, mainly due to population increases (Daily Ittefaq, Nov. 16, 2007). Another report shows that in recent years one hundred and forty thousand acres of arable land on average are getting reduced annually (Daily Prothom-Alo, May 5, 2010).

entrepreneurship in petty business activities has provided a way out for a considerable number of villagers. The case of Abu Abbas portrays a facet of it:

Abu Abbas, a 40 year old villager from Bangdom, had been doing business for 12 years. During his grandfather's time, the family belonged to the well-to-do families within the village. His grandfather had 30 acres of land, which was enough to manage the needs of the 10 member family he had. When Abbas's father formed his own household he inherited 5.5 acres land. Abbas's father had 4 sons and 3 daughters. The land he inherited was not enough to mange necessities of such a big family, but there was no severe economic problem. Nevertheless, the family fell into a serious economic problem when his father was attacked by a chronic sickness. That compelled his father to sell most of the land and get treatment in the city.

When Abu Abbas formed his own household, he inherited only a shared home and the homestead area with his 3 other brothers. Upon separation, he began looking for a job to manage the necessities of his newly formed family. However, he could not manage to have a livelihood through agriculture, due to the scarcity of land. If he still wanted a livelihood through an agricultural source of income, there were two options for him. Either working as an agricultural labourer or cultivating some land as a sharecropper. He did not want to do either of these, considering the prestige of his father and grandfather.

He became very worried about the expenditure of the family, because he was married and had a child. This situation continued for a couple of months and the family survived through economic support received from his parents-in-law. He was offered a proposal from a neighbour to do business together. Considering the proposal would have potential to overcome his economic problems, they started a business

buying onions from border areas and selling them in different bazaars close to Bangdom.[74]

The case of Abu Abbas shows the scarcity of land forced him into taking up a new lifestyle. If he had inherited enough wealth (e.g. land) in this case, he would not have needed to be involved in a business to manage his livelihood. He could have inherited land, but it was not possible in his case, because his father had to sell it due to his chronic illness. If we consider his father's situation in the context of Finland, then there might have been different features. In a welfare state, the state's institutions are responsible for taking care of the situation that his father was in. The economy of a developing country cannot provide its citizens with many basic necessities. In Bangladesh where material scarcity is extreme, there is high demand and market for many goods and services that are free and available to all in Finnish societies, and also in some other societies (Jansen 1999, 10).

Case study 2*:* There is no doubt however, that in Bangladesh due to the alarming growth of the population, the pressures on natural resources such as land have reduced the viability of pastoralism and the livelihoods of foragers (Wilson 2004, vii). In 1971 when Bangladesh became independent, its population was at half of its current level. The scarcity of land is weakening the traditional economic values of rural people and forcing many of them to manage necessities through non-traditional sources. The emergence of Ishan Ali as a petty business entrepreneur reveals this:

Ishan Ali was involved in a transportation business with a *van,* which he bought a couple of years ago. He was 47 years old and the father of two married daughters. He received the chance to go to school only up to

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[74] Bangladesh is surrounded by India on three sides. Indian goods are commonly received at the border from importers and also from people who have illegal cross border trade. Bangdom is only 20 kilometres away from the nearest Indian border.

grade five, but then had to quit for different reasons. Among these reasons, his father's lack of willingness was the main one. He was born into a big family, where he had 2 brothers and 5 sisters. His father inherited 3 acres of arable land, which was more or less a sufficient amount of land to manage the necessities of the family. Nevertheless, his father was very lazy and was not good at growing crops on the land. Therefore he had to sell parts of the land each year to manage the needs of the family. When Ishan Ali got older and started to understand the situation, he suggested to his father to not sell the land, but rather keep it for growing crops and thus meet the needs of the family. Ishan's encouragement helped change his father's mind and they started to grow crops in the field, almost all year round. The economic condition of the family became better than before, but did not continue for long. When Ishan's sisters came of age, the family had to prepare to arrange their marriages. In order to do so, Ishan's father had to sell a big part of the family's land. The decrease in land caused Ishan's father to be unable to manage the family consumptions as before. Consequently, Ishan and the other brothers had to start working as agricultural labourers in the lands of rich farmers.

While working as an agriculture labourer, Ishan got married and after some months of marriage formed his new family. He inherited only 15 decimals (0.15 acres) of land from his father; his 2 other brothers inherited the same. He continued managing the necessities of his family by working as an agricultural labourer. He also managed to have some income through cultivating the small piece of land he had inherited. When children arrived, the family needed more income to meet the increasing necessities. As a result, he began working in a brickfield with the expectation of earning more than through agriculture labouring. This job enabled him to earn more than working as an agricultural labourer, but caused much

physical and mental suffering. He had to stay outside of the home for many days and sometimes for many weeks at a time. He was also cheated by the owner of the brickfield, who did not pay as much as he promised to pay initially. Consequently, he quit and started looking for another job. One of his relatives from Nazipur suggested he pull a *rickshaw* by renting one from a garage. At the time when he began pulling a *rickshaw,* rapid road developments required an increase in transportation to meet the demands of people in the area[75]. It also provided the opportunity to the poor people to manage their living through pulling *rickshaws*.

Through *rickshaw* pulling of Nazipur and its surroundings, Ishan managed to earn 60-70 taka ($2) each day, from which he had to pay 10 taka to the *rickshaw* owner. After 10 years of *rickshaw* pulling, he decided to buy a *van* to save on the money he paid as rent to the owner and thus begin his own enterprise. He considered buying a *van* instead of a *rickshaw* because pulling a *van* generates more income than pulling a *rickshaw*, as more passengers or goods can be carried at a time. Without enough savings to buy the vehicle, he had to take a loan. He received 3000 taka ($75), although he had to mortgage the land he had inherited from his father. Within a year he was able to pay back the bank loan and continued to achieve economic success.

Case study 3: The scarcity of land gets more severe in Bangladesh from generation to generation, because population of the country has reached such a problematic stage, which is not very easy to manage. Without land there is often no food. Those who do not have land still have to survive struggling against poverty. Salam Mondol, from Bangdom, is an example of one who was able to overcome poverty through petty business:

Salam Mondol had a fertiliser and pesticide shop at Nazipur bus stand bazaar. He was 40 years old and the first person in the family in

[75] The cow-pulled cart has gradually become obsolete.

generations that was involved in business. He had two brothers, one of them worked in the village as an agricultural labourer and the other one worked in a garment factory in Dhaka. Salam's grandfather had 3 acres of arable land, by which the family managed their necessities without much economic difficulty. When Salam's father was married, he received only 1 acre of arable land and shared the home with his two brothers. Salam's father only received 1 acre of arable land, but managed through cultivating this land and sharecropping some further land. Nevertheless, when the family started to get bigger, he became unable to manage necessities as before. As a result, Salam quit school and he and his two brothers had to help their father meet the family requirements.

Salam began to work as an agricultural labourer at the age of 12 and continued to do so for 10 years. By that time, he was married and had 2 children. The jobs he did were very hard and paid very little. The expansion of the family required more income, but could not be managed through agricultural labouring. Visiting Nazipur to find a job, he enquired at different shops for employment. Salam mentioned that it was one of the happiest days of his life, when he was accepted for a job in a fertiliser shop as a sales person.

It was in the mid eighties when he received the opportunity to do something else other than agricultural labouring. He continued there for 6 years as a sales person. As the salary he received was not as good as he deserved, he planned to open his own fertiliser shop, although he did not have enough financial capital.

After discussing the matter with the shop owner, they made a deal that everyday Salam would take a small amount of fertiliser from the shop to sell and would pay the shop owner in the evening, after taking his own profit. The business begun in 1990 utilising a public place (footpath) at Nazipur bus stand bazaar and was successful. Gaining confidence, he

planned to make a permanent shop in the public place, although this was illegal. With the help of some local political leaders, whom he came to know through his business, he managed to do so. Having spent all the savings he made in a year to construct the shop, he did not have any money left for buying the goods to run the business.

Again he talked to his previous employer, to acquire fertilisers to sell. The owner gave him fertiliser equivalent to 20,000 taka ($500), which he had to pay back in 6 months, with interest. Although it was a very tough deal, he took up the challenge, and succeeded. Salam had moved from operating his business in a public place to a rented room in a mini market place at Nazipur bus stand bazaar in the beginning of 2004, when government authorities drove out all illegal occupants from public places (ref. foreword).

Case study 4: Population growth is an inherently polarising force in rural Bangladesh. Richer households deteriorate more slowly than poor people in this case (Schendel cited in Boyce 1983, 387). Many rural people in Bangladesh used to consider having more children to provide both economic (a subsistence level safety) and social security. Rich families benefit in having more members in the family for economic advancement, but for the poor it mostly results in the opposite. In such situations, poor families need to find something else other than agriculture, to manage their necessities. The following case is an example of this:

Tosher Ali was born into a big family. He had 6 brothers and 2 sisters. His grandfather was a self-sufficient farmer in the village, but since his father's time economic uncertainty pushed the family into the very poor economic category. Tosher's father inherited some land, but had to sell in different crisis situations to meet the needs of such a big family. Tosher did not receive the chance to go to school. He mentioned that when he was a child, attending school was not common for village

children. Only children from rich families had this opportunity, if their parents were interested.

Although Tosher began his career as an agricultural labourer, he had a very strong attraction to business. He mentioned that in his village he did not see poor peasants or agricultural labourers improve their economic condition through agricultural income sources. This was the main reason why he became interested in doing business; however he was unable to directly start a business at the beginning of his career, because he did not have financial capital. Therefore, he began as an agricultural labourer.

He did not receive a good salary by working as agricultural labourer, but was able to save some of his wages. He was single and had no one depending on his income. The savings finally provided him the chance to switch from agricultural labouring to business. He started a business selling cigarettes and *bidi*.[76] The job as a cigarette and *bidi* hawker opened a new economic prospect for him, which he liked, although dealing with different customers seemed to be difficult for him. In order to make a good profit, he visited different *hats* and bazaars situated in remote areas to sell his cigarettes and *bidi*. He continued for 4 years and managed to earn better wages than he used to get by working as an agricultural labourer. After 4 years, he stopped the hawking business when it became less profitable. The development of roads and highways opened up opportunities for goods to be easily reached in remote locations, making his business less and less profitable each day.

Termination of that business took him back to agricultural labouring. He could hardly manage the necessities of his 4 family members with the income from agricultural labouring and as a result, had started spending the savings from the hawking business. He planned to begin a new business in buying and selling green and dried chillies. He bought

[76]Bidi is locally made tobacco, which people from country areas, especially the poor, smoke a lot.

goods from the *hats* where he could buy directly from the farmers and then sold on the produce to different *hats* and bazaars close to Bangdom. He began the business using the savings from his previous hawking business. He continued for 7 years, although he had to stop because he was cheated by one of his suppliers. The incident made him very weak economically, but he did not want to opt out of business as an occupation. Therefore, he became involved in buying onions from different places to sell at Nazipur. At the time of this study, Tosher Ali had been in business for 20 years and hoped to continue for the rest of his life.

Case study 5: Demographic change within families is common in rural Bangladesh. Some families easily manage to cope with this change with economic surplus derived from extended wealth and good kinship mechanism. Unfortunately, many villagers lack both of these and therefore searching for economic opportunities to cope with these changing situations is becoming common practice in rural areas of Bangladesh. Petty businesses are providing opportunities to many villagers, when the need to cope with such situations arises. The case of Akkas Rahman is an example of this:

Akkas Rahman was born into a very poor family about 56 years ago. He did not have the chance to pursue his childhood in a happy and joyful environment, unlike some other children in his village. He did not even get the chance to attend school. He had to work with his father around the home since he was 6-7 years old. He did not have any complaints against his parents for having such a childhood. He considered it was his fate. As a juvenile, he began work as an agricultural labourer on the land of rich farmers in Bangdom, to provide economic support to his parents. He worked as an agricultural labourer for 25 years, during which he got married, formed his own household and became the father of 4 children. The demographic change in the family forced him to look for another

employment opportunity. Therefore he began *rickshaw* pulling at Nazipur and from the first day was able to earn more than what he used to earn as an agricultural labourer.

He managed the necessities of his family through *rickshaw* pulling for 10 years. He also encouraged his older son to become involved in the same work, when he stopped school. His son's involvement made them able to manage better than earlier. When his other children became older, the family required more income, which was not met through *rickshaw* pulling. In order to cope with such a situation, he had to find something else that could provide more income to the family. When Nazipur became a municipal town, the migration of people to Nazipur from nearby villages and thanas opened up an opportunity for him to start a business at Nazipur bus stand bazaar. In 1999, he started a mini tea stall (*cha-er-dokan*) at Nazipur bus stand bazaar, using a public place. His older son continued in *rickshaw* pulling. Akkas found the tea stall business generated much more income than his previous work and continued. When his second son showed interest in providing some economic contribution towards the family, Akkas took him on to work in his business. Akkas did not want to have his son working with him, but rather continue in his education. Nevertheless, his son decided to join his father's business when he was in grade eight at school.

