Case:

BANGLADESH

Commercialization of agricultural land and waterbodies and disempowerment of the poor in Bangladesh: An exploratory study

Association for Land Reform and Development (ALRD)

The commercialization of agriculture can be viewed as the result of interacting driving forces such as demographic change, technological change and market creation, infrastructure development, and macroeconomic and trade policy. Understanding the essence of such commercialization necessitates scrutiny of historical context and politico-economic pattern of overall changes.

Keeping this in view, indicators have been devised to understand land nature and trends in the commercialization of agriculture in Bangladesh:

1. Most of the cultivable lands of the rural area are cultivated.
2. Commercial production of traditional food crops increases over time.
3. Tobacco production increases over time.
4. Agricultural land is converted for non-agricultural use to a considerable extent. Sale of land finances business capital;
5. Majority of land buyers are from the rich or upper middle class.
6. Cultivation takes a marked preference for profitable new crops while crops with less market demand are taken for granted or not planted.
7. Capital investment in commercial activities increases over time in the villages.
8. Area under and capital investment in shops increase over time in the villages.
9. Area under and capital investment in industries increase over time in the villages.
10. Number of and area under commercially dug water bodies increase over time;
11. Natural fish production decreases while commercial fishery is growing. Areas for social forestry/plantation increase over time;
12. Brick field built up in cultivable land;
13. Employment of leaving farmers in commercial activities in the village; and
14. Employment of leaving fishing peoples in commercial activities in the village.

A micro-level village study has been attempted to explore some aspects of commercialization of agriculture in Bangladesh. Specific objectives of the study were:

- to assess the extent of loss of agricultural land and water bodies per year due to expansion of commercial activities, commercial cultivation, and unplanned non-agricultural use of land, like housing, tobacco cultivation, and shrimp farming;
- to assess the short-term effect and likely long-term impacts of commercialization of agriculture in the economy and livelihood of the agriculture-dependent population in general and of the rural poor including

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children, women, and indigenous people in particular;

- to assess the short, mid- and long-term impacts on food production and the food security situation of the working people, middle class, low-income groups, and poor communities including women;
- to assess the adverse effects of commercialization in livestock, poultry, and natural fish production in the rural areas; and
- to find out the impact of increasing commercialization on poor and marginalized communities' (including women) access to, ownership of, and retention over land and other productive resources in rural Bangladesh.

The accompanying research undertaking has been conducted in ten villages. Attempts have been made to collect data/information about commercialization of agriculture in Bangladesh during the last about 40 years. Accordingly data have been collected for five time-points, 1972, 1979, 1989, 1999, and 2009. The average area of the sample villages is 633.89 acres (in 2009).

The average village population is 2,905 in 2009, which is more than four times the average population (683) in 1972. The average number of households of the sample villages increased about four times in 40 years (from 137 in 1972 to 549 in 2009).

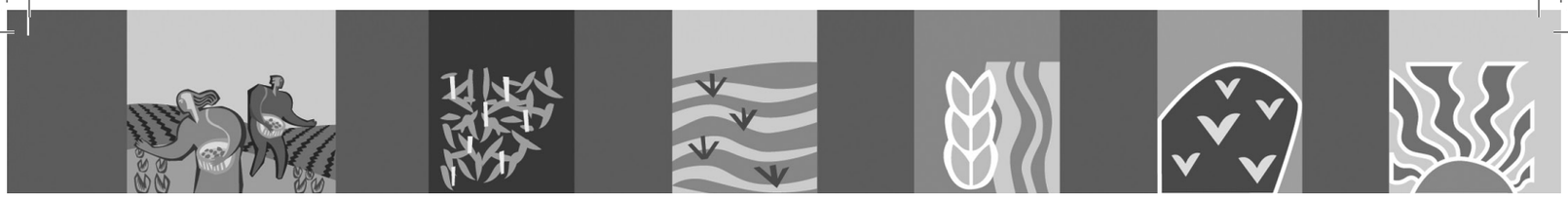
When agriculture is getting commercialized, most of the arable lands are cultivated, and as a result the gap between arable and cultivated land decreases. This has been clearly found in this study. In an average village, the gap between (average) arable and (average) cultivated land was 160 acres in 1972, which has reduced to 43.3 acres in 2009; a decrease of nearly four times in four decades.

Commercial agriculture provides incentives to those crops that bring profit. The present study has found six types of new crops produced during the last 20 years, which were not produced earlier in the villages. It has also come across 11 types of old crops that were produced 20 years back but have now been discontinued. The average increase in arable land was 49.12% from 1972 to 1989.

