

Professor Abu Mahmood Memorial Lecture  
Session: **Poverty and Disparity**

## **Poverty and its New Challenges**

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### **1. POVERTY: A NEW GROUND REALITY?**

#### **1.1 A Macro – Micro Paradox ?**

Bangladesh's economic record is often misunderstood by observers both national and international. When the focus is on the impact at the micro level, the balance of opinions tend to note unmistakable success. There have been remarkable gains in the areas of seasonal hunger, primary schooling, immunization, female empowerment, birth control and physical mobility. However, when the focus is on macro aggregate trends, the balance of opinions is equally clear on the modesty of progress. Throughout the 1990s, the rate of poverty reduction, understood in headcount ratios, has remained under one percentage point a year. This has left nearly forty-five per cent of the population within the traditional economic definition of poverty.

Is there than a macro-micro paradox? Resolving this question is important because it impinges crucially upon the appropriateness of the “lessons” to be drawn on our economic record to-date. If, as some would have it, the micro evidence is to be dismissed, the lesson is a purely pessimistic one, namely that the current strategy is producing no results. If, as an alternative view would the other view would have it, the problem is with the incompleteness of macro statistics, the lesson as regards strategy is perhaps one of ‘more of the same’. The reality of the evidence, however, permits neither a purely pessimistic lesson nor an unduly optimistic one. But this, of course, begs the strategic lesson to be drawn.

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## 1.2 Reading the Economic Record Right

Since the famine of 1974, the over-riding theme around which all national efforts, conscious or otherwise, have been engaged in have been to take the country out of the shadow of famine. This is the theme which has provided the continuity among the ups and downs of regimes and the comings and goings of donors and which has galvanized the efforts of the common people in their roles as producers and economic actors. And the country has been signally successful in this goal. The aftermath of the flood of 1998 provides the most definitive recent proof of this success. Bangladesh today is definitively out of the shadow of famine.<sup>1</sup> But this has not just been today's outcome; it has been a long series of achievements in which successive regimes, NGOs, international donors and most critically the common people in their role as economic actors have played their part.

While the spectre of famine dominated our mental landscapes for the better part of the preceding quarter-century, the economic paradigm before the nation is now shifting to a new one, indeed has been shifting for a while. Poverty continues to be the dominant concern but the nature of this concern and the concomitant world of aspirations has undergone a sea-change. Indeed, macro perceptions of slow progress in poverty reduction masks rather far-reaching changes in the livelihood systems of the poor in Bangladesh. There is a new ground reality which has several strategically significant features:

- *Qualitative change in the extreme manifestations of poverty*

Though per capita income levels have climbed only so modestly, there has been a qualitative change in the *experience of poverty* itself: i.e. the intensity of seasonal deprivations have marked a significant decline, percentage of population going without three meals a day has been substantially reduced, access to basic clothing has become near-universal, proportion of population living in extreme vulnerable housing has also registered a noticeable decline. Current strategies have thus been clearly successful in closing the gaps in certain extreme manifestations of poverty including the provision of safety nets.

- *Declining Centrality of Land*

Land used to be the source both of wealth and income and of power and status in rural Bangladesh. This centrality has undergone drastic changes. Land is no longer the principal basis of power and status; neither does it

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<sup>1</sup> Raisuddin Ahmed et al, 2000, *Out of the Shadow of Famine*, John Hopkins University Press

serve to limit the livelihood opportunities for the rural population. By a most recent estimate, agriculture as a component of household income has dropped to under 50 percent.<sup>2</sup>

The subsistence orientation of production too has given way to a more complex and fluid livelihood strategy. However, while the trends as noted above are clear enough, a word of caution is necessary in interpreting the same. In particular, any immediate sectoral conclusion in terms of a focus away from agriculture is clearly unwarranted. What the observed decline in the centrality of land puts the spotlight on is on the *multiple* livelihood systems of the poor embracing both agriculture and non-agriculture and the changing dynamics of the pursuit of these multiple avenues. The critical conclusion to be drawn is thus not a sectoral one per se, but of the need to adopt a holistic view of the *local* economy and its changing mix of livelihood opportunities. Land assumes a new multi-functionality within such a perspective, away from its earlier connotations of power and dominance towards a new mix of economic rationalities.

▪ *An Emerging Rural – Urban Continuum*

The dramatic expansion of all-weather rural infrastructure which began from the late 1980s has brought about a qualitatively new degree of connectedness between the rural and urban. Migration and remittances have emerged as dominant factors in household dynamics; the recent study cited earlier shows nearly a quarter of rural households participating in this process with the share of remittance in household incomes rising from 3.7 per cent in 1987-88 to 18.5 per cent in 2000.<sup>3</sup>

The pattern of migration too is not restricted to uni-directional flows to international or metropolitan centres; migration of various duration to a variety of destinations both rural and urban as well as near and far is increasingly a critical part of the picture. Initial fears that migration was fuelling an export of poverty from rural to urban areas has now been dispelled by poverty trend statistics; in general urbanisation appears to have been a force for poverty reduction with urban poverty declining much faster than rural poverty.<sup>4</sup>

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<sup>2</sup> Mahabub Hossain et al, 2001, *Changes in Agriculture and Economy in Bangladesh, 1988-2000: Insights from a Repeat Survey of 16 villages*, IRRI

<sup>3</sup> Ibid

<sup>4</sup> Household Expenditure Survey, BBS

The critical issue thus has not been about the spatial re-location of poverty but of a structural transformation whereby the rural-urban divide is increasingly giving way to a rural-urban continuum.