After few months of his son's involvement in the business, Akkas thought it could be possible that his son start work as a mechanic fixing *rickshaws*, *vans* and bicycles. Akkas could then set up a separate business close to his tea stall, as the number of *rickshaws* and *vans* were increasing in the area. Many poor people found *rickshaw* and *van* pulling generated more income than agricultural workers or as wage labourers. He sent his son to learn with a professional, and he learnt within a year, after which Akkas and his second son set up a business close to and four years after starting

the tea stall. Akkas Rahman owned two businesses at the time of being interviewed. The selling of spare parts of *rickshaws*, *vans* and bicycles was also part of the second business. The new business provided good employment for his second son. In the context of villages in Bangladesh, it is important to note the role of 'guardians (*avivabokh*)'[77] who develop different networks for their peers and experiment with new ideas and practices. Based on the observed success of these 'guardians', new ideas and practices are slowly adopted by other household members, and some ideas eventually even spread to other households within the community. By actively expanding opportunities, 'guardians' are more ambitious and improve the wellbeing of households.

Case study 6: The effects of natural disasters, especially floods during the monsoon season, hamper the agricultural sector. Moreover, acid rain, extreme drought, cyclones and other types of natural disasters are obstacles to making profits from agriculture. The flood in 1988 and cyclone in 1991 had very bad effects on rural livelihoods in Bangladesh, which impinged upon the corners of Western media (Lewis 1991, 14). How natural disasters changed the livelihoods of villagers in Bangladesh towards different economic directions would not be known without in-depth interviews with the petty business entrepreneurs from Bangdom. Natural disasters not only damage economic prospects for the villagers, it brings economic uncertainty to the whole nation, as agriculture is the backbone of the national economy in Bangladesh (Garry 1999, 27). In Bangladesh, flood damage to the '*Aman*' paddy destroys the main subsistence crop for peasants and cash crop for surplus farmers. Most of those depending on agriculture in Bangladesh are poor peasants, so one disastrous flood brings bad economic misery to society.[78] The case below

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[77] Usually the head of a household

[78] Large farmers usually have spare capacity; one bad year will not leave the family starving. Reversibly, one bad season can destroy the economic backbone of subsistence farmers.

is an example of economic breakthrough through petty business after a disastrous flood, enabling the situation to be overcome:

Zaman Khan's transformation from peasantry to having a business took place in 1995, just after the disastrous flood that damaged the crops of many farmers in the area. Zaman Khan was 40 years old. He began his work life in agriculture as an assistant to his father since he was of school age. He quit school after completing grade five because there was no family support to continue. Zaman's grandfather was a well-to-do farmer in the village, who owned 20 acres of land. Nevertheless, due to being a big family, Zaman's father and his 4 brothers inherited only 3 acres of land each, when they formed their own households. His father's 3 sisters also inherited some land from his grandfather.

Zaman Khan began his own family in the mid eighties by cultivating 20 decimals (0.20 acres) of the arable land he had inherited, as well as sharecropping some further land acquired from a rich farmer within the village. The income he had was not enough to fulfil all necessities, but covered food and other basic requirements for his family of 4; himself, his wife, son and his mother. In 1995 he was forced to stop agricultural practices, when flood damaged almost all of his crops. He was uneasy when mentioning the time his family changed from agriculture, as they did not even have any rice to cook or money to buy food after the flood that year. When the flood situation improved and the paddies were harvested, there was hardly enough food for two weeks.

To tackle the unexpected situation, they turned the paddies from the post-flood harvest into rice to sell at the market.[79] Zaman earned 1700 taka ($35) from selling the rice at Nazipur bus stand bazaar. Some of the money bought basic necessities for the family, whilst the rest was invested in paddies to run the business. This business was found to be more

[79] In Bangladesh after floods, the price of rice increases more than usual.

income generating than cultivation and therefore Zaman continued. For 7 years, Zaman operated the business utilising a tiny place on the footpath, moving in 2004 to a rented place in an open market, as this was more secure than taking the risk of being driven out from the footpath location (ref. foreword).

Case study 7: Institutional impediments for the dissemination of new agricultural inputs clearly lead to non-agricultural expansion in developing countries. This has been described by many scholars studying rural transformation and income generations in south Asia. As 90% of peoples' livelihoods in Bangladesh were dependent on agricultural income sources after independence, many initiatives for agricultural development were started by the government, with cooperation from donor agencies under the umbrella of a 'Green Revolution' to help all levels of agricultural dependents in Bangladesh.

Narrowly defined, the Green Revolution was the rapid growth of Third World grain output, associated with the introduction of a new package of tropical agricultural inputs. The package essentially consisted of a combination of improved grain varieties, mainly rice and wheat, heavy fertiliser usage and carefully controlled irrigation. The Green Revolution also included inputs such as mechanical pumps, tractors, threshers, reapers, and combines, which all contributed to rising yields and output.

The effect of the "Green Revolution" did not benefit poor and middle class farmers, so much as it strengthened agricultural capitalism in the rural agricultural sector (Chowdhury 1978, 61). In fact, in some Asian countries, the Green Revolution only provided benefit to capitalist farmers and neglected non-capitalist groups (Harry 1972, 180-181). As a result, in parts of Asia the Green Revolution produced a negative impact on social stability and increased peasant uncertainty. An evaluation sponsored by the Swedish International Development Authority (SIDA), which helped to

finance the agricultural irrigation project in Bangladesh, found that 270 tube-wells that were allotted to a village as an irrigation facility for villagers and were all situated on the land of well-to-do farmers, who were chairpersons and managers of the irrigation group (cited in Hartmann & Boyce 1981, 201). One of AID's main activities in Bangladesh is the provision of fertiliser. Fertiliser prices are highly subsidised by the government, ostensibly in order to help small and large farmers alike to increase production. But whom does the subsidy really benefit? According to a World Bank report, "By most accounts farmers usually have to pay the market rather than the subsidised price, the margin benefits the middlemen instead of the farmers" (ibid. 203). The middlemen are the same merchants, landowners and local officials who hold the reins of power in rural Bangladesh.[80] Not much trickles down to the poor. The poor peasants have been experiencing nothing except deprivation because this is a social reality in rural Bangladesh. Ahad Uddin from Bangdom, whose transformation from agriculture to business reveals this:

Ahad Uddin was 45 years old and had a small tea stall (*cha-er-dokan*) in front of the mosque situated in the centre of Nazipur bus stand bazaar. In the beginning of his work life Ahad was involved in agriculture for 10 years. His work life began when he was in school because of economic problems in his fathers' family. After completing nine grades he had to stop become involved in agriculture alongside his father. There were 6 members in his fathers' family including him, his mother and 3 brothers. His 3 brothers also worked with their father. When their father became old he (father) stopped working in the fields and became unable to take care of family matters. As a result, the family was divided into smaller households but continued living in the same house.

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[80] Corruption is prevalent in the administration of the government schemes and generally those who are affected by government policy are from wealthy families.

After the separation, Ahad was married at the age of 22. His relatives found a bride for him from a village 10 kilometres away from Bangdom, situated in a nearby thana. His conjugal life began and he managed the needs of the family by cultivating arable land (1 acre) he inherited from his father. After some months of marriage, he planned to build a separate home because living in a shared home became difficult. Since he did not have any savings, he had to sell part of his land to build the new home. Gradually, his family became larger and required more income, not possible through only agriculture. The increasing cost and inadequate supply of fertilisers was the main obstacle for him retaining agriculture as the only source of income for his family. Secondly, he was unable to receive facilities provided by the government of modern agricultural inputs to small peasants. He also could not get a loan from the government banks, although the banks had many projects to help peasants. According to him, the complicated bureaucratic procedures and other related problems made him unable to acquire a loan from the banks. In such a situation, he opened up a grocery shop at Nazipur bus stand bazaar in the mid nineties. He was unable to continue making good profit from the business, due to overwhelming competition. Finally, he began a tea stall and had been running that business for 5 years as the primary source of income for his 5 member family.

In Bangladesh, the increasing cost of essential agricultural inputs, such as fertilisers and pesticides, is discouraging many marginal farmers to continuing farming occupations.[81] In particular, poor and middle class farmers are caught in a dilemma with costly fertilisers and pesticides. Usually they do not have enough money to buy the costly fertilisers and

[81] The dealership of fertilisers is given to a few wholesale agents who create the occasional fertiliser crisis for mal profit. Many times poor farmers demonstrate against such brutal manipulation, but are rarely successful. Derived from such a background in 1995, 15 peasants were killed by government forces carrying out a demonstration protesting against the corruption of fertiliser distributors.

pesticides when paying the market prices. In this case, the so called Green Revolution rarely benefited poor peasants. Consequently, the Green Revolution caused a serious increase in inequality between different classes of farmers in rural areas. It gave the opportunity for landlords to acquire more land and a trend towards some variation in the classical capitalist two-class dichotomy (Harry 1972, 182). Unfortunately, Bangladesh and many other developing countries do not possess an efficient and well-developed administrative system suited to cope with the problems of social change and development planning (Choudhury 1978, 45). Rich farmers easily influenced management bodies of the Green Revolution to their advantage, disenfranchising poor and middle-income farmers. The poor and middle-income farmers did not have the financial self-sufficiency necessary to own agricultural technology. Eventually, many of them were forced to make their living through non-agricultural means of income. An example from the microeconomic theory expressed that peasants were 'efficient but poor' (Schultz cited in Wilson 2004, 2), which has very practical relevance to the social reality in Bangladesh.

Case study 8: The impact of the Green Revolution badly affected the fate of agriculture workers. Less labour-intensive technological processes in farming (e.g. using tractor plough and machine harvesters) forced many agriculture workers towards alternative income sources. It was evidenced that technology, while making us able to exploit almost all of the world's societies, also produces by-products that can be devastating to the survival of many in the societies, including possibly, our own (Miller & Weitz 1979, 33). A study on rural wage infrastructure shows that in 1974, real wages for agricultural labourers had fallen to less than two-thirds of the level in 1963 (Kahn 1977, 55). It can therefore be said that the agricultural development project, the 'Green Revolution,' did not only increase the production capacity of rich farmers, but also increased

economic insecurity for many villagers, and decreased the number dependent on agricultural labouring. In the following example, the work history of a petty business entrepreneur is shown:

Shoheb Ali was 50 years old and born in a village 15 kilometres away from Bangdom but he had been living in this village for 20 years. He was the oldest child among 8 children in his parents' family. Due to the extreme poverty in the family neither he nor any of his brother and sister got chance to go to school. Ironically, Shoheb had to begin his work life at the age of 12 years as an agricultural labourer with to contribute to the living of his younger brothers and sisters. He continued working as an agricultural labourer for 20 years and got married to a girl in the village where he was employed.

Ali came to Nazipur and rented a *rickshaw* from a garage because modern technology in agriculture had forced many villagers to find alternative work. To fully benefit from his economic progress, he pulled the *rickshaw* 15 hours every day. The resulting savings enabled him to buy his own *rickshaw* and manage his own enterprise and family necessities, as he had been doing for 10 years already. Later he was able to buy two *vans,* where he pulled one and his son the other.

Generally though, the traditional way of life on land has not been undisturbed. Technical improvements in agriculture have increased the productivity of labour, so that enough food for all can be grown by fewer, resulting in higher incomes for rich farmers, rural unemployment and migration towards towns. The same basic economic forces that operated in England during the industrial revolution have been extended to the context of the Green Revolution in improving the country's agricultural development (Goldthorpe 1984, 89). Agricultural wages are already low due to falling demands for labour, resulting from technological changes. In Bangladesh, agriculture wages have fallen even lower due to common

practices of capitalist farmers paying as little as possible to agriculture labourers. What Sarah White heard from an agricultural labourer while conducting fieldwork in a Bangladeshi village in 1985-86 was: *"Listen, let me tell you something. It was the lean time, and we weren't getting work anywhere. I'd come back home and my kids were crying: Dad, I am hungry; and I had nothing to give them to eat. So we went to Akhbar's father (one of the richest farmers in the village) and asked if he had any work? He said he had some earth work that needed doing, how much would we take? So we thought: it's the lean time, there's no point in hustling and asking much. If we get six taka ($0.30) we can just about manage. So, that was what we asked for. So, he said: Oh, my sons just bought a Honda (motorbike), six taka how can I manage that? So, there we are, listening to the tale of his woes. In the end he says: I'll give you three taka ($0.15). Three taka for a day's work! So we thought and said give us one taka more, give us four. And he said: Oh, how can I manage that? I'll give you three and a half taka, take it or leave it, that's my last word. So we took it. What can we do? They know we have no choice"* (White 1992, 47).