Later on, there was a downward trend, from 1989 (434.1 acre) to 2009 (350.4 acre)—a 19.28% decrease in twenty years. The average amount of decrease in cultivable land per village was 203 acres during the last 4 decades. Using this parameter, the estimated total amount of decrease in cultivable land in all the villages of Bangladesh comes to 10,709,630 acres. Cultivated land in 40 percent villages has decreased during the same period. The average amount of decrease in cultivated land per village is 89.25 acres. Using this parameter, the total amount of decrease in cultivated land in all the villages of Bangladesh comes to 3,139,029 acres.

Total agricultural land of the country, specially farm land and forestry, which have been converted to non-agricultural use from 1972 to 2009 is 2,666,856 acres, or 72,077 acres per year.

The number and area of water bodies increase over time when commercialization of agriculture is



spread over water bodies. The number and area of natural water bodies decrease but are surpassed by commercially dug water bodies. In the commercial setting, the amount of natural fish production decreases although that of commercial fish production increases.

In a commercial setting, production of both livestock and poultry increases. Home-based small-scale production is turned into medium and large-scale farm production. Forested areas decrease in the commercial surroundings; the total area of forests in the villages of Bangladesh is 3,279,714 acre in 2009, while it was 3,166,225 acre in 1972—an annual decrease of 21,387 acres.

Commercial activities in the rural economy may be agricultural or non-agricultural. Commercial agriculture activities include commercial cultivation of crops, commercial fishery, commercial poultry and livestock, and plantation like social forestry. Commercial non-agriculture activities include trade, service, and industrial activities in the rural setting. When agriculture is commercialized, non-agricultural commercial activities become prevalent in the rural surroundings.

Capital investment in shops (e.g., grocery, saloon, restaurant, tea stall, stationery) increase over time in the villages. Capital investment in industries increase and capital investment in other service-related commercial activities also increase. Traditional crop cultivation turns into commercial cultivation, and as such production of food crops as well as cash crops increase rapidly and more lands come under commercial cultivation. Annual increase in capital investment in commercial activities of the villages of the country is Tk 214,682,244.

Capital investment in commercial activities of the villages was Tk 261,230,700 in 1989, which increased to Tk8204,473,752 in 2009. Land in the villages used for commercial cultivation was 718,042 acres in 1972, and increased to 9,971,035 acres in 2009 (250,080 acres annually). Total amount of commercial crop production is 796,979,392 maunds in 2009 while the amount was 123,373,379 maunds in 1972. Annual increase in amount of commercial crop production is 18,205,568 maunds.

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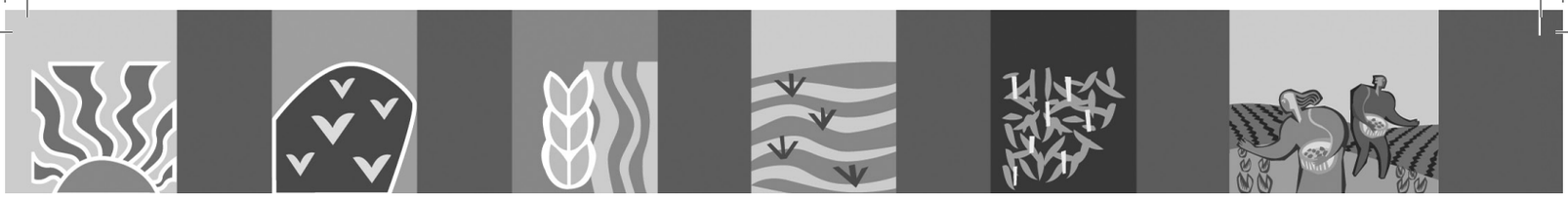
When agriculture gets commercialized, a plethora of commercial off-farm activities provides alternative employment opportunities for rural people. Consequently, livelihood shifting (from farm to non-farm activities) remains commonplace in the rural setting. Side by side offloading of traditional productive resources (for entering into the commercial off-farm activities) also occurs. The total number of farmers who left farming in 2009 was 1,705,803, compared to 68,385 in 1972.

Rural people, especially the poor ones, have to offload their productive resources for various reasons. Average amount of offloaded productive resources by the poor has increased from Tk1,510 in 2006 to Tk1,712 in 2009. Most of the buyers (almost three-fifths) of the offloaded productive resources were rich people, which demonstrates that productive resources of the poor tend to get concentrated in the hands of non-poor people.

Commercialization of agriculture might produce positive impacts. Farm, non-farm, and commercial activities were boosted. More lands were available



for more production. Agricultural and non-agricultural production increased. Crop—both food and cash—increased as well. Fish production increased, thus adding more protein to the diet of the people. Employment opportunities were created. New consumer goods and services were made available. Access to primary education and primary healthcare increased. Rural human capital increased. Poor people's asset base was created in some cases. Ultimately, rural GDP increased.

