

Rural Development, Class Structure and Bureaucracy in Bangladesh

HARRY W. BLAIR*
Bucknell University

Summary. – For a time in the mid-1960s, the Comilla programme in Bangladesh (then East Pakistan) seemed to represent a viable answer to the quest for a rural development programme that would truly benefit small farmers. In the ensuing years, however, the programme came to be dominated by the bigger farmers, largely because of the realities of class structure at the macro- and micro-levels. But there were also bureaucratic factors involved that had an existence independent of any class context, factors which would have biased any rural development programme toward rural elites, even in the absence of a class structure at national level that favoured these elites.

That rural development programmes have failed to provide meaningful amelioration of poverty for the peasantry of South Asia is scarcely amazing. Indeed, in view of the almost universal tendency for Third World development programmes to benefit dominant elites it would be startling if any project had more than an ephemeral effect in benefiting the lower strata in the rural areas anywhere.

Clearly, the class structure of Third World states has a great deal to do with this melancholy truth, and class analysis goes a long way toward explaining why rural development programmes serve a relative few at the top of the economic structure. But can class analysis carry the whole explanatory load here? It is the contention of this paper that one must move beyond political economy to a consideration of bureaucratic behaviour existing independently of the class structure, if one is to gain a full understanding of the constraints on rural development in the Third World.¹ Not only Marx but also Weber must be pressed into service.

We begin with a focus on the one rural development programme in all of South Asia that has shown a real promise both of increased productivity in agriculture and of an equitable distribution of the fruit of that productivity to small farmers – the undertakings of the Bangladesh (formerly Pakistan) Academy for Rural Development at Comilla, which have been in progress for more than 15 years. It will be shown that though there has indeed been a marked and sustained increase in production,

not small farmers but large farmers have been the beneficiaries. This unhappy turn of events can be explained in large part with an examination of the political economy of Bangladesh, to which we then proceed, both at the micro- and macro-levels. The focus of the next part of the paper will be on the bureaucracy that is charged with instituting rural development, with a view to showing that there are inherent constraints in the bureaucratic system itself that skew the benefits of the programmes to local elites, and that these constraints operate independently of the class structure, either at the micro- or at the macro-level.

I. THE COMILLA EXPERIENCE

The Academy for Rural Development at Comilla has been active in originating and experimenting with programmes since its founding in 1959 as the government's field training and research station for rural development in East Pakistan (and after 1971 Bangladesh).² Its activities have included rural public works, pumps irrigation, credit cooperatives, and organization of all kinds of groups from Islamic religious preceptors to housewives to rickshaw pullers and brickmakers. The

* Paper prepared for delivery at a panel sponsored by the Caucus for a New Political Science at the 1976 Annual Meeting of the American Political Science Association. The Palmer House, Chicago, 2–5 September 1976. Revised, May 1977.

Academy has been widely praised in the literature on development, especially for its success in promoting agricultural growth through credit cooperatives, which have been used to introduce new production technologies, mobilize rural credit, and create institutions for rural development that include small farmers, not just the larger ones. At present the cooperative structure is in the process of being expanded to the whole country as the major instrument in the government's effort to increase agricultural production and bring some measure of economic equity to the countryside.

The Academy was permitted by the government to use as its experimental 'laboratory' the adjacent Kotwali Thana, an area with a rural population of about 150,000. Beginning in 1960-61 it created and managed an ever-expanding network of rural credit cooperatives, and under the inspired leadership of its director, Akhter Hameed Khan, the experiment had considerable success almost from the beginning. The effort to raise rice production³ through supplying credit, inputs and extension education did quite well, and yields went up substantially. Yields for the major monsoon-dependent *aman* rice crop (which supplies about two-thirds of the country's total annual production) in the experimental thana have since the early 1960s averaged over twice as high as for the immediately adjacent region or for the country as a whole. Most impressive has been the progress in the *boro* crop, as is shown in Figure 1. *Boro* rice is grown in the dry season, when irrigation is necessary to get any crop at all. This is expensive, but there is an advantage, for irrigation means that the water level in the paddy fields can be controlled. Thus the new dwarf varieties like IR-8, which would drown in the fields during the monsoon season when it is impossible to keep the water level down, can be grown during the dry season. These new strains were first introduced in a major way throughout the country during the 1968 *boro* season, with the results shown in Figure 1. Bangladesh as a whole increased yields by well over 50% from around 1250 pounds per acre to over 1900 pounds, but in Kotwali Thana rice yields went up by around 250%. The new varieties increased production almost everywhere, but with the guidance and inputs provided in the Comilla project, they performed even better, by a factor of about five times over the national increase. In the latter part of the period covered in the figure, production decreased somewhat, due to the liberation struggle of 1971 and its aftermath (which severely disrupted the administration of

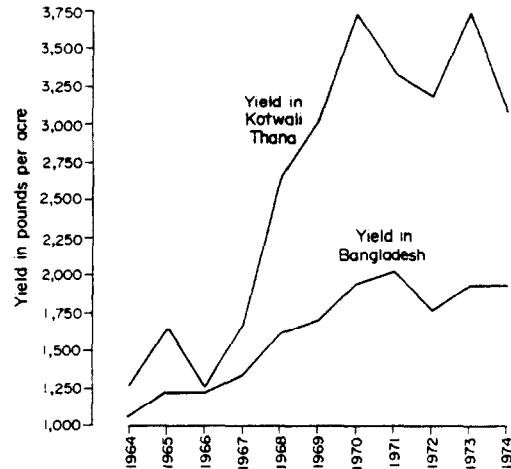


Figure 1. Yield of boro rice per acre in Kotwali Thana and Bangladesh, 1964-74

Source: For Kotwali Thana, *Boro Crop Survey in Comilla Kotwali Thana*, various years (Comilla: Pakistan [and Bangladesh] Academy for Rural Development), and private communication from the Academy for 1974; for Bangladesh, Government of the People's Republic of Bangladesh, Planning Commission, *Annual Plan, 1973-74* (Dacca: Bangladesh Government Press, 1973), and from World Bank data for last two years.

fuel and repairs for the irrigation pumps), and probably due also in Kotwali Thana to the fact that more and more farmers were growing the new strains on ever more marginal land, thereby bringing down the average yield for all land under the new High-Yielding Varieties (HYV) of rice.

The reasons behind the success of the Comilla experiment have been covered in considerable detail elsewhere,⁴ but a very brief summary can be given here. There was first of all the charismatic leadership of founder-director Khan, a hard-driving and dynamic personality who continuously infused his own enthusiasm into the project and at the same time had the right combination of diplomacy and tenacity - the former to obtain funding for the Academy internally and externally (particularly from the Ford Foundation) and the latter to defend his programme from bureaucratic jealousies and manoeuvres at other echelons of government. Second, there has been a continuous focus on self-criticism from within. Despite the usual bureaucratic pressures to report only achievement and progress to higher levels, and the perhaps even greater pressure to report success to the Ford Foundation and to development-oriented circles abroad, director Khan adamantly insisted on

rigorous self-criticism. Accordingly, the published reports and studies made by Academy personnel of all aspects of the experiment have been full of self-examination, criticism and questioning. Along with this self-examination existed an equally strong willingness to change and modify virtually anything to make it better, a distinct difference from the rigidities that characterize South Asian bureaucracies generally, as well as those elsewhere.

Small farmers benefited from the programme as well as larger farmers, as we see in Table 1, which gives the results of a longitudinal survey done in Kotwali Thana, first in 1963-64 and then again in 1969-70. As is the case generally in the LDCs the smaller farmers had the highest productivity per acre⁵ in the earlier year, some 921 lbs. more than the largest farmer group. All three groups improved yields markedly over the six-year period, but the smallest farmers improved most of all, with yields averaging 971 lbs. more than those for the largest farmers in 1969-70.

The Comilla programme had considerable success, then, in reaching small farmers; indeed, in the early years larger farmers refused to join the new cooperatives, being more interested in quick returns on moneylending than in the slow process of increasing yield through investment in new agricultural technology.⁶

In the ensuing years the situation changed

considerably, as can be seen in the last column of Table 1. There we can see that although it is true that small farmers were able to increase their yield by more than the large farmers were (increasing their advantage per acre from 921 to 971 lbs.), it was also true that in percentage terms the small farmers increased their yield per acre by 78%, while the larger farmers were able to improve theirs by 124% — a substantial difference, enhanced by the fact that the larger farmers were at a better position on the production function both before and after the introduction of the new technology.