Case study 9: Bangladesh is often called the land of small farmers, so the country's agriculture is sometimes described as subsistence farming. The implication is that peasants grow barely enough to feed themselves, with little left over for anyone else. Much of the wealth that peasants produce in fields is siphoned by landowners, moneylenders and merchants. The hunger of Bangladesh's poor majority is intimately related to the ways this surplus is extracted and used (Hartmann & Boyce 1981, 185). The surplus is siphoned from poor peasants and landless labourers by the twin mechanisms of sharecropping and agriculture labour, production relationships that determine who works on the land and who eats its fruits. The case of Abed Ali presents details of this:

Abed Ali was a 60 year old, elderly person, but still struggling with his economic survival. At the age of 18 years he began to work and since then he had experienced many situations, the bad outnumbering the good

ones. Bangdom is not the village where his ancestors were born, but his grandfather migrated there from a nearby thana. He did not know the reason of his grandfather's migration to Bangdom. During his grandfather's time, the family did not have any economic hardship belonged to the economic middle class. His father also had enough land to manage the necessities of his family. Remembering his father's time, there were paddies at home (*gola vora dhan*), cows in the backyard (*goyal vora goru*), and fish in the pond (*pukur vora mas*). Currently, Abed had none of these, as he did not receive much land from his father due to his large number of brothers. The land was sufficient to manage the necessities, if they were utilised properly.

When his sons grew up, they were lazy and did not participate in the agricultural state or its progression to cope with increasing necessities. Such a situation compelled Abed to sell part of his land, especially as he also to arrange the marriages of his two daughters. He was left with 66 decimals (0.66 acres) of land, including his homestead, which was not sufficient to manage necessities only by cultivation. To overcome this he had to find a secondary income source as an agricultural labourer. After his sons had made their new household, his wife passed away, although he remarried and continued to manage as before.

By chance, Abed met a man who visited Bangdom, and not aware of characters that cheat, became friends with him. The man said he knew people who had machine that was capable of doubling your money and offered to convert 5000 taka ($200). Considering it a good proposal, Abed sold his land, keeping only the household area and received 20000 taka ($800). He kept 15,000 taka and gave 5000 for investment in the man's, unbeknownst to him, scam.

The man returned after a few days with 10,000 taka ($400). Sufficiently scammed, Abed wanted to give 5000 taka again, but the man

suggested Abed give a larger amount, convincing him that the people with the "so called" machine might leave in a few days. Abed agreed and gave him 25,000 taka ($1000). The man promised to return within 2 days, however he never did. Abed repeatedly asked many people in the village for their support in getting the money back, however none were able to. He finally learnt that the man was a member of a cheating network.

Feeling low after the scam, Abed kept to himself before realising that he would be able to manage the necessities of the family if he had some land for sharecropping. Hence, he asked to some in the village to have some land for sharecropping. Although he received some from rich farmers, it was not enough for his 4 member family. To rectify this, he worked as an agricultural labourer when it was possible. The double income improved his situation, although did completely repair it.

He continued in this manner for a couple of years. The owner of the land he sharecropped from requested money from Abed, so that he could start a business in town. Although Abed tried to acquire the funds, he failed, losing the land and again becoming helpless to his family. As his physical condition deteriorated, he found fewer opportunities for selling his labour to rich farmers for work. At his wife's suggestion, they moved to the village where her parents lived, in the hope that this migration would improve employment opportunities for Abed. They were supported by her family for some months and provided with some paddies.

Abed returned to Bangdom and sold the paddies to begin a business. The money was enough only for selling toasted peanuts to the schools and colleges situated in Nazipur and in nearby areas. When their children began school, his wife started work as a maid servant in rich people's homes in Bangdom. Through the peanut hawking business, Abed managed the family's necessities for 15 years. Afterwards, Abed found it

more profitable to hawk female clothing, where his wife also participated in manufacturing the cloth.

Case study 10: After independence, the wage structure of the government indicated that an agricultural labourer should get the same amount of wages every day, equivalent to the price of 5 kilograms rice. Through fieldwork, agriculture labourers in Bangdom and nearby areas received 60 taka ($1) for 12 hours of daily work. This salary allowed them to buy 3.5 kilograms rice, causing them to find alternative sources of income to avoid selling their labour in agriculture. Babul Mia became a petty business entrepreneur as an example of such a situation:

Babul Mia was became an agricultural worker for 5 years, after completing nine grades at *Madrasha* (Islamic school). Working as an agricultural labourer often made him disappointed due to the marginal wage he received. He was forced to move to a nearby city in order to search for a job, which was unsuccessful. He returned to Bangdom, planning to do something else than working as an agricultural labourer again. Hoping to increase his earnings he opened up a tiny grocery shop in the village, using a place that belonged to one of his neighbours. Without his own cash, he managed to collect 2000 taka ($40) from a close relative to open up the business, which he later returned. Unfortunately, Babul found that the business was not making progress and decided to close the operation.

A few weeks later he opened another shop near the highway that passed the village. This business was better than the previous, although not as good as he expected. When Nazipur became a municipal town, the bus stand bazaar became the main commercial centre for people living in the municipal area and its surroundings. He opened up a mini tea stall (*cha-er-dokan*) there, utilising a place on the footpath with financial capital borrowed from his sister-in-law.

Happy to describe the development of his economic status gained from the tea stall business, he explained that he earned more than what he required for his 4 member family. He was interviewed at home and it was evident that all family members were very delighted at the current economic progress.

Case study 11: To distinguish the economic relationship of rich farmers with their clients (sharecroppers and agricultural labourers), the siphoning of surplus from poor peasants and landless labourers through sharecropping and wage labour production is mentioned. Capitalist groups in rural areas or cities have similar traits in their economic dealings with the poor. The doctrine of capitalist enterprises in Bangladesh siphon surplus from poor employees by not paying proper wages. The poor are thus always deprived of their political rights in receiving proper wages for their labour. Political leaders pay little attention in freeing the poor from such tyranny, as they themselves are the people who own the capitalist enterprises. Consequently many poor people are forced to do something themselves and the following example indicates this:

Sabosher, a 24 year old man in Bangdom, had five brothers and two sisters. Due to extreme poverty in the family resulting from mis-management of funds by his father, Sabosher had to find work at the age of 6-7 years. One of his relatives in the village took him in, where he took care of the cattle and received the chance to complete his primary education.

When he was 12 years old he wanted to do something else than work as a cowboy/cow shepherd (*rakhal*) or agricultural labourer (*kamla*), as his grandfather was one of the richest farmers in the village and it would go against the family's prestige. With this in mind, he moved to a bazaar 20 kilometres away and found a job as a microphone operator in an enterprise that rent microphone to people.

The small salary he received frustrated him and consequently he quit and moved to another Bazaar with a similar job, but with a better salary. After 5 years he quit as he was not given an increase in salary, which he duly deserved. He returned to Bangdom and started a business renting CDs and CD player to customers utilising a public place at Nazipur bus stand and investing 30,000 taka ($500). In 2004 Government authorities ordered that public places be vacated and Sabosher was forced to close until he found a place in a newly constructed market, which was acquired with the help of one of his customers (ref. foreword).

The emergence of Sabosher as a petty business entrepreneur, like many others, resulted from severe employment problems within the country. If Sabosher had found employment with a reasonable wage, according to his labour, business as occupation probably would not have been necessary for him.

Case study 12: In Bangladesh, the government lacks proper infrastructure for wage regulation and owners of capitalist enterprises make very little considerations for their employees, as accumulating capital is of a higher priority than sharing it with those who help them to earn it. Becoming a petty business entrepreneur for Iddris Ali is also a good example of this issue:

Iddris Ali a 35 year old man had a business buying and selling paddies. At 11 years old he began working in agriculture with his father. After 3 years his father opened up a grocery shop at Nazipur bus stand in the middle of the eighties and Iddris began working there along with his father. Iddris was forced to stop working in his father's business when his father was married for the second time and began living separately with his second wife.

After the second marriage, his father stopped providing economic support to them and since he was the oldest son, Iddris had to take the

responsibility for providing necessities for the 7 member family, including his mother, 3 brothers and 2 sisters. He finally found a job as a salesperson in a fertiliser shop situated at Nazipur and his mother also helped by working as a maid in the village.

After being refused a salary increase, Iddris moved to another bazaar 10 kilometres away. Working as an assistant manager for six years in one of his distance relatives' businesses he was again forced to quit due to another pay rise refusal.

Noticing that there was only one business in the bazaar that bought paddies from farmers and sold them on to different rice mills, and that many farmers were unhappy about carrying their paddies to distant markets where they could sell them for higher prices, Iddris came up with an idea. If he could buy paddies directly from the farmers and sell them to different rice mills in the district, he would make a profitable business. After discussing with his family, one of his younger brothers who was a military soldier after completing eight years of education, contributed some money to begin the business. Iddris initially began the paddy business in a partnership, however his partner moved abroad leaving Iddris as the sole owner of the business.

Case study 13: In Bangladesh, especially in rural areas, educated persons usually want to be employed in the government sector. Government jobs are considered to be the most secure employment and relates also to job satisfaction and social prestige. Nevertheless, it is very difficult to get such a job, unless one has good social capital, political links and/or economic ability. A second choice would be to have jobs in private companies or organisations, but overwhelming competition, even in the private sector, is also very difficult. By using shortcomings of the severe unemployment problem, capitalist firm owners oppress their employees by paying much lower wages than what they should get. Derived from such a

background, business activities among educated persons in rural Bangladesh are increasing. The case of Hosen Ali is another example:

Hosen Ali had been running a business for two months in a newly constructed market place at Nazipur bus stand bazaar. Ali, who was 27 years old, had a bachelor's degree from the National University of Bangladesh, however he could not find a job matching his education, so began cultivating the land he had inherited. Unsatisfied with agriculture as a career and planning to do something different, he got in touch with a contact at a garment factory in Dhaka, as per a suggestion from a relative.

After paying the contact a commission, Ali lasted only 2 months as he found the garment factory job tiresome and difficult, working 14 hours a day in a standing position with only 30 minute intervals, sometimes even working through the whole night to complete production. Moreover, the salary was very low and not in proportion with the demands of the job.[82]

Ali returned to the village and began cultivating again until the beginning of 2002 when he got a job as a sales representative in a toiletries company after a 2 week training course in Dhaka. Working in a place near Dhaka, he earned 6000 taka ($100) per month and after a few months got married, although the salary was inadequate for married life.[83] This compelled him to look for another means to cope with the situation. After talking to relatives and visiting potential suggestions, he moved in the beginning of 2005 to a rented shop in a newly constructed marketplace selling different household goods. Ali explained that if he had enough money or a strong political connection, he would like to have gotten a job in government. Unfortunately, he did not.

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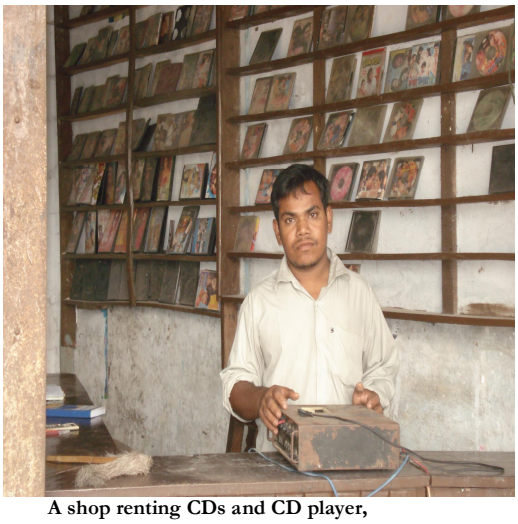
[82] Each year there are at least 5 - 6 big demonstrations by garment workers in the streets of Dhaka and nearby areas, situated near garment factories, in order to protest against the extortion of employees by factory owners not paying enough wages. The government promises cooperation with demonstrators, to keep them calm. Most owners of garment industries are also politicians or close allies.

[83] In rural areas, monetary income may be lower than in towns and cities, but living costs are lower and food availability from subsistence farming may save food costs.

Examples of the petty businesses operated by the villagers are shown in the photographs taken during the fieldwork. All the photographs in this book are presented with the permission of the entrepreneurs and those who did not allow taking photographs are excluded entirely:

A small rice shop (*chati*) in the Nazipur bus stand bazaar, run by a petty business entrepreneur from Bangdom.



A shop renting CDs and CD player, run by a petty business entrepreneur from Bangdom.

A mini tea stall (*cha-er-dokan*) on the footpath, run by a petty business entrepreneur.

A van with which a petty business entrepreneur from Bangdom runs a transport business in Nazipur and its surroundings.