The rural poor were forced to migrate to peri-urban or urban areas, only to find out that there were no employment opportunities for them in the formal sector. Their informal sector employment leads them to a life of low wages. This impoverishment of the marginal people is somehow linked with the commercialization of agriculture and the impact is found in the short and medium term.

However, the long-term problem caused by agricultural commercialization is much more alarming. It is to be noted that soil infertility, land degradation, land abuse, misuse or inappropriate use are deeply connected with commercialization, which will ultimately result in severe food insecurity by leaving inadequate, low fertile cultivable land for an oversized and rising population.

Key Findings and Implications

This exploratory study based on ten villages provides us some indicators about the dynamics of the commercialization of agriculture in Bangladesh approximately during the last four decades. We found some positive and negative aspects of commercialization of agriculture in Bangladesh present in public discourse during recent times. The table on page 41 provides key outcomes of the study.

The study, though brief, concluded that agriculture in Bangladesh has been commercialized increasingly over time. Now the question is—has commercialization of agriculture been favorable for the rural people of the country? The findings provide an ambiguous response—yes, no, and both.

With the above circumstances, developing a National Land Use Policy is a dire necessity with a pragmatic mechanism for quick and effective implementation of the policy. Side by side, a large-scale, nationally representative survey-based study (including the urban and peri-urban land) should be conducted as soon as possible to understand the impact of commercialization of agriculture on the national economy as well as on the life and livelihood of the people, especially the marginalized ones.

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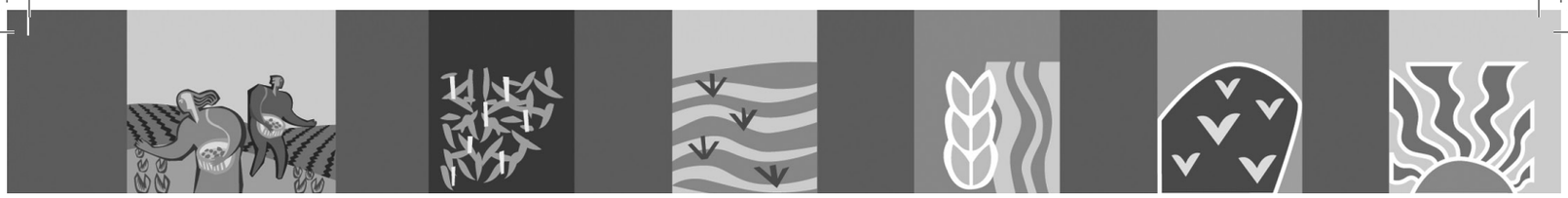
ALRD is a single rights-based independent national policy advocacy and networking organization committed to the promotion and strengthening of land rights and agrarian reform. ALRD has been bestowed with the mandate of mobilizing the grassroots peoples with the civil society as allies for claiming and establishing the rights of the poor and marginalized communities including the adivasis (indigenous peoples) over land and natural resources.



KEY FINDINGS AND IMPLICATIONS OF THE STUDY

Findings	Positive Impact	Negative Impact
No. of population as well as households increased in rural Bangladesh.	Farm, non-farm and commercial activities were boosted. Production (agricultural and non-agricultural) increased.	Unemployment and underemployment persisted in agriculture. Rural to urban migration increased.
No. of human development institutions like schools, hospitals, mosques etc. increased.	Access to primary education and primary healthcare increased. Rural human capital increased.	Agricultural land decreased.
Both cultivable and cultivated land increased, while the gap between the two decreased over time.	More lands were available for more production.	Fewer cultivable lands left for future cultivation.
Huge agriculture lands were transferred to non-agriculture purposes like housing, shops, industries, schools, medical centers and mosques.	Accommodation for increased people became possible. New consumer goods and services available. Employment opportunities created.	Agricultural land decreased. Number of farmers left farming increased. No. of fishermen left fishing increased.
No. of and area under water bodies, most of which were commercially dug, increased.	Fish production increased. Employment opportunities created.	Natural fish production decreased.
Livestock and poultry production increased.	More protein diet supplied. Self employment opportunities generated.	
Social forestation increased.	Poor people's asset base created in some cases.	Land degradation for alien tree plantation took place.
Farm and non-farm commercial activities increased both in terms of financial investment and land involvement.	Rural GDP has increased. Employment opportunities increased.	Brick fields built up, which subsequently grabbed surrounding agricultural land, caused permanent damage to the soil fertility.
Commercial crop production increased.	Crop (both food and cash) increased.	Tobacco and shrimp cultivation caused enduring dent on the soil fertility and ecology.