II. PROBLEMS WITH THE COMILLA PROGRAMME

The situation is portrayed in graphic terms in Figure 2. The large farmers had been at position *a*, expending inputs to the extent of *a'* and obtaining output *a''*, just over 1400 lbs. an acre (per Table 1). The smaller farmers were much higher up on the production function, at *b*, for they expended *b'* on inputs to obtain *b''* in output, about 2350 lbs. per acre. Note that $a'b > a''b''$; that is, the input/output ratio has become unfavourable for the small farmers. They must accept it anyway, for they have no other source of livelihood, while the larger farmers expend their resources beyond *oa'* on

Table 1. *Increase in productivity for cooperative farmers in Kotwali Thana, 1963-64 to 1969-70*
(sample *n* = 122)

Size of farm	Rice yield in pounds per acre		Increase
	1963-64	1969-70	
under 2 acres (<i>n</i> = 54)	2345(b)	4164(d)	78%
2 to 3.5 acres (<i>n</i> = 39)	1819	4098	125%
over 3.5 acres (<i>n</i> = 29)	1424(a)	3193(c)	124%
average	1985	3917	98%
difference between smallest and largest farms	+921	+971	-46%

Source: S. A. Rahim, 'Rural cooperatives and economic development of subsistence agriculture', mimeo (Comilla, Bangladesh: Bangladesh Academy of Rural Development, 1972), p. 36.

Note: Letters in parentheses refer to points in Figure 2.

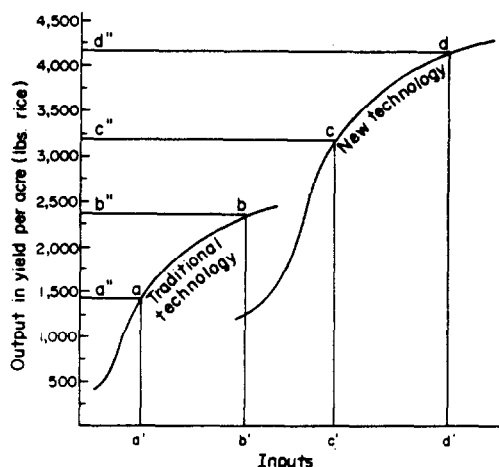


Figure 2. *Production functions: traditional and New agricultural technologies*

other activity, most likely moneylending, where the returns are higher. After the introduction of the new technology, the small farmers have moved up to d (over 4150 lbs. an acre), again experiencing diminishing marginal returns, while the larger farmers are more advantageously situated at c (3200 lbs.). Note that $b'd' > a'c'$, also that $b'd' > b''d''$, and finally that $c'd' > c''d''$. The smaller farmers are getting higher yields, but their terms of doing so are in every way worse than those enjoyed by the larger farmers.⁷

A more exact picture emerges from Table 2. Here we see the number of cooperative members increasing over the years and the loan

issue increasing quite rapidly in the mid-1960s (in fact quintupling between 1965–66 and 1967–68), then diminishing rather markedly toward the end of the period, especially during the liberation war of 1971. Loan issue per member underwent the same cycle, although more drastically at the end, increasing from taka (abbreviated Tk.—the Bengali word for the rupee) 154 to 368, then decreasing to around Tk. 40 or 50 in the last three years.

When we look at the number of loanees, however, the picture changes dramatically. The portion of members getting loans was quite high at the beginning of the period, about 85%. But it then decreased to around 65%, then to just over 30% and finally down to about 10%. Looking at it another way, we might construct an 'inequity ratio', by computing the ratio of the average actual loan size to the loan issue per member for each year. When this is done in column 8 of Table 2, we find the ratio increasing from 1.2 to around 3.0 and finally to the 8-to-10 range in the last three years.

The reason for the change was a simple one: the large farmers had gradually taken over the cooperative societies and were directing the loans to themselves.⁸ The reasons why they were able to take over the coops are rather more complex.

III. THE POLITICAL ECONOMY AT MICRO-LEVEL

In this section, we will explore the class structure of Bangladesh at the village level,

Table 2. *Pattern of loans in agricultural cooperative societies, Comilla Kotwali Thana, 1965–72*

Year	Number of cooperative members	Total loan issue (Tk. '000)	Loan issue per member (Tk.)	Number of loanees	Percentage of members getting loans	Average size of loan (Tk.)	Inequity ratio $\frac{\text{col. 7}}{\text{col. 4}}$
1	2	3	4	5	6	7	8
1965–66	5161	796	154	4400	85.3%	181	1.2
1966–67	8462	1671	197	7048	83.3	237	1.2
1967–68	11518	4244	368	7171	62.3	592	1.6
1968–69	11673	2930	251	7947	68.1	369	1.5
1969–70	11151	1713	154	3798	34.1	451	2.9
1970–71	11261	1554	138	3764	33.4	413	3.0
1971–72	11793	455	39	1131	9.6	402	10.3
1972–73	13391	563	42	1395	10.4	404	9.6
1973–74	13741	687	50	1645	12.0	418	8.4

Source: Data derived from A. K. M. Obaidullah, *A New Rural Cooperative System for Comilla Thana: Twelfth Annual Report, 1971–72*, and Md. Kayem Uddin, *A New Rural Cooperative System for Comilla Thana: Fourteenth Annual Report, 1973–74* (Comilla: Bangladesh Academy for Rural Development, 1975 and 1976), pp. 50 and 31 respectively, and other publications of the Academy.

seeking to explain as much of the big farmer bias in rural development as possible. In the next section we will do the same at the national level.

At first blush, the landholding pattern in Bangladesh appears very egalitarian. Table 1 would seem to infer that this is the case, for here farms over 3.5 acres were referred to as 'large'. Indeed, the most comprehensive survey of landholdings in East Pakistan showed the median landholding in 1960 to be somewhat under 2.5 acres, while the mean was about 3.5 acres. For Comilla District (of which Comilla Kotwali Thana is about 1/20 the area), some 43.2% of all farmers had less than an acre in 1960, and the mean was only 1.8 acres.⁹

One would not expect landholding size to increase in a country where population is growing at well over 2% per year, and indeed there has been a decrease.¹⁰ In Comilla Kotwali Thana, a 1973 survey showed 17% of families to be landless, another 42% to hold an acre or less, with fully 83.9% holding two acres or less and only 1.4% of families holding over 5 acres. Average holding size was 1.16 acres.¹¹

Despite the miniscule scale of agriculture in Bangladesh, the pattern of landholding is not at all egalitarian. The gini coefficient for East Pakistan in 1960 was 0.546, for the Comilla District 0.543, and for a Comilla Kotwali Thana sample in 1973, it was 0.593. Comparatively, we might note that the gini coefficient for West Pakistan was 0.632, for Iran 0.625 and for India 0.522.¹² In other words, it does not take much land to be a 'big farmer' in Bangladesh.¹³

On the order of 3 or 4 acres will allow the owner to attain what Keith Griffin has called 'middle peasant' status – that is, a peasant with this much land will derive most but not necessarily all his income from cultivation, will have some surplus available for market, and will employ some labour from off the farm.¹⁴ He will also most likely be involved in money-lending.

It was these middle peasants, a 'kulak class' one might say, that gained control of the cooperatives in Kotwali Thana and were both perpetrators and beneficiaries of the unhappy trends observed in Table 2.¹⁵ These larger farmers have also been better able to avoid repaying their loans, a pattern that confirms the widespread evidence showing that the big farmers are generally in the Third World also the big defaulters.¹⁶ A 1969 Academy study of 30 defaulting cooperatives in Kotwali Thana found that 54% of the overdue loans were for less than Tk. 500, comprising 15% of the total overdue money, while 6% of the overdue

loanees were in the Tk. 2500+ bracket, with 28% of the overdue money. Along another dimension the author of the study found that the *per capita* overdue loan for members of the managing committees of these coops was Tk. 1534, but for ordinary members it was only Tk. 93. A later study of a sample of individual defaulters in Kotwali Thana conducted in 1975 focused on landholding size and found that 15% of the defaulters owned an acre or less of land, compared with 52% of all rural families in the thana, while 49% of the defaulters held over 2 acres of land, as against only 22% of rural families overall.¹⁷ Large farmers in Bangladesh, then, follow the practice found elsewhere of being the more prominent defaulters.

What had happened in Kotwali Thana was that the larger farmers had taken over control of the credit societies in the rapid expansion of the programme during the later 1960s. The Comilla cooperatives then began to resemble those elsewhere in South Asia, in that these larger farmers were able to steer the loans to themselves and were able to get away with defaulting on those loans. That they were able to do this was a function of their position in the rural economy as surplus farmers, as moneylenders, and as patrons in the patron-client system. The question remains why they were not perverting the system in the earlier period, but we shall defer discussion of this aspect until later on.