A fruit shop on the footpath, run by a petty business entrepreneur from Bangdom.

A fertilizer shop in the Nazipur bus stand bazaar, run by an entrepreneur from Bangdom.

A mini tea stall (*cha-er-dokan*) on the footpath, run by an entrepreneur from Bangdom. It was closed while the owner was away.

A shop (in the middle) situated in the Nazipur bus stand fixing *rickshaws, vans* and bicycles and selling spare parts, run by a villager from Bangdom.

A grocery store (*moodi dokan*) situated in Bangdom, run by a female entrepreneur.

A grocery store (*moodi dokan*) attached to the home of its owner situated in Bangdom.

6.3. Are there alternatives?

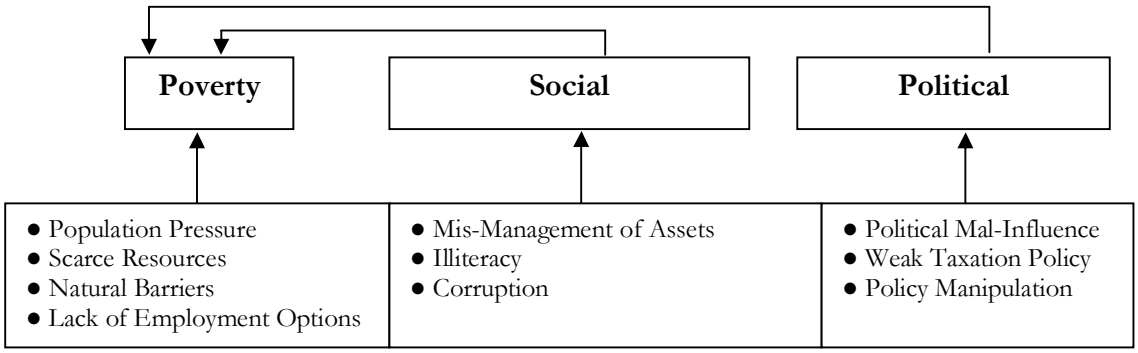
The economic distance between rich and poor has contributed to the very fragile economic solidarity in Bangladesh. The very small minority of rural families who own more than half of the country's farmland are, "at the apex of the structure of power in rural Bangladesh, the political economy of the county is controlled by them" (Hartmann & Boyce 1981, 181). Moreover, different kinds of social and environmental barriers (e.g. poverty, population pressure, corruption, increasing consumption needs and natural disasters) punctuate the rhythm of life for peasants and subsistence seekers of agriculture. With the combined effects of several social and environmental turbulences, the present rural economy in Bangladesh has obtained a new shape. In the current structure of rural economy, both non- and agricultural livelihoods are run hand in hand.[84] In the non-agricultural sector, business activities are becoming very common among villagers in Bangladesh. The poor are more often involved in petty businesses, because there are no other meaningful alternatives to be employed.

Analysing features of the cases in my study indicates the emergence as petty business entrepreneurs facilitated a better livelihood than in the past. It was observed that there are many causes forcing them into taking up business as an occupation. In addition to this, I have sketched the following diagram to show major causes for the emergence of petty business entrepreneurs in Bangdom:

[84] Agriculture is mainly in the hands of surplus farmers (Jahangir 1979, 86).

Figure 6.1

Emergence of petty business entrepreneurs



In most cases, the emergence of petty business entrepreneurs in Bangdom was rooted to poverty. Scholars studying the worldwide poverty issue have found that rural poverty accounts for nearly 63% of poverty worldwide, reaching 90% in some countries like Bangladesh (Khan 2001, 3). The experience from Bangdom reveals that population pressure, scarce resources, natural barriers and lack of employment options are continuing threats towards reducing poverty in rural Bangladesh. The presence of social and political disturbances is also vital.

The economy of a welfare state affects the way in which the nation acquires its living, of the diversion of such a large proportion of national products from incomes of individuals and firms, to the recipients of cash benefits and through taxation and social services (Sleeman 1973, 1). The essence of a welfare state includes government-protected minimum standards of income, nutrition, health, housing, and education, ensured for every citizen as a political right, not as a charity (Wilensky 1975, 1). Unfortunately, Bangladesh is not considered a welfare state in this context, as its strength in welfare is inadequate for serving the huge number citizens. Moreover, existing welfare is used for power holders and their

associates, rather than for common people. In Bangladesh, like many other developing countries, capitalist organisations only pay taxes to the state if they cannot avoid it, therefore when a poor family has no employment, they must starve as long as they are without jobs. In Finland on the other hand, all citizens have access to welfare for receiving basic provisions, indicating a good example of a welfare state.

Villagers in Bangdom had no idea about unemployment benefits in many countries of the world, believing economic survival of individuals/families are maintained only through employment, and it was difficult to make them believe examples such as the Finnish social security scheme. If petty business entrepreneurs from the case village were cases in Finland, then becoming an entrepreneur would have a very different meaning. Understanding the difference between a necessity entrepreneur and an opportunity entrepreneur can be seen by taking a glance at the political and economic mechanisms within Bangladesh and Finland. There are entrepreneurs in every country, but reasons for becoming one differ from country to country with spatial dimensions (Willis 2005, 43).

7. DIVERSIFICATION INTO PETTY BUSINESSESS – ITS IMPACTS

> Society divided into those who own the means of production and those who do not; those who do not have to earn a living by selling their labour; key role of the market in allocating resource. This is described in the Marxist stages of social development from a capitalist point of view.
>
> Katie Willis 2005, P 63

The previous chapter described the kinds of reasons and processes involved in the emergence of petty business entrepreneurs through an analysis of past and current socio-economic, political and environmental conditions of the country. This chapter discusses the potential impacts of diversification into business activities on individuals, households and society. Prior to this is a brief note about the objectives of business activities of petty business entrepreneurs in this study.

7.1. The objectives of business activities

Business objectives vary according to the type of business, its organisational structure and the type of markets in which it operates. For example, the objectives of big business firms are likely to be different from those firms owned by single entrepreneurs (Bates & Parkinson 1982, 2). The objective of business for petty business entrepreneurs in this study was to acquire livelihood security. In other words, the aim of their business

was to escape economic suffering, which is common to many villagers in Bangladesh.

For rural people, who own no agricultural land or very little, employment in agricultural activities is the main source of income. The great majority of people who seek employment in agriculture encounter periods of the year when paid work is hard to find or simply not available (as previously discussed). Annually, it is estimated that there is 30%-40% unemployment and underemployment in rural Bangladesh (Shapan & Rahman 1978, 8). The percentage of unemployed and underemployed rural people is currently much higher because of alarming population pressures. Competition for employment is thus a regular feature of existence in the majority of villages. Most petty business activists in this study believed that taking business as a source of income has reduced the hazards of economic life. In this regard, the objective of business of petty business entrepreneurs was to overcome economic suffering. Therefore, it can be said that the entrepreneurs in my study were 'necessity entrepreneurs' because they lacked alternatives to be employed otherwise and thus the kind of entrepreneurship observed in this study was 'necessity-driven entrepreneurship' (Lippman et al., 2005; Maritz 2004; GEM cited in Maritz 2006; Desai 2009; Azmat & Samaratunge 2009; GEM cited in Rosa et al., 2006; Juan et al., 2006; Rosa et al., 2006; Bosma & Harding cited in Kantola & Kantonen 2008; William & Cooper 2008).

7.2. The Impact of diversification into business on individuals

Income comes from wages and profits

The lowest level of earning including wages in poor countries is extremely low, when compared with wage rates in industrial economies and when seen in relation to the low opportunity cost of labour, where many or most people live on the land. When people – mostly men – leave land and enter employment, all they forgo are the meagre returns on subsistence agriculture, even supposing the traditional way of life on the land to have been left undistributed by modern changes. In this case, wages need only be 'subsistence plus', perhaps one and a half times, for people to be willing to accept them. In poor countries, some occupations are found to be at this level (Goldthorpe 1984, 89).

The poor in rural Bangladesh usually manage by depending on others (client relationships). In this case, working for a patron rarely benefits the poor, as sometimes they only receive food as payment. On the other hand, when individuals move to business, then duality of structure in income is obtained, where income includes both wages and profits. Most of the petty business entrepreneurs in my study were dependent on their patrons before diversifying into business. Such dependency provided them with only a marginal wage, even less in many cases, whilst the patrons for whom they invested their labour received both the benefits and profits. This is illustrated in the following cases of this study:

Sabosher (Case study 11) who owned a renting business for CDs and CD player explained that as an employee he received only 2000 taka ($35) per month, whereas through his own business he earned 100-150 taka every day, translating to 3000-4500 taka ($50-75) per month. Similarly, two *van* pullers (Case study 2 & 8) described pulling rented *rickshaws* provided fair income but profits went to the owners of the vehicles,

however by pulling their own *vans* they were able to take home both wages and profits.

Receiving the ability to cope with the shock of traditional livelihoods

A good example of this is the case involving petty business entrepreneur Zaman Khan (Case study 6), whose economic transformation from agriculture to business took place after a disastrous flood. Two alternatives for tackling the situation were available, namely borrowing money from traditional moneylenders, or diversifying in temporary sources of income. Choosing the latter option to cope, Zaman avoided the tyranny of traditional moneylenders and the possibility of worsening his family's economic condition in the future. There are many stories about why villagers try to escape this option, an example coming from two western anthropologists conducting fieldwork in a Bangladeshi village who learnt the unsavoury reputation of the moneylenders from a villager who told: *"The Quran tells us that money lending is a great sin. In Allah's eyes, taking interest is as evil as murder. Let me tell you a story to prove it. Last year, when caterpillars attacked my rice crop, I tried all kinds of chemical sprays, with no effect. Finally someone suggested the old method of writing a moneylender's name on pieces of paper and tying them to stakes at three corners of the field. You leave one corner open so the insects can escape. I wrote Shaha Paikur's (a moneylender from the village of the villager who mentioned about this fact) name, tied it to the stakes, and in two days those caterpillars were gone! That is how much Allah despises the moneylender – even pests flee his name"* (Hartmann & Boyce 1990, 184). Involvement in business activities by petty business entrepreneurs provides the ability to cope with the shock of former livelihoods. Some more examples related to this are discussed below:

When Ahad Uddin (Case study 7) failed to manage the increased necessities of his family through agriculture, he opened a grocery shop at Nazipur, and the income he could gain from it helped him to overcome

his economic suffering, within a short period of time. He gradually moved full-time to business, when he found it a better income generating source than agriculture. Similarly, Abed's (Case study 9) transformation to business occurred when he began a business to channel income after his difficult situation and the loss of his traditional occupation.

Freedom of work

Most entrepreneurs believed that business increased their freedom of work, which had not been possible in their previous occupations; now they were no longer supervised and did not need to work under authority. Before moving into business, most of the entrepreneurs managed as agricultural labourers or wage labourers, from which there was little personal freedom.

The two *van* pullers had fewer restrictions on passengers and goods, compared to when they pulled rented *rickshaws* and had to follow the demands of owners. One example of a restriction that an owner imposed was to allow the transportation of only passengers and not goods at any one time, causing them to earn less. Moreover, they were now able to control their own work schedule, a fact that had not been possible before as the owners of rented rickshaws restricted *rickshaw* pulling from 6 am to 6 pm.

Similarly, many others mentioned that they enjoyed running their businesses independently, and being able to choose their own opening and closing times.

Participation in the market

There a three major modes of exchange in human societies, which are reciprocity, redistribution and market exchange. Market exchange is the exchange of goods at prices based on supply and demand. Redistribution is

the movement of goods up to an administrative centre and their re-allotment down toward consumers. Reciprocity is the exchange of goods neither through markets nor through administrative hierarchies (Keesing 1981, 205).

Reciprocity is a type of exchange that occurs only in the context of a long-term social relationship, which is conditioned, or at least promoted, by an equality of economic wants between partners. Intensity of reciprocal exchange depends on 1) formal social distance (kinship, etc); 2) physical distance; 3) economic distance (whenever the needs of two partners are uneven, the exchange tends to become asymmetrical between them) 4) psychological distance (trust) (Adler 1977, 133).

In their previous jobs, most entrepreneurs' modes of exchange with patrons were practiced in a reciprocity frame, because exchange between two parties was dependent on economic distance. By diversifying into business activities, entrepreneurs were able to take part in market exchange as they could compete with others in the market (Bernal 1994, 792).

Experiences of life outside the village

Prior to diversifying into business, most of the entrepreneurs' livelihood strategies were linked primarily to the village. Their transformation provided a chance to also experience life outside the village. This increased their experiences of only being linked to Nazipur, to different areas within and outside the district. Both Sabosher (case study 11) and Akkas Rahman (case study 5) had to go to the district town twice a month for supplies. Indris Ali (case study 12) also had to visit the district town and other places outside of the district for his business. Many other petty business entrepreneurs in this study had also business connections to different areas inside and outside the district.

Overcoming the cyclical perception of livelihood

Most rural people in Bangladesh have a cyclic perception of their livelihood.[85] The chance of having a balanced and consistent livelihood is rare, as land is seasonal, giving villagers at best 6-7 months of work each year. The remaining half of the year they would find themselves underemployed or unemployed unlike business, which gave entrepreneurs the ability to acquire income throughout the year which, although it varied season to season,[86] they were never underemployed or unemployed.

Becoming self-sufficient

As illustrated earlier, agriculture is the backbone of Bangladesh's economy. But due to the alarming growth of the population, the land holding capacity of rural people is declining very rapidly, causing most villagers to forgo the chance to be self-sufficient through agricultural based income generation. It is generally believed that an average peasant household requires more than 2 acres of land for subsistence (Faraizi 1994, 57). Household data from Bangdom showed that currently less than 16% of households had this amount, requiring diversification into other income generation to be self sufficient. Businesses activities have provided a good opportunity to a considerable number of Bangdom villagers to become self-sufficient in their economic lives.

Actor of developing the internal market

Case study 14: Petty business entrepreneurs have not only taken part in markets situated outside of the village, they develop the internal market within the village. During the fieldwork, 7 shops within the village were operated by both male and female entrepreneurs as the primary

[85] A cyclic perception of livelihood means to be composed of different periods with prevalent trends.
[86] Influenced by ups and downs.

source of their livelihood, thus developing the internal market in Bangdom, as emphasised in the example below:

Ataher Uddin, a 55 year old man in Bangdom, had a tiny grocery shop just in front of his home that he had been running for 1 year, before which he had had a couple of other occupations that did not provide sufficient income. Ataher was very satisfied with his business through a shop in the village, as not only did it provide an excellent income compared to labour and investments, but the villagers were able to get their necessities from the village.

Ataher sold different daily necessities from his shop (e.g. potatoes, lentils, soaps, electric bulbs, rice, kerosene and other household goods), serving customers buying goods with cash and also credit. Selling goods through credit caused a cash flow problem for his business, but that was how shops in the village operated. Usually he worked alone but in his absence his son or second wife took care of the business, keeping the shop open almost 24 hours for convenience to customers needing to buy things in the middle of the night.

Agents of social change

Both the term 'Reform' and 'Revolution' connote social change. Reformation means the alteration of some particular institution and society, whilst revolution refers to a sudden and far reaching change from a major break in the community of an existing system. One is quantitative change (reformation), whilst the other is qualitative change (revolution). Revolution is a complete change from the past and its influence pervades the whole of society (Meusel 1934, 367).

History is replete with revolutions of various types including cultural, political and industrial revolutions. The petty business entrepreneurs in this study have not demonstrated a revolution as such,

but their roles in changing rural economic structure are very significant. Their revolution aims at narrowing down the extreme influence of poverty on rural society in Bangladesh. Petty business entrepreneurs can be considered actors of an undergoing economic revolution, as agents of social change in rural Bangladesh, which is distinct from coup d'etat, rebellion or insurrection.

Cultural changes in individuals

Cultural changes among the entrepreneurs were visible in their lifestyles, through different activities not practiced during their earlier occupations. In particular, their needs and consumption tastes have changed as they have had more contact outside the village. For example, Zaman Khan (case study 6) mentioned that after closing time, to interact with the other businessmen from the market place, they would for example sometimes watch movies together. Many petty business entrepreneurs preferred to spend more time at Nazipur bus stand than in the village because the chance of social interaction was stronger there and they could meet different people whilst operating their business or during leisure activities. Many felt that the concept of leisure was different compared to previous times.

Entrepreneurs also frequently participated in recreational activities such as tourist trips and mini picnics, with other businessmen. After diversification into business, they considered recreation an opportunity from their improved economic situation with which they could manage the expenditures of such activities.

7.3. The Impact of diversification into business on households

Upward socio-economic mobility

Most petty business entrepreneurs in this study mentioned that they had been able to achieve upward socio-economic mobility for their families. Examples are cited below to clarify this issue:

Case study 15: *Ena Begum* was able to make a considerable economic progress by operating a mini grocery shop (*ghumti/moodi dokan*) in Bangdom. Although it is not common for women in Bangladesh to be directly involved in business activities, Ena Begum is an exception from Bangdom. She was not born in Bangdom and married her husband from Bangdom 20 years ago. After some months of marriage, Ena and her husband moved to the village where she was born to try managing better living for the family. This migration did not bring any economic improvement, but rather more economic uncertainty to the family. As a result, the family returned to Bangdom and shared the same home as her parents-in-law. On their return Bangdom, her husband began pulling a *rickshaw* at Nazipur, whilst Ena found employment as a maid in Bangdom.

In 1993 Ena opened up a grocery shop (*ghumti/moodi dokan*) in the village and worked as maid only part time. Within a year, she had made considerable economic progress and stopped working as a maid. The business development enabled her to increase the number of items she was selling and expand the shop.

Ena's success encouraged her husband to start a petty business at Nazipur (selling *bedi*, cigarettes utilising a tiny space in the footpath). Income from the two businesses allowed them to buy land for building a home. They were able to send their eldest son to the district town to gain a diploma in tailoring and their youngest son to school regularly. They were able to improve their family's economic status in the village from a very

poor household. Ena explained that some years ago they were required to visit rich neighbours in order to have rice to fill their stomachs when there were no available jobs, however now they would be able to help their neighbours if any of them were suffering.

Iddris Ali's (case study 12) economic success allowed him many achievements, including building a brick home in the village (there were only two such homes in Bangdom). Iddris was married to a woman who was much more educated than him. A socio-economic value in this case has taken precedence over a cultural value. Iddris considered that his marriage to an educated woman upgraded his social position in the village as well as enhancing the chance of his brother and sister to be educated. He thought his future children would be encouraged to be educated because of his wife's education too.[87]

Ishan Ali (case study 2) is another example for further discussion of this issue. Before changing to a business occupation, his family did not have a separate essential home to live in and explaining that in a village context, having a good home identifies good economic status also helping to acquire a groom from a good economic category. This was seen by the happiness experienced by members of Ishan's family when their two daughters married into well-to-do families in Nazipur.

Maintaining family prestige

For some entrepreneurs in this study, involvement in business activities allowed them to retain family prestige. Two petty business entrepreneurs, Abu Abbas and Sabosher (case study 1 & 11) mentioned that they had not inherit any land and to manage a livelihood through agricultural sources they had only two options - working as an agricultural

[87] His wife was pregnant when the interview was conducted.

labourer or cultivating others' land as a sharecropper. To avoid damaging family prestige, they refused to work in these fields.

Becoming surplus holder

Surplus income (*poijoneer beshi*) is rare in rural communities in Bangladesh as most of the rural inhabitants live from hand to mouth. When families move to businesses the profits exceed the marginal level of the consumption needs. The surplus achieved through their business operation adds the "safety valve" to their economic lives, as the surplus capital help them to channel further progress in the overall situation of the families. It was perceived that most of the business households in Bangdom made considerable progress in overall situation of the families (e.g. educating their children, creating employment for the others in the families, upgrading the families' social position). These all were possible for the households due to their livelihoods' transformation to the business and with the surplus they made from their current employments.

Cultural changes in households

During the fieldwork of this study my visit to the homes of some of the villagers in Bangdom from different occupations gave me some insight into this issue. It was observed that in households involved in business or where the household head worked outside the village, the standard of living varied compared to those households involved in cultivation only. They had good furniture, televisions and CD players, which were not common in the families engaged in an agricultural livelihood (except the rich farmers).

It was also found that households involved in business activities were more conscious about the education of their children, than those who earned their living through agricultural labour or by sharecropping. It

was perceived that many households depending on agriculture needed to engage their children in economic activities in different crisis situations (except the well-to-do farmers) as part of the households' economic strategies. The withdrawals of their children from school on a short-term basis led to permanent exclusion from school, even after the households recovered from the situations. Nevertheless, business households rarely needed to engage their children in economic activities and consequently, they preferred to send their children to school to give them a regular education. Most business entrepreneurs mentioned that their educated children would have better livelihood options than what they (the petty business entrepreneurs) had had in the past and in the current days. They also hoped that good education would bring happiness for all and an example can be cited below to make this clear:

Babul Mia (case study 10) said he would channel all his efforts into educating his children as long as he was alive. He also considered those with good education had better honour than uneducated people. All the educated people from his village did not have good jobs, but leading to villagers respecting them and consulting with them for different purposes, as they are able to reach offices where illiterate or less educated people are not able to, or dare not visit. Moreover, if he could educate his children, then he would not need to work in old age, as they would have good jobs with a good salary, capable of supporting him.

Securing household economic safety on a long-term basis

By analysing past and current livelihood strategies of entrepreneurs, it is understood that before moving to business most of them found it impossible to have a permanent household strategy. Their economic strategies were very seasonal and in many cases depended on uncertain opportunities. For example when working as an agricultural labourer the

economic safety was limited to certain periods (i.e. when the farmers plant and harvest crops) of the year, in most cases for 6-7 months. By moving to business, entrepreneurs have been able to secure not only a personal economic safety, but also an entire household economic strategy because most household members can contribute to their businesses either directly or indirectly. Similarly, for acquiring regular income from business operations they have achieved the ability to plan for the future.

Changes in income-expenditure patterns within households

Diversification into business has provided the opportunity to have a regular cash income for families involved in these activities. Formerly the income-expenditure patterns of households were franchised by patrons on whom they were dependent. Most respondents of the in-depth interviews mentioned the wages they used to get in their previous occupations were not paid to them as promised. Hence they were always entangled in economic problems. Uncertainty in receiving regular payments punctuated the rhythm of their households' income-expenditure patterns. By contrast, earnings from their self-managed entrepreneurship help to not only shape daily income-expenditure patterns, but also the ability to shape a monthly income-expenditure pattern all year round.

Providing access to savings

Most rural people in Bangladesh think 'savings' means saving part of their income in order to cope with the lean season when they are without work. The reality is that a vast number among them do not have the chance to think about savings, even to cope with the lean season, because of the marginal income levels. It was found that households involved in business activities had the ability to save a certain amount of income each month. Regular income also provided the opportunity to save

some in the bank. Business households considered 'savings', not for consumption of food during the lean season,[88] but for their children in the future. With this in mind, many petty business entrepreneurs opened some kind of monthly deposit account in any of the banks situated at Nazipur, where they save a certain amount of money each month.

Some entrepreneurs preferred to save part of their income to buy land in future, as a lever for other achievements, like for instance social prestige, securing long term economic prospects, and access to the power in the community. Some also considered savings to support dowry and marriage costs of their daughters, helping to get a potential groom from a higher status, for instance a well-to-do groom or so.

Increasing childhood access to education

From the focus group discussion, it was revealed that illiteracy among villagers was very much related to economic insolvency of families - children from well off families had much greater access to education than those from poor families. First category families had economic solvency to spend on their children's education. The number of well off families was very low, so the illiteracy rate in villages was also very low. Some opposite views were that economic weakness of families was an important factor for illiteracy, but unconsciousness of parents had a parallel influence in this regard. The latter type of villagers believed that consciousness about the benefits of education among parents could be a good way to decrease the illiteracy rate in the village.

Most interviewees described their motivation in educating their children. Although their economic progress significantly affected such motivations, their consciousness about the benefit of education was also

[88] They considered that when they were in business there was no lean season in the same sense as before diversifying into their current occupations.

important. Many of them referred to educated customers as the source of such consciousness, not possible for many of them in their former occupations. Hence, it can be said that diversification into business increases not only economic mobility for households involved in business, but also increased chances for their families education, brought about through economic solvency as well as awareness through social interactions.

Providing household member access to leisure activities

Members of business households pursued leisure in many ways, which was not common among members of agricultural households. Renting movies to watch together with family members after the dinner for example, was not possible for the same families earlier. Family members were able to participate in leisurely activities every day, as their lives were much more organised than before.

Changes in the management of the household income-expenditure issue

It is traditional in Bangladesh that the male head of the household also controls expenditure and it is his role to earn and carry out dealings with the outside world in business and public affairs. Virtuous women take care of the inner world of the household and 'eat' or receive sustenance from her husband, and sexual division of roles is extremely differentiated in the society. Nowadays this mechanism is rather different because in some families women are also active in management of the household.

In Bangdom, the women from business households were more active and motivated to have roles in the households' income-expenditure management, because men from these families were away for long hours for business purposes. When men are away for long hours, women need

fewer hours to do daily household tasks than women in other types of households, allowing them to consider doing something to increase the income mobility of the family. If they succeed, they also become interested in participating in the income-expenditure management issue. By the same token, households' diversification into business activities confers greater autonomy and decision making power on women.