IV. POLITICAL ECONOMY AT MACRO-LEVEL

A large farmer bias is also evident at the macro-level,¹⁸ though here the agricultural elites share the benefits of national policy with two other groups, the urban bourgeoisie and the military. Until the series of coups in the latter part of 1975, there were linkages between all these groups and the only important political party, the Awami League. The situation that has emerged since then is still unclear, but even if elections are held in 1978 or 1979, things will probably be much the same as described here.¹⁹

Bangladesh does not have a 'national bourgeoisie' in the same sense that India has its entrepreneurial clans like the Birlas, Tatas and Dalmias, or Pakistan has its 'twenty families'. Rather, there is a stratum of traders and government servants suppressed under Pakistani rule which has come into its own only with independence. These are the people who run the bureaucracy, man the senior banking and

commercial posts, possess the lucrative import licences, and run the industries taken over (from their former West Pakistani owners) after the liberation of Bangladesh. They are, of course, the class that chafed the most under (and had the most to gain from the demise of) the Pakistan regime in which only 17 of the 112 members of boards of directors of the central public corporations were East Pakistanis, only 170 of the 801 members of the upper level civil service cadres were from the East, and so on.²⁰ Needless to say, this class found it necessary to maintain very close ties with the ruling Awami League after independence.²¹

The military under Sheikh Mujibur Rahman did not receive the largesse it was accorded in India and Pakistan; in fact the whole defence establishment amounted to less than 60,000 men at the beginning of 1975.²² Sheikh Mujib starved his military, seeking to prevent the relative autonomy it had obtained in most post-colonial societies²³ by balancing it off against the para-military *rakhi bahini*, which had a direct loyalty to him. The military share of annual budgets was only around one-eighth during the Mujib period, and a good deal of that went to arming the *rakhi bahini*, which Mujib projected to increase to over twice the size of the army by 1980. Partly because of this parsimonious treatment, the military revolted in August 1975, and now enjoys at least as much autonomy in Bangladesh as it does in the other South Asian states. The military share of the budget under Mujib's successor, General Ziaur Rahman, has been around 30%, and the size of the armed forces has increased considerably.²⁴

The third pillar of support for the regime has been the large farmer class.²⁵ The regime in Dacca has been absolutely dependent on this 'kulak class' of farmers for its survival, both to hold down unrest in the countryside and to muster votes at election time, because so far, in spite of widespread guerilla operations during the 1971 liberation struggle and continuing rural violence since then, the masses of peasantry have not been mobilized politically. Only the wealthy peasant class counts in the context of the rural political economy described above.²⁶

The linkage system between the large farmer class and national political activity was of course the Awami League. The Members of Parliament returned in both the 1970 and 1973 elections (overwhelmingly Awami Leaguers both times) tended to be of the wealthier landholding class²⁷ and pursued policies benefi-

cial to that class. In December 1973 elections were held for Union Panachayats (some 4000 altogether in rural Bangladesh) to replace the Relief Committees at the local level, and the members returned to office appeared to be the very same kind of large and influential farmers that had been Basic Democrats in the old local government structure of the Ayub Khan period.²⁸

But it was not only the MPs that provided a linkage between national and local elites — it was virtually the whole apparatus of the Awami League. In the period just after the war, Relief Committees were set up throughout the country in the rural areas to replace the old Basic Democracies system and to administer the distribution of government aid. Naturally they were staffed with loyal Awami Leaguers. As the country pulled itself together from the war, the Awami League supervised through the Relief Committees the dissemination of virtually all inputs going to the agricultural sector: credit, pesticides, irrigation machinery and fuel, fertilizers and seeds.

In time, new programmes were mounted to spread the Comilla approach all over the country in the form of an Integrated Rural Development Programme. Other projects like the Thana Irrigation Programme, the Union Cooperative Multi-Purpose Societies and the Rural Works Programme, were carried on and expanded under the regime. But all were absorbed within the grand scale patron-client system that the Awami League had become, and the wealthier farmers were the beneficiaries.²⁹

Land reform and subsidies give very clear examples of the linkages between the dominant surplus farmers in rural areas and the ruling groups at the centre. Land reform had been conspicuously absent from the 'Six Points' that formed the ideological underpinning of the Awami League during the Pakistan period,³⁰ but when independence came, land reform became an integral part of the rhetoric. The leadership made strong statements in favour of land reform in the early days of the new regime, but when the dust settled the proposed 'radical reform' turned out to be merely a return to the 33 acre ceiling set in the early 1950s. Only 4.5% of the land was held in units even as large as 25 acres in 1968, so the amount of land over the new ceiling would have to be rather small indeed. By the end of 1973, the government announced that fully 900 acres had been redistributed as a result of the reform.³¹ Clearly, the surplus farmers who dominated the rural machinery of the Awami League were not

going to countenance anything serious in the way of land redistribution.³²

Nowhere is the favoured position of the dominant rural class clearer than in the area of subsidies. By its nature a subsidy is a preferential treatment of one group or class in a society at the expense of everyone else, i.e. the general taxpaying public who pick up the bill. In the rural development field, subsidies may have some utility in inducing farmers to accept innovations that they would otherwise refuse by reducing their risk. Subsidies are also sometimes necessary, it is thought, to build marketing and distributional infrastructure, such as farm-to-market roads, produce markets and the like.

In addition subsidies are deemed necessary to sponsor research to discover new varieties and technologies and to spread the word about new discoveries and practices through extension services, including education itself. Indeed, a great deal of foreign aid money has been spent on subsidies of one kind or another to promote development in the rural sector, on the theory that eventually the subsidies will result in economic growth that will enable the recipients to repay the investment (in the case of cooperative credit, for instance) or will pay an ample return to society in general (as in the case of roads and education). It is safe to say, however, that the vast majority of the subsidy funding that has gone into rural development projects in Bangladesh has served to favour the rural rich.³³

The reason that subsidies benefit the wealthier farmers is partly because they are better able to sequester new funds from outside for themselves, as in the case of cooperative credit, and partly because the rich are almost always in a better position to take advantage of the opportunities offered through subsidies. Subsidizing fertilizers at below-market prices, for instance, will mean a black market in them if there is a scarcity. If there is not a scarcity, there will still be competition to buy the more cheaply priced government goods, as opposed to the more expensive open market-priced fertilizer. In either case, the rich are the ones to benefit, for they have the money to buy in the black market, or the money and influence to corrupt government officials in charge of distribution.

With the 'indivisible benefits' projects that supposedly favour everyone equally, such as roads, storage facilities, irrigation and even agricultural research and education, the rich are still the gainers. Farm-to-market roads are good only for those who have surplus produce to

carry to the market. Warehousing facilities for farmers to store their produce fall into the same category. The situation with irrigation projects is a bit different. Here the common practice is for subsidies (generally in the form of capital cost plus maintenance expenses) to provide water to a cooperative which in turn sells the water to its members. If the cooperative is paying the full cost of the water, it will very likely make sure that all of the water gets resold and none is wasted. But if the water is subsidized, little or nothing is to be lost in wasting it. The more powerful members of the cooperative will irrigate their own land, often over-irrigate it, and then let the rest of the water drain away. Water subsidies are usually seen as an instance of socialism that benefits all, but they are a far cry from the socialism practised in rural China, where the brigades and work teams pay for the full cost of all innovations – and usually derive full benefit from them as well.

In Bangladesh, despite a firm expressed intent to make irrigation gradually self-sustaining,³⁴ no programme has even come close to such a goal, and the operating cost of pumps and wells continue to be subsidized at around 90% (capital cost is completely underwritten), while fertilizers and insecticides continue to receive heavy subsidies, even though farmers could well afford all these costs and still make a handsome profit.³⁵ The beneficiaries of the subsidies are the same dominant class that control the village cooperative societies. As the rural backbone of the Awami League, they could not be cut off; for the future, subsidies can be expected to continue indefinitely, working to enhance the position of the already dominant class.

Even with publicly-provided education, the rich are the principal beneficiaries, for the poor in a country like Bangladesh generally find that after a year or two of schooling, the 'opportunity cost' has become too high; better that the child is out earning some money than spending time in school pursuing an education that will not bring him a return anyhow. There are further hurdles as well: even if he stayed through primary school, the poor child could not afford the additional higher education needed for a government job or one in business, and even if he did somehow manage to finish the schooling, his family would not have the influence required to actually obtain the job.

Research is certainly necessary to find new seed varieties and otherwise improve agricultural technology, if yields are to be increased and rapidly expanding population fed. The new

technologies developed at the great research institutes like the International Rice Research Institute (IRRI) at Los Baños in the Philippines are neutral to scale of farm; the HYV will grow just as well on a half-acre plot as on a 20 acre spread. However, like all the new varieties, IRRI rice grows best under the conditions at the experimental institute where it was bred – ideal soil, irrigation and drainage, pest control, skilled labour, and so on. These conditions are most nearly duplicated on the holdings of wealthy farmers, not on poor farms that are more likely to have bad soil, no assured water supply, poor drainage, and inadequate fertilizers and pesticides. Little effort has been spent so far at IRRI or elsewhere developing technologies for these conditions. Government-sponsored research, then, like all other subsidies favours the surplus farmer.

The Awami League was naturally active in assuring the continuation of these subsidies. The likelihood of their being eliminated is about the same as the chance of a genuine land reform being implemented.³⁶

V. THE POLITICAL ECONOMY OF BUREAUCRACY

Just as the dynamics of the class structure at macro- and micro-levels steer rural development benefits to the larger farmers, so also bureaucracy behaviour patterns skew the results of rural development programmes in the same direction. The locus of this behaviour lies in the ever-present tension between centralization and decentralization, between supervision and autonomy, between centre and periphery.