7.4. Impacts of diversification into business on society

Structural changes in village economy

The opening up of business activities has irrevocably changed rural livelihoods in Bangdom. Structural change, broadly defined, is the impact of non-agricultural activities, where petty businesses play an important role, causing alternations in livelihood and consumption patterns. Structural change has occurred primarily due to the expansion of village economy and increased linkages to the external economy, which at a macro level has led to dialectic of growth and further linkages. Traditionally, village economies in Bangladesh have been shielded from fluctuations in external markets and instability is therefore the inevitable result of agrarian life in an unfavourable climate, with sporadic rainfall and steady increases in population size relative to arable land. Traditional livelihood management for villagers in Bangladesh relied on agriculture, but with changing circumstances many of them shifted to rely more heavily on businesses.

Role in poverty alleviation

Recent approaches to the analysis of poverty have focused on the chronic nature of poverty experienced by the majority of the world's poor. This result to the duration, severity and multi dimensional nature of deprivation (Mehta & Shah 2003, 33). In Bangladesh, land is the key to

survival. Unfortunately, landlessness has been on the increase, and a growing band of agricultural labourers have found it more and more difficult to find work. The green revolution, which was supposed to increase the productions capacity of farmers, ironically increased the level of vulnerability of peasants and landless villagers (see the case study 7 & 8). Moreover, the popularity of the synthetic materials severely reduced the value of jute, which had been considered as the main export item and one of the main produces of the farmers in Bangladesh. On the opposite end of the spectrum, off-farm income generating activities are unavailable for villagers, causing unemployment and underemployment to be a common feature of the poor in Bangladesh. Since a considerable number of villagers are managing their livelihoods through business activities, it can be said that petty businesses are playing a role in poverty alleviation in societies in Bangladesh.

Creating employment

As illustrated earlier, the unemployment problem is a serious one in Bangladesh, which threatens the lives and livelihoods of a vast number of people. This in turn creates a self employment sector, as petty business entrepreneurs create employment in the society. Moreover, payment of taxes to the municipal office and monthly membership fees to the local trade union (*Banik Shamiti*) also contributes to a gain for others, as employees of these receive part of their wages from the taxes and fees.

An increase in rural-urban linkage

More villagers moving to businesses cause the rural-urban linkage to expand, as many petty business entrepreneurs have established a link to the district town for the purpose of their transactions. Some also have further linkages to other urban places outside of the district, from where they buy

and sell goods. Moreover, considerable numbers of goods from urban locations are reaching the village through business entrepreneurs operating grocery shops in the village.

Changing patterns of coping

Traditionally, village people coped with unwanted situations by depending on their patrons, or borrowing money from usury money lenders, which brought permanent poverty to their economic lives. The increase in business activities has allowed a considerable number of village people to escape from these traditional coping mechanisms. This has impacted on the coping pattern of the villagers in general, as those involved in business activities are quite numerous.

The growth of non-farm rural economy

In a densely populated labour-surplus economy such as Bangladesh, the rural non-farm sector can potentially play an important role in generating rural income and employment (Bakth 1996, 2). As noted earlier, in the years 2000-01, 52% of earning members of rural households in Bangladesh reported 'RNF activist' as their primary occupation, with another 14% stating it as their secondary occupation (Hossain 2002, 1). My study found in 2004-05 in Bangdom, 41% of earning members of households reported 'RNF activist' as their primary occupation and another 6% as their secondary occupation. The findings of both studies reveal that a huge number of rural labourers are involved in the RNF sector. In Bangdom among non-farming households, 44% relied on business as their primary source of income. Furthermore, 4.7% of households relied on business as a secondary source and 2.7% households their tertiary source of income. Business employed almost half of the non-agricultural labour force in Bangdom and therefore it can be said that

business activities have a potential role in the growth of the rural non-farming economy in Bangladesh.

Decline in traditional occupations

Traditionally, rural employment in Bangladesh was centred on the agricultural sector; however there is a changing trend in rural employment, with the number of people depending on agricultural sources of income declining day by day. The increasing number of households moving to petty business entrepreneurship causes an obvious decline in traditional occupations. Petty business entrepreneurship therefore has a considerable role in changing the mode of rural economy in Bangladesh.

Outsourcing the village economy

The increasing numbers of businesses is also significant for outsourcing of village economy. If the numbers of entrepreneurs continues to increase the village economy will generate more outsourcing in the future than presently. It has to be noted that the world's resources are fixed and people all around the world are competing for these fixed resources. Only those who are privileged within the competition survive and economically advance. In Bangladesh scarcity of land is severe, though majority of the villagers' lives are still dependent on agriculture, therefore outsourcing of village economy can reduce the number of people affected by poverty and petty business entrepreneurship holds much potential in this regard.

Helping reduce pressure on cities

The rapid growth of rural-urban migration has been a common feature of developing countries (Lall et al., 3). The urban population in Bangladesh increased rapidly from 2.64 million to 22.45 million between

1961 and 1991 (ADB 1997, 17). The growth rate of Bangladesh's urban population has been consistently higher than that of the national population growth rate over the years (BBS 1991). The urbanisation of the country is characterised by an overwhelming concentration of populations in metropolitan areas, especially in the capital Dhaka. The total population of Dhaka increased from 1.98 million to 9.91 million between 1974 and 2001, experiencing a growth of 400% during that period (BBS 2001). For many people in Bangladesh moving out from their village to capital Dhaka is considered to be the best – sometimes the only – option to improve their life chances. A recent report shows that everyday 2 thousands and 136 people are entering into Dhaka city, it means in every year 0.7 million people are adding to this city. Most of them come in search for better livelihood and some of them for higher education (Daily Prothom-Alo, December 12, 2009). Consequently, rural-urban migration in Bangladesh is causing serious problems for urban dwellers, its environment and security issues (The Daily Star, May 21, 2007). It is through petty business entrepreneurship activities in rural areas of Bangladesh that individuals are helping to reduce overwhelming population pressures on cities. This avoids individuals' necessity to move to the cities in order to earn a living (see case study 10 and 13).

7.5. Diversification into petty businesses – resumé

As with previous studies, such as Seppäalä in Tanzania (1998), I found diversification into petty businesses by the entrepreneurs in Bangdom as a means to obtain social security in rural Bangladesh. In the context of rural Bangladesh, diversification into petty businesses provides an umbrella under which villagers can seek protection against the uneven development of the world economy (see e.g. Human Development Index

2009). Here, I used the term uneven because the procession of the "Green Revolution," which was supposed to provide access to land and farming inputs for all levels farmers in the developing countries, ultimately benefited only rich farmers (Harry 1972, 182-183). Paradoxically, the effect of "Green Revolution" leaves many villagers without land and work. In other words, it leaves many villagers in an insecure state. Therefore, it can be said that in an unevenly developed world a diversification into petty business activities provides for many people in rural Bangladesh a definite source of at least some socio-economic security.

8. CONCLUSION

> Human cultures are formulated out of practical activity and behind that, utilitarian interest – An anthropological critique.
>
> Marshall Sahlins 1976, P vii

The emergence of petty business entrepreneurs – Past and present vividly reflected

Severe social inequality necessitated the emergence of the entrepreneurs in this study. Bangladeshi society shares many of the features of an underdeveloped economy, which finds itself under the direct subjugation of capitalist world economy. Existing social inequality in Bangladesh is strongly linked to its underdeveloped economy, which is the fruit(s) of both past and present social, economic, and political circumstances of the land. As a colonial society, Bangladesh experienced external domination by Britain for a period of about two hundred (1757-1947) years and West Pakistani rule for a period of twenty-four years (1947-1971). Among many other reasons, the colonial influences on the socio-economic environments of this land have also had influence on the emergence of petty business entrepreneurs.

The neo-classical (e.g. Marshall, 1920 and Lewis, 1954) and conventional development economists (e.g. Rostow, 1960 and Todaro, 1976) maintain a common explanation for the retarded development of post-colonial societies. Their explanation represents that indigenous economies lack the quantitative properties of capital, such as resources and qualitative properties of labour, for example knowledge and skill. To them, capitalism is indeed the source of development and therefore, underdevelopment can be measured by quantifying the level of capitalist

development. Thus development depends upon the initiatives and ability of private entrepreneurs to transfer labour and resources from traditional non-capitalist to the advanced capitalist sector. Moreover, development economists set up their models in such way as to preclude the possibility that colonialism as well as capitalism had any responsibility for the underdevelopment of the colonies. At least tacitly, as Kay points out, leading circles in the advanced capitalist countries accepted that capitalism and colonialism were responsible for underdevelopment of the colonies (Kay 1982, 8). There is no doubt that colonialism and self-centred capitalism offered by colonial lords in Bengal were accountable for the underdeveloped economy of Bengal. At least, the economic view from golden Bengal reveals this fact (described in chapter 6).

History postulates that the British East India Company broke the backbone of Bengal's economy by means of every conceivable roguery. At the very beginning of their intervention, the company destroyed the renowned cotton textile industry situated in eastern Bengal (Bangladesh), which at that time ranked among the greatest industries of the world. Later through the land reform act (Permanent Settlement) in 1793, they planted the seed of an inegalitarian social system, which eventually lead to strict social divisions in Bengal. Unfortunately, the composers of the land reform act channelled opportunities only for those indigenous groups throughout this transformation who promised and were able to serve the purpose of the company.

Paradoxically, the "Permanent Settlement" policy which established bourgeois property rights in Bengal, fundamentally altered agrarian Bengal from a traditional self-contained and egalitarian society, to one with dynamic peasantry differentiated along capitalist lines. Therefore, the 'self-sufficient village economy' of pre-British Bengal (golden Bengal), which was based on 'peasant production', 'disintegrated' and was impoverished

by colonial intervention. Both the imposition of ownership of land and the commercialisation of agriculture, which took place under the so-called land reform act, only benefited the company and its local agents. As a consequence of this remission, economic stagnation of common people resulting from colonial intervention, kept Bengal underdeveloped in the emerging capitalist world throughout the colonial period.

In 1947 Bengal was divided and East Bengal (present Bangladesh) became East Pakistan. The demise of the colonial state in 1947 did not alter the basic structural relationships in East Pakistan at local, state and international levels. Rather it pushed East Pakistan further into the peripheral corner of the capitalist world system. Economic growth in East Pakistan remained stunted by the new quasi-colonial relationship in which West Pakistanis replaced the British. East Pakistan's jute was the main source of the nation's foreign exchange and the backbone of East Pakistan's peasantry. Unfortunately the farmers in East Pakistan were not able to improve economic conditions due to domination by West Pakistan, as a result incomes grew in the west, but not in the east. This fuelled political tension between the two wings, and gave birth to independent Bangladesh in 1971. As mentioned earlier, colonialism changed social structures, political, economic systems, and cultural norms of the country. In fact, the social inequality currently constituted in Bangladeshi society strongly relates to the political and socio-economic background of this land.

Independence did not change the economic structure of the country. Ownership of private property, which was guaranteed by the state long before the birth of Bangladesh, helped to retain capitalism in Bangladeshi agriculture. In capitalist agricultural relations, poor peasants had little access to means of production, it was the rich who controlled prestige and income from the agricultural transformation (Jahangir 1979,

280). Consequently, the economic prospects of poor peasants remained stagnant. In order to improve poor peasants' conditions and increase agricultural production in general, the government initiated agricultural development projects supported by international donor agencies under the umbrella of "Green Revolution." Unfortunately, the effect of the green revolution neither benefited poor peasants nor agricultural labourers, but rather it strengthened capitalism in agriculture.

The introduction of new costly inputs and techniques in production of agriculture under the banner of "Green Revolution" aggravated the inequalities. Under the "Green Revolution" poor peasants were unable to reproduce themselves through agricultural production, as they lacked sufficient land or other means of production. Middle class peasants however, were able to reproduce themselves but sometimes badly affected by costly fertilisers and natural disasters. Only rich farmers were able to manage on a regular basis as they were able to accumulate sufficiently to cope with unexpected situations and hold the reins of power in order to steal the benefits of the green revolution. Apart from this, the technological transformation that took place in agricultural production under the process of the "Green Revolution" squeezed the fate of landless labourers. Less labour-intensive technological processes in farming clearly decreased the chance of earning a living through agricultural labouring for many villagers. In fact, the agricultural sector in developing Bangladesh exists and is more developed than in the past, however the fruits of the development have been caught by capitalist farmers.