The centralization/decentralization problem, which could also be called the disharmony between centre and periphery, is of course not unique to the present. Historically there have always been management problems of empire, as the ruler in the centre tried to administer his dominions at the periphery. His interest was to maximize his control and the exaction of tax, while the interest of provincial officials was to minimize interference from the centre in order to build autonomously their own positions of power and wealth. Similarly, in the development of bureaucracy, there have continually been major problems of centralized authority and of procedural routinization.³⁷

In rural development, the contemporary version of the centre-periphery conflict lies in the area of supervision. There must be control from the top, yet there must also be flexibility at the bottom, and the two needs are funda-

mentally contradictory. If there is too much autonomy from control, rural development goes astray, with the benefits going to the rich. And if there is too much emphasis on supervision from above in administering government programmes, rural development also goes astray, with the benefits again going to the rich. Finding the right mix of supervision and autonomy is probably the most difficult bureaucratic problem³⁸ there is in the whole field of rural development. At any rate, it has thus far proven insoluble in the Indian sub-continent.

The crux of the supervision issue lies in the allocation of inputs. Ideally, the institutions of rural development allocate to each farmer just as much in the way of inputs in cash and kind as he can use effectively in employing improved agricultural technologies to increase yield; if, as is invariably the case, there are not enough inputs to go around, then those that are available are allocated proportionately on an ability-to-use basis. At the end of the season, the farmer then repays the government, which in turn makes new loans the following year. Because some farmers are more industrious than others, some have more household members available to add to their family work force, and some have land with better soil or better drainage conditions, it is clear that some are better able to use the new inputs than others. These things cannot be discerned except at the local level, thus requiring considerable devolution of administrative discretion.

To give this decision-making authority to officials at the local level is almost inevitably to invite corruption – i.e. bribes and personal contacts rather than merit become the criteria for allocation of resources. Only a man who has grown up in the area will have the knowledge needed to make decisions about individual farmers, a knowledge which comes only from a lifetime working with local people under local conditions. Unfortunately, a local man is also subject to the pulls of family, kin group and caste in an environment where an official is expected to use his position to help his relatives. Indeed, an official would be shirking his social duty were he not to use his influence to benefit his kinfolk. If anything is available after relatives are taken care of, fellow villagers and neighbors from the locality would come next. Even if the appeals of kinship and friendship do not make them susceptible to improbity, the low salaries commonly received by government servants (especially at the lower echelons in the rural areas) make them very likely targets for bribery.

Thus the more the discretion at the bottom in allocating inputs, the greater the chance for misallocation of those inputs to people who will use them less efficiently, i.e. the rural rich. It is the larger farmers who have relatives in government, for few sons of marginal farmers or landless labourers obtain enough education to qualify for government positions. And of course it is the larger and wealthier farmers who are best able to get inputs when bribes are needed to acquire them. The effects on production are even more perverse, since as we have seen, output per acre is considerably greater on small farms than on large ones. Thus productivity suffers, as well as equity.

But even if the local officials are impervious to the bonds of kinship ties or local social networks, and even if they resist the temptations of corruption in allocating inputs, they still must work through rural power structures dominated at the local level by village elites. Perhaps initially, as with the Comilla project, these elites will be neutral, but sooner or later they must be dealt with. As Myrdal puts it:

... the officials administering development programmes require the cooperation of local elites (if they are to get successful results). No wonder, then, that the evaluation studies invariably conclude that these programmes have helped mainly those in the rural population who were already relatively well off.³⁹

Thus far we have been analyzing the consequences of too much bureaucratic autonomy, whereas the more common situation is a tendency toward increasing administrative centralization. Indeed, the bureaucratic development patterns set down by Weber⁴⁰ are essentially movements of centralization: the separation of office from home; the substitution of salary for prebendal remuneration (the right to collect taxes on lands and estates); the strict subordination of members of the bureaucracy in a hierarchy; adherence to calculable rules without regard for individual cases; and assertion of tenure for members. In short, the bureaucracy becomes centralized, which means that 'objective' criteria are employed in decision-making. And along with this centralization and 'objectivity' in decision criteria comes another bureaucratic factor: risk.

In general, risk is a subject treated by economists in the context of economic decision-making,⁴¹ but it also has a bureaucratic dimension. Just as small farmers tend to be deterred from innovation by their calculation of risk, so the administrator in a rural development programme is vitally concerned to minimize risk to his own career by pleasing his superiors.⁴²

Nowhere is this risk-averting behaviour more apparent than in the administration of rural credit programmes. The key here is default. Obviously, the best way to determine whether a rural development programme has been successful is to do a field study and see how much rural production has increased, how efficiently inputs are allocated, what was the distribution of the added income, etc.; but these farm management studies take time, effort and money to conduct. Much easier to determine (and much easier to understand) is the default rate on loans. Performance tends to be graded, then, whether in the field, within the agricultural ministry or the parliament, or on the part of foreign aid officials, in terms of default, not because of concern over policy effectiveness, not because these institutions all serve the interests of certain classes, but because of administrative convenience. Preoccupation with default is not surprising.⁴³

Because of this concern with repayment and also with the great possibility of corruption, administrators at the upper levels feel compelled to assert greater control over their men in the field. Uniform standards are set up to minimize the scope for corruption and at the same time hold down the default rate. Alas, however, it seems that there is only one standard that meets both criteria – landholding size. Pegging input allocation to size of landholding establishes a definite collateral and imposes a qualification that is easily determined. At the same time, it is relatively simple for supervisory personnel from higher levels to check on implementation. It becomes more difficult for officials in the field to stray from the path of bureaucratic rectitude; it is also more likely (so the thinking goes) that loans will get repaid.

The result of all this is something of a paradox. Bureaucratic needs dictate a focus on default, and this focus in turn necessitates a strict policy of lending only to those with demonstrable collateral, which means land, and the more of it the better. Bigger farmers, then, get the loans. As we have seen before, however, bigger farmers are more likely to be in default than small ones. But this is irrelevant. What is relevant is that the bureaucracy be able to defend itself against a charge of fiscal irresponsibility in its distribution policy by showing that it lends only to the 'best' credit risks – those with the collateral to repay loans. That the loans do not get repaid is not important; what is important is that the lower level official should be able to tell his superior that he followed a 'responsible' policy in making the

loans, i.e. lent money only to those with a clear capacity to repay them.⁴⁴ The wise bureaucrat pleases his superiors and minimizes risk to his own career by following such a policy. The bureaucracy as a whole, in seeking to show objective measures of progress, tries to minimize default, but in so doing forces its officials to pursue policies that in fact tend to maximize default. Too much supervision, just like too little supervision, results in the benefits going to the local rich.

Theoretically, it is possible to use the cooperative structure to get around this dilemma.⁴⁵ In obtaining inputs as a unit and then allocating them among its members, the cooperative keeps decision-making at the lowest level and encourages the use of such criteria as individual reliability and industriousness. In being held accountable as a group for repayment, the cooperative finds itself putting peer-pressure on potential defaulters, and loans are thus paid off. Because cooperatives treat farmers in groups, they reduce the number of units to be supervised from above and make it feasible to retain control from the centre while allowing for considerable autonomy at the periphery. And of course it is much easier for the government to run its extension programme for transmitting knowledge about new agricultural technologies through a cooperative structure than through individual farmers.

In fact, the history of cooperatives in South Asia has been as melancholy as that of all the other rural development institutions. Cooperatives also have almost invariably been taken over (or even initiated in the first place) by village elites in their own interest. These groups received the loans and defaulted on them, thus leaving the smallholder to fend for himself with the moneylender (who was often a big farmer assembling his lending capital through government cooperative loans).

Repayment has generally been low, verging at times on the abysmal. In East Pakistan overdues for cooperatives ranged between 20% and 80% during the last dozen years of united Pakistan. Typically, the wealthier farmers have been most delinquent.⁴⁶ Like other institutions of rural development, cooperatives have served to channel funds into the hands of the rural rich.