Additionally, there are many other things that have had a harmful influence on the lives of common people and society in general. The availability of resources compared to the population is inadequate, which further affects rural poverty and remains extensive due to the majority of the large population living in villages. Illiteracy has a continuous and strong

influence on rural lives limiting the chance of villagers finding alternative employments. Mis-management of family assets have micro-level effects, but many informants claimed this was one cause of poverty in their community. Corruption among government officials enhances poverty, as the poor are deprived of political rights. Political mal-influence similarly disenfranchises the poor from social benefits. Weak taxation policies are a severe problem contributing to the gap between the rich and poor. Above all, multi-dimensional tactics in policy manipulation by the country's power holders disrupts sufficient efforts to develop poor peoples' situations.

NGO interventions in rural development since the beginning of eighties have however been able to contribute towards development, although the impacts have been contradictory (Daily Inqilab, August 23, 2008). In Bangladesh NGOs claim their success in reducing rural poverty, although many studies have found the number of rural poor is actually increasing (Daily Ittefaq, August 24, 2008). Some studies even indicate that corruption in NGO sectors in Bangladesh is a very common feature nowadays (Daily Inqilab, August 23, 2008).

Almost 80% of villages of Bangladesh are covered by NGOs, but directly benefit only 24 million people (World Bank 2000, xix). NGOs have been successful in popularising microcredit in rural Bangladesh. Currently about 65% of total rural credit is disbursed by NGOs and women are the main credit recipients. Nevertheless, there are criticisms against credit programmes and critics particularly point to the high cost of the usury interest rate of credits (ibid.). Many villagers from Bangdom also mention this in different phases. Some informants state that the NGO credit program could have a very generous role in reducing the level of rural poverty, but most villagers are still reluctant to receive credit from NGOs due to high interest rates and the short term instalment policy.

Apart from microcredit and agricultural growth, NGO involvement in education development, environmental protection, and health development issues are also visible in rural Bangladesh. According to a World Bank report, NGOs have contributed significantly to expanding girls' education, creating employment for rural women and providing extension for rural non-farm activities (World Bank 2000, xix). Some features of NGO development conducted were present in Bangdom but were very limited, compared to the massive requirements. Many villagers from Bangdom were doubtful about whether NGOs favour the poor with necessary supports or they make business out of their so called ideology. This has been expressed by many renowned economists of the country in recent days (Daily Prothom-Alo, February 03, 2010).

This study, as well as many other studies conducted in rural Bangladesh, reveals that the current demand for agricultural labour in villages remains highly seasonal – in peak periods of harvesting, weeding spring rice, and transplanting rainy season rice, most poor people can find work. However, between these periods they are often unemployed, with no income at all – a fact that enhances massive unemployment and underemployment in villages, home of 80% of the Bangladeshi population. When villagers are unable to sell their labour in agriculture, other opportunities to earn a living are scarce. Numbers of industries in rural areas are very few, unfortunately excluding the chance of earning a living through a worldwide capitalist development channel. Moreover, the numbers of industries nationwide are also insufficient to absorb the huge and increasing number of country's labour force. Ironically, the lack of industrial development in Bangladesh presents a terrible waste of the country's greatest resource: the labour power of its people.[89]

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[89] The total size of the labour force in Bangladesh is 56 million, of which 10.2 million live in urban areas and the rest in rural areas. This means, 82% of the labour force resides in the rural areas (Kazi 2002, 58).

The reality is that in the capitalist world, life revolves around a "working society", in which norms, values, social status and the identity of the majority of the population are constructed through paid work. On the other hand "societies of unemployment" are developing in front of our eyes. How work is organised is a central question that all societies need to consider in the future. In the absence of adequate employment, people take action to find opportunities for surviving. In the context of Bangdom village petty business entrepreneurs have been active in employing themselves through means available in the local society.

Tracing the outcomes

The impact of diversification into petty businesses has been analysed on an individual, household, and societal level. The individual level of the analysis focuses on the daily lives of many villagers, which manifesting their participation in the market. Participating in the market through petty businesses, entrepreneurs were able to generate a regular income that was not possible through their previous occupations.

Apart from providing income, petty business entrepreneurs have acquired an autonomous position that they would not have had otherwise. They were 'free' and did not have a boss overseeing them. Most of the entrepreneurs interviewed explained their motives for entering into business were having regular employment and autonomy. They identified themselves as successful managers of their households' economy in a land where material scarcity of most inhabitants is commonplace. They considered their work as the only option for their economic future, although it was a prestigious job that offered freedom.

The household level analysis carried out in this study focussed on the development of the households' income mobility through business operations achieving socio-economic mobility in the community. A

households' economic success through business was also linked to further development of the households' income level in accordance with economic participations of household members. Under normal circumstances in rural Bangladesh, a households' economic strategy is crucially dependent on the aspirations of particular individuals (i.e. the head of the family) for changing the overall level of well-being and livelihood security. Nevertheless, when a single member of a household adopts business, then all members become mobilised in improving economic conditions of the household through their contributions. The cases of Akkas Rahman (see case study 5) and Abed Ali (see case study 9) mentioned in chapter 6 are good examples of this situation.

The majority of households in Bangdom village did not have the ability to make significant changes to their household economic strategies on a regular basis, but through petty businesses were able to achieve this. Of particular note when considering household adaptation strategies, defined as behaviour based on shocks, the extent to which households' strategies crucially depends on the likely impact of the shock and the number of options available to the household. As Moser notes, 'the poor are managers of complex assets portfolios' (Moser 1998, 1). Whilst most households operated within a given social order with minimal conscious strategies, the poor were, on a daily, seasonal or long-term basis considering the most suitable actions for production and reproduction. For most of the villagers in Bangdom livelihoods were not fixed, immutable practices - they were often *ad hoc* and households flexible units that responded quickly to threats, especially when considering how closely the poor live to margins. Involvement in petty business operations enabled many households to demise an *ad hoc* kind of livelihood pattern and thus allowed them to adopt a sustainable livelihood strategy through business operations. For many households this transformation became permanent,

as in the cases of Zaman Khan (see case study 6) and Ahad Uddin (see case study 7) mentioned in chapter 6.

The societal level analysis focused primarily on the structural changes in village economies in Bangladesh, where petty businesses have a significant share. Eradication of poverty in a developing society like Bangladesh is of global concern. In respect to this, a considerable number of villagers' livelihood in petty businesses is helping society reduce the number of people affected by poverty. Sources of employment in Bangladesh are scarce, worse in the rural areas than in cities, and through business involvement, entrepreneurs were able to create employment opportunities for themselves. On the other hand, they were able to contribute to others' employment through fiscal contributions to local government and trade unions (*banik shamiti*). The situation in Bangdom shows that through petty business employment, villagers were brought to the markets and markets to their village, thus increasing the rural-urban linkage.

Traditionally, normal livelihood options for the rural poor were agricultural labouring, and sharecropping (i.e. source of dependent livelihood), meaning that the poor had no independent sources to cope with their needs. In this case, the emergence of petty business entrepreneurs changed the traditional coping pattern of villagers in Bangladesh, expanding the non-farm rural economy. This growth also played a crucial role in reducing the numbers of villagers dependent on traditional livelihoods.

Tracing the implications – from hypothesis to conclusion

The increase in business livelihoods has several substantial implications. First, it indicates growing penetration of the market and cash

economy. The village ideal to be self-sufficient 'in all but salt'[90] is now very far from reality: poor households do not have enough land to provide for basic needs; rich households have developed consumption tastes[91] due to extra income from agriculture and increased availability of cheap manufactured goods. Nowadays people do not go to town for necessities, as they can be bought nearby from the bazaar. They can also buy many consumer goods from grocery shops (*ghumti/moodi dokan*) situated within their own villages. In contrast through business, entrepreneurs receive the quick result of their investment and the cash income.

Secondly, the trend towards business affects cross-class relations. For poor households, participation in the market has provided independence from village patronage, a system that would have restricted freedoms in the past. When households move to business, they are able to build a network of people from different social classes, as everyday they are meeting customers. Business involvement also gives them the opportunity to connect with those from which they buy goods, who may also have different social levels. Therefore, a business household network forms over a wide geographical area, whereas formerly it was confined within a single community and class. For instance, Iddris Ali (case study 12) described a marriage proposal for one of his sisters by the son of a rice mill owner from Naogaon who Iddris came to know through business transactions. Iddris's family refused that proposal because his sister was still in high school (grades 6-10) and wanted to continue her education before marriage. Other respondents also described similar situation.

Thirdly, the trend towards petty business has effects for the composition of gender identities. Although women's work has always been of economic importance, traditionally its primary location was within

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[90] In the past villagers managed all their consumptions, except salt, within the village.
[91] Affluent households are getting used to a variety products that cannot be managed by village produce alone.

households and in close association with consumption (processing crops for use as food, for example). As more women become involved in business, their work became more focussed on income generation and is therefore more easily recognised as economically significant, as Indicated by Ena Begum's case (see case study 15). Through business, Ena was able to shift her labour and capital into the market, changing her gender identity, as she was no longer only a housewife and hold also personal resources. Additionally, she was seen as an independent woman in the community, which Ena Begum explained other women in Bangdom were interested in, due to her success. Moreover, her emergence as petty business entrepreneur highlights that through involving in business activities, she was able to share the public space that had been traditionally a male sphere of activity, and from which women had been barred historically.

Alternatively, men shifting into business on a more full-time basis, changes the division of labour within a household. Women can contribute to the households' income by providing insights for business and also by doing separate work. Babul Mia's (case study 10) wife, Putul, and Shoheb Ali's (case study 8) wife, Hasna, both had livestock ventures since 2001 and 1999, respectively, and were good examples to incorporate into this study. Putul bought and sold livestock in which one of her brother-in-laws (Babul's younger brother) helped her. She had also two cows as a primary resource in this venture, which she used for making profits from selling milk. Similarly, Hasna's livestock venture operated with two cows and a dozen of hens, also providing good income. It was observed that women from other household types also had livestock at home, but were mainly used for raising subsistence, whereas women from business households acquired profit and accumulation.

Moreover, when men are absent from the home women are able to supervise field production. It has been noticed that women share labour with men in business better than in agriculture, therefore, as more families move to business increasing numbers of women become involved in income generation.

Fourthly, new occupations in businesses affect the possible gain in social capital influencing the entrepreneurs' ability to improve the condition of a business' potential. Social capital in this case refers to the opportunity of building relations with influential individuals holding power where the businesses are operated, also known as developing connections (Bourdieu 1993, 32).

Social capital does not fit neatly with neo-classical notions of rationality, because it involves the investment of time, effort and resources away from the immediate acquisition of concrete goods. However, for petty business entrepreneurs social capital is built up with local influential individuals in the form of customer relationships and converted into material resources during times of need (Kabeer 2000, 44). Traditionally, definitions of social capital focused on the ability of individuals to cope and adapt, under changing circumstances. Of particular note are good relationships with moneylenders for overcoming crisis situations, government officials when applying for jobs, rich neighbours for receiving donations, and with neighbours (having good links to local politicians and administrators) for receiving government benefits. An important dimension of social capital in the context of my study can be highlighted through the cases of Salam Mondol (see case study 3) and Sabosher (see case study 11) mentioned in chapter 6.

When Mondol built a permanent shop utilising a public place he called for help from some local political leaders, whom he came to know through his business, without which, he might not have been able to

develop his economic progress. By the same token, when Sabosher was forced to move from the public place of his business, he kept his business closed for a couple of months until he found a room in a market building where his business was finally situated. A well-known person (his customer) channelled his efforts into helping Sabosher find the room. Without this opportunity, Sabosher may have had to terminate his business. Many other interviewed entrepreneurs had obtained the opportunity of utilising their connections with local influential individuals in times of need.

Summary

All the interviewed entrepreneurs wanted to continue working in business. The question as to whether petty business entrepreneurship in rural Bangladesh was an economic necessity, or a market opportunity, can be answered on the basis of the findings of the study. The petty business entrepreneurs did not have opportunities to earn a living vertically within society, most of them finding petty business entrepreneurship as their only option. Thus the emergence of petty business entrepreneurs in my study is primarily *necessity-driven* and nature of the entrepreneurship in my study is *necessity entrepreneurship*. They did, however, consider their work an honourable job offering the opportunity for sustainable income. Professional identity as a petty business entrepreneur developed during the exchange of consumer goods and services, guaranteeing pride in obtaining a better income for them and their families, compared to previous professions.

Significance of small-scale entrepreneurship

Personal relations between different actors shaped the work of the petty business entrepreneurs in this study. In fact, personal relations were very much essential for collecting financial capital for business start ups

and also for strengthening business operations. There was no option for formal credits for such businesses; therefore those who needed a loan had to resort to "informal" credit sources, usually close kin or in some cases friends and acquaintances. It was more common to start with very little capital because the supply of "informal" credits was very limited.