VI. INEQUITY AND INEVITABILITY IN RURAL DEVELOPMENT

Let us now move back to our consideration of the Comilla experience, to see if we can

answer the question posed at the end of Section III: granted that the Comilla programme came to favour the larger farmers at the end, why did it not do so at the beginning? For a brief time the Comilla leadership was able both to resolve the conflict between centralization and decentralization. In the early years administration of the credit programmes in Kotwali Thana was rigorously supervised from the headquarters at Abhoy Ashram. Cooperative members had to contribute savings every week, submit detailed production plans in order to get loans, and meet repayment schedules. Inspectors from higher levels regularly scrutinized the accounts maintained by the village cooperative, and malfeasance was difficult, if not impossible. Yet at the same time, the scale of operation was sufficiently small that the requirements of different ecologies and the needs of individual cooperatives could be taken into account. In other words, local men could be charged with administration as managers and inspectors, yet could be kept honest through vigorous supervision from above. All of these factors naturally helped minimize bureaucratic risk.⁴⁷

Once the programme expanded, however, things changed. This expansion came in three simultaneous directions. First as we have seen (Table 2), the loan issue in Kotwali Thana quintupled over a two-year period from the 1965-66 crop year to the 1967-68 year. Second, production was expanding very rapidly (as portrayed in Figure 1) with the introduction of the new high-yielding seed varieties and the technology to go along with them. Third, the programme itself expanded into new thanas, with 7 thanas beyond the original one taken up in 1965-66 and some 13 more in 1968-69. Since all these developments took an immense amount of time and energy, the care devoted to any one aspect of the operation necessarily diminished: the criteria for loans became less stringent; farmers were allowed to take out new loans without repaying old ones; administrative officers were given quotas for loan issue to be disbursed; cooperative managers were promoted to inspector in spite of poor personal repayment records. Villagers found amid the slack supervision that they could start up new societies with bogus memberships so that a few men could get the loan money, and large subsidies began to flow into the area in the form of irrigation tubewells and fertilizers for the new 'miracle rice' technology. Officials found themselves preoccupied with a system that grew from 440 cooperatives and 14,000 members in 1965-66 to 1500 coops and 54,000 members just three years later.⁴⁸ It was

little wonder that the control of the coops at village level passed into the hands of local elites. With that kind of expansion, the system would have become corrupted no matter what the political economy. The significant point, though, is that for a time it was possible on a small scale to prevent control by local elites. On the larger scale and over the longer run, unfortunately, it appears impossible to prevent the perversion of rural development programmes by local elites.

At the next higher level – that of the thana – where the village cooperatives are organized into federations, the situation is no better. Evidence gathered in the early 1970s from the managing committees of 13 of the expansion thanas mentioned above in Comilla district indicated that even though the larger farmers dominated these (70% of the members of the managing committees owned over three acres of land), only a very few participated in committee business in any meaningful way – in effect the chairmen and managers ran things.⁴⁹ If members do not participate in a situation of relative equality, in which most are larger farmers and (since each member is from a different village) none are hampered by intra-village patron–client ties, then how can small farmers be expected to exercise serious control over affairs in the cooperative at village level, where there is no such relative equality?

Evidence from other programmes reveals a similar pattern of takeover by rural elites once the enterprise expanded beyond the pilot project phase. Most ambitious among these efforts have been the Rural Works Programme (RWP) and the Thana Irrigation Programme (TIP). The works effort began with an experiment in constructing water control embankments in Comilla Kotwali Thana in 1961–62, organized by the Academy and operated through the agency of the Basic Democracies set-up. A reasonably strict control was maintained over approval of projects, allocation of funds and payment for work done, with the result that the initial project was judged a success.⁵⁰

The Academy wanted to enlarge the RWP to about 50 thanas the next year, an expansion that would probably have been large enough in itself to debilitate the programme, but the government decided to expand it to the whole of East Pakistan. The budget went up from a few thousand taka to about Tk. 100 million and the number of thanas from one to 410, with each thana administering the programme through the Basic Democracies system. The RWP soon came to form the main financial link between the Ayub regime and the rural elite

that controlled the Union Councils in the countryside, funneling funds from the centre to the dominant rural group in return for their allegiance. Whether or not this linkage function was Ayub's original objective is debatable, for there is some evidence that the RWP was initially expanded primarily to provide public relief after the disastrous flooding of the previous year. But whatever the original intent and whenever the perversion of the programme by local elites began,⁵¹ there is no doubt that fairly shortly after its beginning the RWP had become thoroughly permeated by fraud and corruption at micro-level and that it served as the major link between the centre and the village, much as the Relief Committees did in the period after independence.

Would it have been possible to stop this perversion, if the Ayub regime had not been intent on using the RWP to maintain the allegiance of rural elites? In all likelihood the answer is no, for the only checks on malfeasance in the system were the officials charged with implementing it themselves. At thana level the same official was given supervision of fund disbursement (average over Tk. 100,000 per thana in the late 1960s) and project execution, as well as project post-auditing.⁵² Only some kind of super-human power of resistance could have prevented fraud from becoming pervasive throughout the RWP.

The Thana Irrigation Programme offers another example. In the early 1960s, various efforts were mounted to utilize low-lift pumps during the dry *boro* season (that would pump water from rivers and streams into adjacent fields). In the 1967–68 year these efforts were consolidated into the TIP, and the number of pumps increased from less than 4000 to well over 32,000 six years later. The idea behind the TIP was that farmers in a village with the potential for *boro* crop irrigation would come together, form a group, elect a managing committee, and apply for a pump. If the group was lucky, the government would grant a pump (the capital cost of which was completely subsidized), along with substantial subsidies for operating it. Once it was in operation, the government would try to convince the group to turn itself into a cooperative on the Comilla model with regular savings, weekly meetings, training and credit.

The Academy has conducted extensive surveys and studies of the TIP over the years, and some of their findings bear brief examination. The members of the 369 groups surveyed in the Academy's 1973–74 study owned an average of 1.09 acres each, while group

managers held on the average over 5 acres. About two-thirds of the groups had converted into cooperatives, but within them only 46% of the members had joined the coops, meaning that only these farmers were eligible for loans. The supposedly weekly meetings were in fact held in over 70% of the groups only monthly, or in 65% of the groups less often. For the managing committees of the groups, meetings were held with about the same frequency. Efficiency in terms of land irrigated was at best rather modest; whereas the low-lift pumps had been watering 35–38 acres per cusec⁵³ at the beginning of the 1960s, the average in 1973–74 was less than 21 acres per cusec, about the same as the average figure for the previous several years.⁵⁴

What happened to the pump groups was that the larger farmers had taken them over as managers and members of the managing committees and had directed most of the loans (and probably most of the water) to themselves. It is hard to understand why less than half of the group members would have joined a cooperative in which a few taka in share deposits would get them five to ten times that amount in loans unless, as one student of the TIP put it with masterful reserve, 'one... suspect(s) that at least some of the groups are composed of farmers in a quasi-tenant, debtor relationship to the group manager'.⁵⁵ Similarly, there would be little reason to have regular meetings in groups where participation was substantially less than equal. And what is the incentive for maximizing acreage irrigated when the enterprise is heavily subsidized to begin with and users pay the subsidized rate only for the acreage actually irrigated, not for the potential that could be irrigated if they used the water more carefully? As with the RWP one finds in the TIP a sizeable patronage operation for distributing funds to the rural rich, though with the TIP it is the subsidies and credit that are the mechanism rather than the outright grants of the RWP. As also with the RWP it is difficult to imagine how the TIP could work otherwise than to benefit the rural rich, for even if the centre determined to do away with the subsidies and bear down on the granting of credit, it would soon come up against the same default paradox that characterized the Comilla programme.

Perversion will come either because the linkage between elites at macro- and micro-level will ensure it, or because bureaucratic behaviour will lead to it, or because both together will make it certain. In other words, even if there were a complete change at macro-level, bureaucratic behaviour plus the

political economy at village level would steer rural development benefits to the bigger farmers. Figure 3 will illustrate the situation.

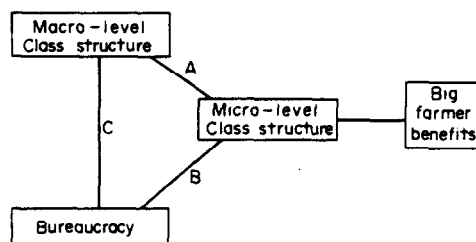


Figure 3.

There are three sectors of concern here, as we have seen in our previous analysis, and there are linkages between each (shown here as A, B and C) with the result of the linkages being the bias of rural development benefits toward the larger farmers. It could be asserted that the bureaucracy in the model is simply a reflection of class structure at the macro-level, but whichever side is correct in the Marxian argument over autonomy of the 'oriental' bureaucracy,⁵⁶ the result will be the same: if link A were to disappear, link B would insure a big farmer bias, and it would do so whatever proved to be the nature of the new macro-level structure (i.e., whatever happened to link C), because of the inherent character of rural development bureaucracy.

To put the case most strongly, let us suppose that through some miracle the political economy at the macro-level were not as we have shown it. Suppose that decisions at the national level were not made to benefit certain groups and strata in the system, but instead a government came to power that did not have ties to rural elites and did not see itself as dependent upon those rural elites for maintaining its own power. Suppose further that this government were genuinely (as opposed to rhetorically) concerned to pursue a rural development programme that would raise production and at the same time spread the benefits of such an increase among the lower strata of the rural population. And suppose even that this new government were to effect a land ceiling down to 7.5 acres or even 5 acres, and the surplus land were indeed confiscated (which would amount to 31.0% of landholdings with a 7.5 acre ceiling and 59.8% with a 5 acre ceiling) and redistributed.⁵⁷

If all these things were done, if the linkages between rural elites and the national policy-making level were broken, the outcome of a

small farmer rural development programme would be no different from the results we have seen. For as soon as the programme expanded beyond a certain rather small critical size, the centre-periphery problem would arise and again prove insoluble. Perhaps more autonomy would be granted, which would put control into the hands of village level elites (whether old or new); more likely, as the programme expanded, more centralization would be imposed and risk aversion would lead to an emphasis on measurable statistics for showing progress. Demonstrable security for credit through size of landholding to be pledged, quantity of credit issues, default rates – these things would become the criteria for bureaucratic personnel evaluation, just as surely as body counts, rounds of ammunition expended, and tons of bombs dropped inexorably became the relevant criteria of progress and promotion in Vietnam for an American military bureaucracy mesmerized by statistics in a war where all the real indicators were so very hard to find and always looked bad anyhow.

Emphasis on such measurable statistics would mean biasing programme participation in favour of local elites, just as has been the case in the past. If there is no land reform, these elites will be in the 5–10 acre class, and if there is a land reform, they will be in the 3–5 acre class, as we saw to be the case in Comilla Kotwali Thana where land distribution was already on a scale smaller than that prevalent in the country as a whole. In any event the true small farmer and landless labourer benefit very little, if at all.

In sum, we can account for what has happened (and what might happen) in the rural areas of Bangladesh without reference to class analysis at the national level. It must of course be conceded that rural development has not taken place in a vacuum: there has been and is, of course, a definite class structure at the macro-level in Bangladesh, and the interests of the dominant strata do in fact explain much of what has happened and what will happen in rural development. The point is that the

existence and workings of this structure do not completely account for the effects of the rural development programme in Bangladesh.

CONCLUSION

In all of South Asia over the almost three decades since independence, the Comilla programme has been the most successful of all the schemes and projects designed to further rural development. For a time in the early 1960s it did promote a substantial increase in agricultural production while at the same time insuring that the smaller farmers participated fully. It was in all probability inevitable, however, that sooner or later the realities of rural class structure would make themselves felt at both village and national levels, and result in the same domination by rural elites that has characterized all the other South Asian rural development programmes. Certainly, this is what happened.

But the role of class structure in determining things is not all that happened at Comilla. For some years, because of a gifted leadership and a relatively small scale of operations, it was possible to defy the realities of political economy. It was also possible to resolve temporarily the constraints of centre-periphery tensions and bureaucratic risk. And when the great expansion of the latter 1960s came, it was the breakdown of the bureaucratic system that allowed domination by local elites. To use a different metaphor, we could say that there is a congenitally pathological condition in bureaucracy that results in domination of rural development programmes by elites. A strong and expensive (for the Comilla programme was never cheap) therapy made it possible to obtain a temporary remission, but when the programme expanded it was no longer possible to monitor things very closely. As a result, the normal conditions of central-peripheral contradiction and risk aversion reestablished themselves, and in turn the programme shortly reflected the material conditions of its political and economic environment.

NOTES

1. The dependency and imperialist relationships that exist at the international level are crucial here to a full understanding, surely, but I wish to confine my analysis here to the domestic sphere. For an insightful analysis of how the international arena relates to domestic rural development in the Third World, see Ernest Feder, 'McNamara's little green revolution', *Economic and Political Weekly* (Bombay), Vol. 11, No. 14 (3 April 1976), pp. 532-541.

2. The material presented in this section is treated in more detail in Harry W. Blair, *The Elusiveness of Equity: Institutional Approaches to Rural Development in Bangladesh*, Special Series on Rural Local Government, Monograph No. 1 (Ithaca, N.Y.: Cornell University, Center for International Studies, Rural Development Committee, 1974).

3. Rice is the major food crop in Bangladesh; production of other foodgrains is negligible.

4. See, for instance Arthur F. Raper, *et al.*, *Rural Development in Action: The Comprehensive Experiment at Comilla, East Pakistan* (Ithaca, N.Y.: Cornell University Press, 1970); also Blair, *Elusiveness of Equity*, *op. cit.* pp. 27-45.

5. This finding is by now well established. See for instance Robert S. McNamara, 'Address to the Board of Governors', Nairobi, September 1973 (Washington: World Bank, n.d.); also the analysis and references given in Hung-chao Tai, *Land Reform and Politics: A Comparative Analysis* (Berkeley: University of California Press, 1974), pp. 110-113; also Edgar F. Owens and Robert Shaw, *Development Reconsidered: Bridging the Gap Between Government and People* (Lexington, Mass.: Lexington Books, 1972), pp. 59-60 and 170, n. 23; and Peter Dorner, *Land Reform and Economic Development* (Baltimore: Penguin Books, 1972), pp. 103ff. Note the relatively small size of the holdings in the middle and large groups in Table 1. We will return to this point later on. Note also that the figures given in Table 1 are for the whole crop year, not just one growing season as in the case of Figure 1.

6. It should be noted that the programme never has included sharecroppers or landless labourers, who had no land to pledge as security for loans.

7. Note also that the study cited for the data in Table 1 and on the basis of which Figure 2 is composed did not give data on inputs. The production functions have been theorized for the present study.

8. Swadesh R. Bose comes to a similar conclusion in 'The Comilla cooperative approach and the prospects for a broad-based green revolution in Bangladesh', *World Development*, Vol. 2, No. 8 (August 1974), pp. 21-28.

9. Government of Pakistan, Ministry of Food and Agriculture, Agricultural Census Organization, 1960

Pakistan Census of Agriculture, Vol. I, Final Report - East Pakistan, Part I, Data by Divisions and Districts with Detailed Size Classification (Karachi: Manager of Publications, 1962), pp. 29 and 33.

10. As reflected in the Master Surveys of agriculture for 1964-65 and 1968. See Government of East Pakistan, *Master Survey of Agriculture in East Pakistan (Sixth Round)* (Dacca: East Pakistan Bureau of Statistics, 1966), p. 17. For the 1968 data, see Azizur Rahman Khan, *The Economy of Bangladesh* (London: Macmillan, 1972), p. 39.

11. Data from M. Solaiman, *Landholding and Cooperatives in Five Comilla Villages* (Comilla: Bangladesh Academy for Rural Development, 1974), p. 1.

12. National level data are from Charles Lewis Taylor and Michael C. Hudson, *World Handbook of Political and Social Indicators* (New Haven: Yale University Press, 1972), pp. 267-270.

13. On the difficulty of determining class structure in rural Bengal generally, see Andre Beteille, 'Class structure in an agrarian society: the case of the Jotedars', in Andre Beteille, *Studies in Agrarian Social Structure* (Delhi: Oxford University Press, 1974), pp. 117-141.

14. Keith Griffin, *The Political Economy of Agrarian Change: An Essay on the Green Revolution* (Cambridge: Harvard University Press, 1974), pp. 252-253. Griffin was not referring specifically to Bangladesh. For an analysis of the rural class structure in the Comilla area, see Peter Bertocci, 'Community structure and social rank in two villages in Bangladesh', *Contributions to Indian Sociology* (NS), Vol. 6 (1972), pp. 28-52; and his 'Social organization and agricultural development in Bangladesh', in Robert D. Stevens, *et al.* (eds.), *Rural Development in Bangladesh and Pakistan* (Honolulu: University Press of Hawaii, 1976), pp. 157-184 at 172ff.

15. It is possible, of course, on the basis of the data given in Table 2, that it is the smaller farmers who have gained control of the cooperatives and have diverted the loan money to themselves, but simply to state such a possibility against a background of the quasi-feudal, patron-client relations that characterize the rural political economy of Bangladesh is to indicate its unlikelihood.

The mechanism for allowing the larger farmers to take over seems to have been the inspectorate. The cooperative inspector in Kotwali Thana has generally five to ten cooperative societies under his supervision. He prepares loan proposals, makes recommendations for loans to the thana level (where loans are actually decided upon), signs loan and repayment receipts, and regularly inspects the books of each society. In sum, he is the connecting link between the cooperative society and higher administration. A local man, the inspector is able to judge the worth of loans and performance from an intimate knowledge of the area,

but he is also subject to the pulls of relatives and friends. What happened was that during the relaxation of control in the rapid expansion that we observed in Table 2, the inspectors fell prey to these pulls, and the whole system became corrupted. In the new thanas taken up by the Comilla programme, the same process took place: the surplus farmers became the managers of the local societies, steered loans to themselves and often defaulted on their loans, knowing that they could use their influence with the inspector to prevent being penalized. A description of the inspector's functions is given in Ali Akhter Khan, *Rural Credit Programme of Agricultural Cooperative Federation* (Comilla: Bangladesh Academy for Rural Development, 1971), pp. 7-17.

16. This finding is also well accepted. See Uma J. Lele, 'The roles of credit and marketing in agricultural development', in Nurul Islam (ed.), *Agricultural Policy in Developing Countries* (London: Macmillan, 1974), pp. 413-431 at 421-423; also C. H. Hanumantha Rao, 'Farm size and credit policy', *Economic and Political Weekly*, Vol. 5, No. 52 (26 December 1970), A157-A162.

17. Earlier data from Ali Akhter Khan, *Rural Credit Programme*, op. cit., p. 25. Later data from Pijush Kanti Chowdhury, 'Loan-default under the agricultural cooperative federation of Comilla Kotwali Thana - a study of the characteristics of the defaulting members', mimeo (Comilla: Bangladesh Academy for Rural Development, 1976), p. 8.