The interviewed entrepreneurs were asked to express their expectations of receiving support from the government and NGOs for developing their situation within their current occupations. A considerable number among them gave emphasis on two opportunities:

(i) easy and low interest rate loans to expand their businesses, and
(ii) short training courses to improve their entrepreneurial skills.

Neither government organisations nor NGOs have ever been particularly benevolent to such entrepreneurs as in my study, because they (entrepreneurs) neither have sufficient assets to mortgage against a loan, or a strong existence to attract government or NGO attention to receive training.

The supply of formal credits, along with skill development training for petty business entrepreneurs, either by concerned government organisations or NGOs, is recommended to improve the situation in rural poverty, utilising the potential of entrepreneurs. Those with the energy and motivation for working 15 hour work days, 7 days a week, can be empowered to create considerable employment resources in rural areas. Data from my field study view them as responsible entrepreneurs as they have been able to contribute to society significantly while doing better for themselves than in the past (Chapple & Moon 2007). Further research could focus on how they could be empowered to contribute to the country's economy in general.

The study shows that there has been a lacuna in development thinking, when the business initiatives of local entrepreneurs have not been given much attention. They have been either seen as capitalist agents not worth supporting in the heyday of the developmentalist agenda or as minor actors in the larger scene of corporate/MNC–led global economies. As my study shows, the small business entrepreneurs in a village setting who have opened businesses by their own initiative deserve to be recognised as economic agents, needy of support and encouragement.

POSTSCRIPT: THE RELATIONSHIP IN DEVELOPING COUNTRIES BETWEEN THE CITY AND THE COUNTRYSIDE

> Our world is very unequal. There is a huge difference in human development across and within countries. For many people in developing countries moving away from their home town or village can be the best—sometimes the only—option open to improve their life chances.
>
> Human Development Report 2009

The city dwellers and the government of Bangladesh have always been worried about the alarming population pressure on cities, especially the capital, Dhaka, due to rural-urban migration. Nevertheless, for lack of income security in the peripheries, rural-urban migration is now on the way to being more problematic than previously thought. In fact, rural-urban migration in Bangladesh has become one of the most problematic issues in the country. In September 2009, I was travelling from one part of Dhaka to another by bus. I spent several hours to go through only 10 kilometres, due to an irrepressible traffic jam. In spite of this, the number of people and resultant traffic in Dhaka are increasing every day – mostly from rural-urban migration. According to a BBC report: "With 13 million people, Dhaka is struggling to contain its rapid growth. It is rapidly becoming one of the world's largest cities – and one of the most congested" (BBC, February 1, 2010).

I was lucky to do some informal interviews with the rural migrants (both temporary and permanent) in Dhaka several times in my life. This postscript stresses the importance of some of those interviews in order to

convey the significance of promoting small-scale entrepreneurship in rural Bangladesh.

A *rickshaw* puller in Dhaka told me that he had to move there because he could not find any source of income by staying in his village, and that this move improved his economic stability. On the other hand, he had to sacrifice many other basic things such as family life, comforts and friends. He added that many times he was frantic while staying away from his family since he could not return home when he wanted. Moreover, he lived in the unhygienic environment of the slums and consumed adulterated food which made his health condition vulnerable. He believed that his move to Dhaka had been taking more from him than he had been receiving and that nobody would want such a life. Nevertheless, he still considered to continue pulling rickshaws in Dhaka and in his own words: "without other necessities of life (e.g. staying with the family) we can stay alive but without income and food we will die."

A 20 years old young man selling children's books in the street of Dhaka city with his mobile shop mentioned that he moved to Dhaka from his village because there was nothing to do for a living staying in the village. He indicated that his moving to Dhaka enabled him to manage the necessities of his life as well as to provide economic support to his parents living in the village. He was therefore very happy of the income he had been making from his venture. He was also worried about the severity of life in Dhaka with respect to the unhygienic accommodation he had and the adulterated foods he consumed often caused him to be physically ill. He said that he would go back to his village when he could manage to have enough savings from his current business to start something there.

A female migrant in Dhaka indicated that living in Dhaka is like living in a sort of illusion (*ghorer uporay thaka*) because one could earn more here than staying in a village. She mentioned that: "in a sense, the result is

zero because one has to lose many valuable things from his/her life to live here." She had moved to Dhaka along with her husband and children some years ago to survive. After moving to Dhaka she worked as a maid in rich families' homes and her husband pulled a rickshaw. They rented a room in a slum and had been living there for several years. While pulling a rickshaw once, her husband got a serious accident that made him unable to have a job anymore. Her oldest son also became a heroin addict and gradually got involved in criminal activities. Consequently, he had been sent to jail which required her to spend a considerable amount of money to face the court. Because of all these unwanted experiences from living in Dhaka, they planned to go back to their village when her son would get released from jail. She said: "migration from the countryside to the cities can provide someone with a material gain but snatches many valuable things from life."

If we compare the petty business entrepreneurs in this study with the above mentioned cases, it reveals that they have been able to make a significant contribution to society and at the same time avoid migration. The government and non-governmental organisations could pay more attention to encourage them to become entrepreneurs so as to create jobs in the rural areas of Bangladesh. This would be an effective way to help the villagers survive.

In the election manifesto, the present government of Bangladesh promised to take many fruitful policies (e.g. social safety net, creating ideal villages and helping people return home) to eradicate rural poverty in the country. There is no doubt however that if these policies are going to be implemented as it has been illustrated, they would help the poor households have a better standard of living. Side by side, government and non government organisations in Bangladesh should also put an emphasis on training and providing easy credits at least to one member from each

family in rural Bangladesh, in order to develop his/her entrepreneurial skills. This would provide them with an opportunity to better manage their livelihoods at home. It would be a modest effort towards decreasing the gap between the poor and the rich since researchers have found that in Bangladesh, human capital is becoming as important as natural capital (e.g. land) when it comes to taking advantage of new livelihood opportunities (Kazi & Turton 2002, 29).

My observation reveals that the challenges rural people in Bangladesh face today are not related only to the redistribution of wealth but also the redistribution of the new livelihood opportunities that are emerging (see also ibid.). In this case, the unprivileged segment of the people in Bangladesh need organisational supports to benefit from the emerging opportunities – government initiatives should be more promising in this case than the NGOs (Daily Prothom-Alo, February 03, 2010).

APPENDIX 1:

Questionnaire used in the in-depth interviews

General information

1. Age.
2. Place of birth.
3. Education.
4. Spouse (age, place of birth, education, occupation).
5. Number of children (age, education, occupation).
6. Parents (age, place of birth, education, occupation).

Work history

1. Previous jobs and reasons for quitting.
2. Age of first job.
3. How did you feel when you started to work for the first time?
4. Have you had problems in finding a job?

Diversification

1. Reason/s for choosing the current occupation.
2. Why did you choose business as an occupation?
3. How difficult was the transition for you and your family?
4. How did you feel when you began to work in this job?

Current occupation

1. What kind of business do you operate?
2. Do you have any other sources of incomes? What?
3. Do you work alone in your business, or do you have employees?
4. How many hours do you work each day? Do you have days off on a weekly basis?
5. How did you obtain the financial capital for your business?
6. Did you have any problems collecting the financial capital?
7. What kind of transportation do you use for your business?
8. Have you, or do you change the location of your business?
9. If yes to the previous question, why don't you have a permanent place of operation?
10. Do you require a license for your business?
11. How much does the license cost?
12. Where did you acquire the license from?
13. Is your business registered? Where?
14. Is your business controlled by higher authorities?
15. Is your business part of a business union?
16. Do you pay taxes?
17. Is there high competition?
18. Who are your customers?

Income and satisfaction

1. How much do you earn in a day/week/month? Is it sufficient?
2. Are you and your family happy with your present economic situation?
3. Do you think that the economic situation of your family is better now, than earlier?

Advantages and disadvantages

1. What are the advantages of your business?
2. What are the disadvantages of your business?
3. What is the main issue of your business?

Future plan

1. What are your future plans, with regards to your business?
2. Do you think that you will do something else in the future?
3. What is your economic goal?
4. Do you hope to continue in this work?
5. What do you think about the outcomes of your current occupation?
6. Is there a threat of unemployment?

● Do you expect, or are you already receiving, support from the government and/or from NGOs, to help with the formation and/or development of your business enterprise?

● What do you think about the present government? What should they do for your enterprise?

APPENDIX 2:

Questionnaire for group discussions

Village livelihoods (past and present)

1. What do you know about the history of your village?
2. How do the people in your village manage their economic necessities?
3. How did they manage them in the past?
4. What are the patterns of livelihoods for the poor, middleclass and rich households in your village?
5. How were these in the past?
6. How do the changing patterns of livelihood affect the lives of the villagers?
7. How does a family adjust, when it fails to sustain income through traditional sources (e.g. agriculture)?
8. What kinds of sources of income are constant for the people in your village?
9. What are the locations of livelihood of the people in your village?
10. How was it in the past?
11. What is the situation of wages in your village?
12. What do the educated people in your village do, or prefer to do?
13. What would you like your children to do in the future?
14. How does a household survive in your village, if it has no source of income?

Social issues

1. What does poverty mean to you?
2. What is the economic situation of people in your village?
3. How do you categorise the households economically, in your village (e.g. poor, middleclass, and rich households)?
4. What are characteristics of households belonging to different economic categories?
5. How were these in the past?
6. What is the social position of people in your village that belong to different occupations?
7. How do rich households maintain social relationships with other households in your village?
8. How do villagers overcome unexpected situations (e.g. natural disasters)?
9. What situations are particularly problematic or unexpected for villagers?
10. What types of changes have you noticed in your village in the last 30 years?
11. How have these changes occurred?
12. How do these changes affect the lives of the people in your village?
13. How do government and non government organisations respond to the needs of villagers?
14. How do educated people in your village contribute to the development of the village?
15. How do politicians in your village contribute to the development of the village?
16. How are schooling facilities for children in your village?

17. How are health care facilities in your village?
18. How do villagers vote for electing public representatives?
19. How do couples in your village maintain birth control?
20. How would you categorise a big, medium, or small family?
21. What are the advantages and disadvantages of having many children?
22. How much are farmers in your village familiar with modern and technological developments in agricultural production?
23. What types of support do you receive from government and non-government organisations concerning this?
24. What kinds of credit facilities are available from government agencies, non government organisations and other sources?
25. How is credit distributed?
26. What types of services do NGOs provide for villagers?
27. How do villagers maintain social harmony?
28. How does religion influence the lives of people in your village?
29. What do you think about the economic situation of people in your village, compared to people from nearby villages?

Gender issues

1. What is the economic situation of women in your village?
2. What is the condition of health of women in your village?
2. What is the division of labour (male/female) in households in your village?
3. Does the division of labour vary in different households (e.g. rich, middleclass and poor categories, or agricultural households and business households)? How?
4. What is the situation of wages for women in your village?
5. How can the existing difference between male and female wages be adjusted?
6. How would you divide men's and women's work?
7. What kinds of changes have you noticed concerning this, compared to the past?
8. What types of occupations can allow a woman to become economically independent?
9. How can the men in the family contribute to helping make women economically independent?
10. What kinds of opportunities are available for women in your village to become economically independent?
11. What is the situation of female education in your village?
12. What is the situation of political involvement by women in your village?

Recreation and leisure time

1. How do villagers spend their leisure time?
2. What are sources of recreation for villagers?
3. How do you celebrate different festivals (e.g. religious, national, and seasonal)?
4. How do women in the village participate in such happenings?
5. What do you think about the opportunity for recreational activities for villagers nowadays, compared to the past?
6. What recreational activities do children in your village participate in?
7. Do recreational activities vary in different households?

Business occupations

1. What do business occupations mean to you?
2. How common are business activities in your village?
3. How common were they in the past?
4. What kinds of business activities are common among villagers in your village?
5. What types of households are involved in business activities in your village?
6. How do you distinguish a business household from other types of households?
7. How do women in your village participation in business activities?
8. What are sources of financing for villagers wanting to set up a business?
9. What else is needed to start up a business?
10. What are the advantages and disadvantages of a business related occupation?
11. What is the economic situation of 'business' households in your village?
12. What is the overall situation of 'business' households in your village?

REFERENCES

Primary sources

Qualitative

● Twenty (20) interviews with petty business entrepreneurs from Bangdom
- Nineteen (19) male entrepreneurs
- One (1) female entrepreneur

● Four (4) group discussions with the villagers in Bangdom
- Two (2) in the southern part/*dhakkhin para* of the village
- Two (2) in the northern part/*uttor para* of the village

● Ethnographic observation
- Observation on business activities of petty business entrepreneurs at Nazipur bus stand bazaar locations and in Bangdom before and during the interviews
- Observation on lives & livelihoods of the villagers in Bangdom and its overall circumstances during the fieldwork

Quantitative

● Household survey data of 258 households from Bangdom

Other

● Social map of Bangdom

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