18. A complete picture of class structure at the macro-level would entail an explanation of the connections of various strata with their counterparts across the border in India. Such connections have been especially important in the non-agricultural sector, less so in the rural sphere, and for this reason (as well as that of space) they are ignored in the present analysis. For some exploration of these matters, see 'Bangladesh: the internationalization of counter-revolution', by 'A Correspondent', in *Monthly Review*, Vol. 26, No. 8 (January 1975), pp. 26-36; and Aijaz Ahmad, 'Supplemental remarks', in *ibid.*, pp. 36-45.

19. With the absence of Sheikh Mujibur Rahman, of course.

20. Public corporations data from Ralph Braibanti, *Research on the Bureaucracy of Pakistan* (Durham, N.C.: Duke University Press, 1966), Table 5. Civil service data from Rounaq Jahan, *Pakistan: Failure in National Integration* (New York: Columbia University Press, 1972), p. 99. Jahan gives a great deal of similar data on pp. 98-100.

On this group's benefiting after independence, see Hamza Alavi, 'The state in post-colonial societies: Pakistan and Bangladesh', in Kathleen Gough and Hari P. Sharma (eds.), *Imperialism and Revolution in South Asia* (New York: Monthly Review Press, 1973), pp. 145-173; Azizur Rahman Khan, 'Bangladesh: economic policies since independence', *South Asian Review* (London), Vol. 8, No. 1 (October 1974), pp. 13-32; and Aijaz Ahmad, 'Supplemental Remarks', op. cit.

21. If indeed they were not themselves already members of the Awami League. An excellent example of the connection between the Awami League and entrepreneurial enterprise was one of Sheikh Mujib's relatives, Shamsheer Wadud, who owned a Bengali restaurant on Central Park South in Manhattan and both a boutique and a discotheque on the East Side. *The New York Times* ran a story on the unhappy brushes he had with the Mafia, but failed to point out his kinship ties (Nicholas Gage, 'A nightclub owner says he has trouble—the Mafia', 10 October 1974, pp. 1 and 52). Wadud's explanation of why he wanted to open the discotheque, which cost some \$250,000, provides a good summation of the value system of at least some of the members of his class:

I'm a night person. . . I like to go to discotheques and I've always wanted to have one of my own, with a Bengali flavor. I got tired of going to discotheques and seeing nothing but pimps and expensive prostitutes. I wanted to open one that would appeal to the best people.

As might be expected, there are a number of contradictions within this class. See Aijaz Ahmad, 'Supplemental Remarks', op. cit.

22. Estimates vary widely. *The Military Balance, 1975-76* (London: International Institute for Strategic Studies, 1975) gave 36,000 for 1975, while Talukder Maniruzzaman offered a figure of 55,000 for early 1975 in 'Bangladesh in 1975: the fall of the Mujib regime and its aftermath', *Asian Survey*, Vol. 16, No. 2 (February 1976), pp. 119-129 at 122.

23. See Hamza Alavi, 'The state in post-colonial societies', op. cit., pp. 159ff.

24. On the role of the military in the 1975 series of coups, see Maniruzzaman, 'Bangladesh in 1975', op. cit. The *rakhi bahini* seem to have been around 25,000 strong, though, again, estimates vary. See Talukder Maniruzzaman, 'Bangladesh: an unfinished revolution?', *Journal of Asian Studies*, Vol. 34, No. 4 (August 1975), pp. 891-912 at 908; and Rounaq Jahan, 'Conflict and change in Bangladesh', *Round Table*, No. 261 (January 1976), pp. 173-84, who cites an unpublished paper by Morris Janowitz on the subject. On the conflict between *bahini* and army, see Jahan's essay and also Edward Glaeser, 'The political economy of Bangladesh under Sheikh Mujibur Rahman', unpublished paper (Cornell University, Center for International Studies, 1976). For recent developments, see Talukder Maniruzzaman, 'Bangladesh in 1976: struggle for survival as an independent state', *Asian Survey*, Vol. 17, No. 2 (February 1977), pp. 191-200.

25. It should be kept in mind that just as 'large farmers' were 'large' only in a relative sense in the Comilla area, so the same relationship holds for Bangladesh as a whole.

26. Glaeser in his 'Political economy of Bangladesh' presents a contrary view, holding that in the nationwide local governmental elections in December 1973, there was a massive anti-Awami League sentiment

expressed. It may be, then, that there was indeed some real awakening in the countryside. Further inquiry is clearly needed on this point.

27. Rounaq Jahan, 'Members of Parliament in Bangladesh', forthcoming in *Legislative Studies Quarterly*, Vol. 1, No. 3 (August 1976), pp. 355-370. In a survey of MPs, Jahan found that 54.4% of these returned in 1970 and reporting landholding owned over 10.5 acres. For the MPs elected in 1973, the figure was 61.6%. The Master Survey of 1968 (the most recent large-scale study of the country as a whole) showed only 7.9% of rural households owning over 7.5 acres, 2.6% owning over 12.5 acres (Azizur Rahman Khan, *Economy of Bangladesh*, op. cit., p. 39). Jahan thinks her MP data probably err on the low side of reality, for many MPs surveyed were reluctant to report landholding.

28. One analysis indicated that something like 70% of the Union Panchayat members elected in 1973 were connected in one way or another with the old Basic Democracies. See Glaeser, 'Political economy of Bangladesh', who cites a US Embassy study to this effect. Geoff Wood sums up the situation succinctly and eloquently in saying of two of the Union Panchayat members from Comilla District that 'their activities in distributing relief and fertilizer is adequate testimony of their disregard for the poor, whose poverty is a precondition for their own success and power'. See his 'Class differentiation and power in Bandakgram', in M. Ameerul Huq (ed.), *Exploitation and the Rural Poor - A Working Paper on the Rural Power Structure in Bangladesh* (Comilla: Bangladesh Academy for Rural Development, 1976), pp. 146-147.

29. For a treatment of these topics, see Blair, *Elusiveness of Equity*, op. cit., pp. 68ff. On the expansion of the Comilla model, see also Bose, 'The Comilla cooperative approach', op. cit. and on the role of MPs in the whole process see Jahan, 'Members of Parliament', op. cit. For a brief description of the developmental goals in agriculture for the first 5-year plan (1973-78), see Socom Research Bureau, *Statistical Abstract of Bangladesh* (Calcutta: Society and Commerce Publications, 1975), part 2, pp. 42-55.

30. Sheikh Mujibur Rahman, *6-Point Formula: Our Right to Live* (Dacca: Awami League, 1966). Nowhere in the 6 Points, in fact, was there any mention of social justice.

31. According to the Master Survey of 1968, the most recent available. See Azizur Rahman Khan, *Economy of Bangladesh*, op. cit., p. 39. Government of Bangladesh, Department of Publications, Ministry of Information and Broadcasting, *Bangladesh Progress 1973* (Dacca: Government of Bangladesh, n.d.), pp. 81-83.

32. On the lack of serious intent in land reform, see also Azizur Rahman Khan, 'Economic policies since independence'; M. A. Zaman, 'Bangladesh: the case for further land reform', *South Asian Review*, Vol. 8, No. 2 (January 1975), pp. 97-115; Abu Abdullah, 'Land

reform and agrarian change in Bangladesh', *Bangladesh Development Studies*, Vol. 4, No. 1 (January 1976), pp. 67-114; and J. N. Mukherjee, 'Agrarian reforms in Bangladesh', *Asian Survey*, Vol. 16, No. 5 (May 1976), pp. 452-464.

33. There is disagreement among serious scholars on some aspects of this. For instance, Rehman Sobhan holds that the Rural Works Programme in East Pakistan was corrupted by rural elites right from the start, while John Thomas holds that while it did become corrupt eventually, it initially transferred substantial income to the rural poor. See Rehman Sobhan, *Basic Democracies, Works Programme and Rural Development in East Pakistan* (Dacca: Bureau of Economic Research, University of Dacca, 1968); and John W. Thomas, 'The Rural Works Programme in East Pakistan', in Walter P. Falcon and Gustav Papanek (eds.), *Development Policy II - The Pakistan Experience* (Cambridge: Harvard University Press, 1971), pp. 186-236; and his 'Rural unemployment and development in Bangladesh: an analysis of the Rural Works Program, 1961-1973', draft mimeo (Harvard University, 1974).

34. Government of the People's Republic of Bangladesh, Integrated Rural Development Programme, *Bangladesh Rural Development Board Proposals for the First Five-Year Plan (1973-74 to 1977-78)*, mimeo (Dacca: IRDP Planning Division, 1973), Part I, pp. 27, 41-43 and Part III, pp. 78-79.

35. A number of studies support this contention. See Md. Ahsanullah, *Economics and Management of Tube-well Irrigation in Comilla Kotwali Thana* (Comilla: Bangladesh Academy for Rural Development, 1972); A. K. M. Mohsen, *Evaluation of the Thana Irrigation Programme in East Pakistan, 1968-69* (Comilla: Pakistan Academy for Rural Development, 1969), pp. 108-111; S. A. Rahim, 'Rural cooperatives and economic development of subsistence agriculture', mimeo (Comilla: Bangladesh Academy for Rural Development, 1972), pp. 75-76.

36. It should be noted that the long shadow of dependence affects subsidies as well as other aspects of development and underdevelopment. Bangladesh, like other recipients of foreign aid, is under some pressure from international donors increasingly concerned with rural development to do something to increase production in the countryside by investing (i.e. placing subsidies) there. See World Bank president Robert S. McNamara's annual addresses to the Bank's board of governors for evidence of this interest in rural development (Nairobi, 1973; Washington, 1974 and 1975); also the Bank's *Annual Report, 1975* (Washington: World Bank, n.d.), esp. pp. 15-17.

37. As Max Weber noted in his *Wirtschaft und Gesellschaft*. See H. H. Gerth and C. Wright Mills (eds.), *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1958), pp. 196-244.

38. As opposed to political or economic problems. The centre-periphery problem may be ultimately

insoluble. See E. F. Schumacher, who sees it as an issue of order vs. freedom, in his *Small is Beautiful: Economics as if People Mattered* (New York: Harper Torchbooks, 1973), p. 61f.

39. Gunnar Myrdal, *Asian Drama: An Enquiry into the Poverty of Nations* (New York: Pantheon, 1968), p. 293. This theme is expressed often throughout the book, but see esp. pp. 883–891. Also Reinhard Bendix's chapter on India in his *Nation-Building and Citizenship: Studies of Our Changing Social Order* (Garden City, N.Y.: Anchor Books, 1969), esp. pp. 348–352.

40. Weber, *From Max Weber*, op. cit., pp. 197–216.

41. For instance, see Theodore W. Schultz, *Transforming Traditional Agriculture* (New Haven: Yale University Press, 1964), pp. 88–93; or Max F. Millikan and David Haggood, *No Easy Harvest: The Dilemma of Agriculture in Underdeveloped Countries* (Boston: Little, Brown, 1967), pp. 58ff.

42. See Cynthia Gillette and Norman Uphoff, 'Cultural and social factors affecting small farmer participation in formal credit programmes' (Ithaca, N.Y.: Cornell University Center for International Studies, Rural Development Committee Occasional Papers, 1973), pp. 16–21, for an elaboration of this idea. Also Harry W. Blair, 'The political economy of distributing agricultural credit and benefits', in the same occasional paper.

43. John W. Thomas gives a most informative case study of administrative convenience becoming the primary factor in decision-making in his analysis of tubewell construction in Bangladesh. He found that administrators, particularly foreign aid donors, much preferred capital-intensive construction methods over employment-generating, labour-intensive techniques, because the former were easier to supervise. See his 'Development institutions, projects and aid in the water development programmes of East Pakistan' (Cambridge: Harvard University, Development Advisory Service, 1972), mimeo. Also his 'The choice of technology in developing countries: the case of irrigation tubewells in Bangladesh', a paper presented at the Torremolinos Conference of the Development Advisory Service, Harvard University, 1972.

A great many of the more than 80 papers assembled for the Agency for International Development's 20-volume Small Farmer Credit study, exhibit an abiding and often obsessive concern with default. See *AID Spring Review of Small Farmer Credit* (Washington: USAID, 1973). Some of these thoughts are summed up and analysed in Gordon Donald, *Credit for Small Farmers in Developing Countries* (Boulder, Colo.: Westview Press, 1976), pp. 137–158.

44. Certainly, a significant share of the responsibility for this risk-averting behaviour lies with foreign aid donors, which are greatly concerned with loan repayment and administrative convenience generally. The recipient country, accordingly, finds itself constrained to meet the expectation of the donor, if it wants more

aid in the future. The overall phenomenon of risk aversion seems inherent in bureaucracies in general, however, and would presumably be present even in the absence of foreign aid. Burma during the autarkic Ne Win period might be a good case in point.

45. On the many advantages of the cooperative in agricultural development, see Edgar F. Owens, *Farmer Cooperatives in Developing Countries* (Washington: Advisory Committee on Overseas Cooperative Development, 1971); and Owens and Shaw, *Development Reconsidered*, op. cit., Chapter 5.

46. Mujibur Rahman (not Sheikh Mujibur Rahman, the leader of Bangladesh), 'Farm credit situation in Bangladesh – a survey', paper prepared for United States Agency for International Development, Spring Review of Small Farmer Credit, mimeo (n.p., 1973), *passim*. For some reason, most likely a lapse in Weberian routinization of procedures, this essay did not get included in the final series of papers noted above in n. 43. There is much similar evidence from India. See, for instance, Glenn C. W. Ames, 'Who benefits and who repays? Large farmers in village-level cooperatives in Mysore State, India', *Land Tenure Center Newsletter* (University of Wisconsin), No. 47 (January–March 1975), pp. 23–32.

47. Also, the insistence on searching self-criticism helped reduce risk, as well as keep the administrators at the upper echelons aware of what was going on. It is to the great credit of the Comilla project that this tradition was maintained, even after difficulties arose (needless to add, the continuing self-criticism has also had the happy effect of making research on Comilla much easier than would have otherwise been the case).

48. Data from Pakistan Academy for Rural Development, *New Rural Cooperative System*, annual report, various years. Many of these problems with the expansion of the Comilla experiment are taken up in Akhter Hameed Khan's last analysis of the programme before he left Comilla in 1971, *Tour of Twenty Thanas: Impressions of Drainage-Roads, Irrigation and Cooperative Programmes* (Comilla: Pakistan Academy for Rural Development, 1971).

49. K. M. Tipu Sultan, *Problems Associated with the Democratization of Cooperatives in Bangladesh* (Comilla: Bangladesh Academy for Rural Development, 1974). The author's sample included some 156 members from the 13 thana-level cooperatives.

50. Even by Akhter Hameed Khan, who was not easy to please in these matters. See his essay 'The genesis of the works programme: first experiment in Comilla Kotwali Thana', in K. M. Tipu Sultan, *The Works Programme in Comilla: A Case Study* (Comilla: Pakistan Academy for Rural Development, 1966), pp. 29–42.

51. There is some debate over both these issues. See Rehman Sobhan, *Basic Democracies, Works Programme and Rural Development in East Pakistan* (Dacca: Bureau of Economic Research, University of

Dacca, 1968); John W. Thomas, 'The Rural Public Works Programme in East Pakistan', in Walter P. Falcon and Gustav F. Papanek (eds.), *Development Policy II: The Pakistan Experience* (Cambridge, Mass.: Harvard University Press, 1971), pp. 186-236. Also, Abu Ahmed Abdullah, 'The success story that wasn't - "Development Policy II - The Pakistan experience"', *Bangladesh Economic Review*, Vol. 1, No. 5 (July 1973), pp. 309-316; and John W. Thomas, 'Rural unemployment and development in Bangladesh: an analysis of the Rural Works Programme, 1961-1973', draft mimeo (Harvard University, 1974). All the studies agree that by the later 1960s the RWP had become a patronage operation aimed at securing support for the Ayub government.

52. Sobhan. *Basic Democracies*; also M. Rashiduz-zaman, *Politics and Administration in the Local Councils: A Study of Union and District Councils in East Pakistan* (Dacca: Oxford University Press, 1968), pp. 27-28.

53. Pumps are rated in cusecs - their capacity in terms of cubic feet of water per second.

54. The data for 1973-74 are from Md. Manjur-ul-Alam and Zulfiqur Haider Chowdhury, *Evaluation of Thana Irrigation Programme, 1973-1974* (Comilla: Bangladesh Academy for Rural Development, 1976).

55. Shahed Latif, 'The new nation: local government and economic development', *Local Government Quarterly* (Dacca: Local Government Institute), Vol. 1, No. 1 (March 1973), pp. 16-51 at 25.

56. As is detailed, for instance, in Karl A. Wittfogel, *Oriental Despotism: A Comparative Study of Total Power* (New Haven: Yale University Press, 1957), pp. 369-412. See also Eric J. Hobsbawm, introduction to Karl Marx, *Pre-Capitalist Economic Formations* (New York: International Publishers, 1964), pp. 6-65.

We omit consideration here of the Marxian debate over the degree of autonomy of the state in general, as exemplified by Nicos Poulantzas, *Political Power and Social Classes*, translated by Timothy O'Hagan (London: NLB, 1973); Ralph Miliband, 'Poulantzas and the capitalist state', *New Left Review*, No. 82 (November-December 1973), pp. 83-92; and Nicos Poulantzas, 'The capitalist state: a reply to Miliband and Laclau', *New Left Review*, No. 95 (January-February 1976), pp. 63-83.

57. Data from 1968 Master Survey, as reported in Azizur Rahman Khan, *Economy of Bangladesh*, op. cit., p. 39.