- *Labour Market Transformations*

Labour market transformations have been the third key process impinging on the livelihood possibilities of the poor. There is a trend towards an occupational hierarchy for the poor in which casual daily labour is the least preferred employment. The competition is for piece-rate labour contracts and fixed-rent tenancies in the farm sector and for non-farm employment in rural construction activities, transport operations and in the lower end of trade and service activities. Within the context of such an occupational hierarchy, the 'capacity to shift' becomes the key livelihood concern for the poor. Correspondingly, there is a great emphasis on the finance access, social networking and human capital factors which generate this 'capacity' at the level of the individual household. The 'capacity to shift' is increasingly becoming a new dividing line within the ranks of the poor with those unable to negotiate such shifts emerging as new categories of poor. Examples here are rural artisan groups and nature-dependent ethnic minorities whose traditional occupations are disappearing but for many of whom compensatory entry into new occupations is uncertain at best. A contrasting example is that of women labourers who lost their traditional employment in *dheki* (home-based manual rice milling) but found compensatory entry into milling work in the *chatahs* (mechanised rice mills).

- *An attitudinal shift towards acceptance of women's economic role*

There has been an unmistakable shift in social attitudes towards an acceptance of *women's economic role* even if the road remains long and tortuous for their economic empowerment<sup>5</sup>

- *A deepening in market orientation*

There has been a far-reaching deepening in *market orientation* among all classes of economic actors, rural and urban, formal and informal, producer and consumer, large players and small players.

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<sup>5</sup> Hossain Zillur Rahman, 1998, 'Social Dimensions of Rural Change' in *1987-94: Dynamics of Rural Poverty*, BIDS

- *An upsurge in people's agency*

On the institutional front, there has been a major upsurge in *people's agency* vis-à-vis the earlier hegemony of the state and elites; no single actor whether it be the state, the NGOs or the donors can now realistically aspire to control the world of initiatives and institutional action.

### **1.3 Resilience versus Graduation**

To come back then to the macro-micro paradox, its resolution lies not in a futile debate over whether the glass is half empty or half full. A more meaningful resolution of the paradox lies in understanding that the contrasting micro and macro evidence may be referring to qualitatively different dynamics at work. The issue here indeed is not so much of micro and macro but of contrasting paradigms of change. I call these the economics of *resilience* and the economics of *graduation*. Resilience means coping, of facing up to disasters, of mitigating the worst features of poverty. Resilience is about building durable floors, of not slipping through. Its time horizon is more immediate and less strategic. Graduation on the other hand is about building ever-soaring roofs, of quantum increase in average income levels, of an irreversibility in the economic gains accruing to the average citizen. Its time horizon is decidedly a strategic one. This contrast of resilience and graduation to my mind captures the essence of the challenges which has absorbed the nation's energies and also where our success and failures lie.

Unquestionably, Bangladesh has scored signal success in the economics of resilience. The rapidity with which Bangladesh society was able to cope with the devastating floods of 1998 is but the latest expression of this resilience. Today, the nation is out of the shadow of famine. If we look around the world at large, this is by all standards a major achievement, one for which all actors across the spectrum - government, NGOs, common citizenry - can rightly feel proud. But in 2001, the aspiration of society has moved on even as we secure more firmly the gains of the past decades. Having come out of the shadow of famine, the nation is faced with a new strategic challenge, a challenge of graduation.

However, while the economics of resilience has been robust, the economics of graduation has not taken root. In many ways the problem here is one of mind-sets. While ground realities have changed, our ruling mind-sets have lagged behind. Economists in particular have been remiss in taking account of this quiet attitudinal revolution within Bangladesh society. Today, we have arguably a situation where the concern for poverty has become trapped in an ideology of poverty alleviation, a mind-set afflicting both the policy and academic discourses.

## 2. POVERTY DISCOURSES: AN UNORTHODOX READING

Conventional reading of the evolution of the poverty agenda in Bangladesh often miss out some key turning points in the discourse.

### 2.1 The Reform Initiatives of the 60s

The 1960s saw two such critical turning points, one initiated by the state and the other from within the non-state sector. The latter, justly famous as the ‘Comilla approach’ initiated by Akhter Hameed Khan in the experimental site of Comilla, was an institutional initiative at rural development built on four inter-related pillars: peasant co-operatives; an institutional capacity at the thana level (the Thana Training and Development Centre or TTDC) aimed at bringing together central officials and farmer leaders around the task of training and extension; an infrastructural initiative known as the Thana Irrigation Programme to facilitate the spread of the green revolution; and lastly, the Rural Works Programme which combined the goals of slack season poverty alleviation with that of building physical infrastructure.

Though rarely interpreted as such, the distinctive hallmark of the ‘Comilla approach’ lay in its being a *holistic institutional* initiative. However, though each of the pillars went on to have lives of their own, it was this very holistic focus which fell into decay within the evolving discourse, in particular after the state made the ‘approach’ its own for nation-wide replication through the creation of Bangladesh Rural Development Board (BRDB). Instead, the distinctive feature of the ‘approach’ came to be associated with only the first of the pillars, namely, peasant co-operatives, ironically the very feature in which outcomes have been the least satisfactory. Indeed, peasant co-operatives today enjoy virtually no discourse legitimacy and BRDB increasingly finds its future in that very area of targeted programmes which originally arose as an explicit repudiation of the co-operative model.

Perhaps the least appreciated legacy of the Comilla approach has been the TTDCs, the quiet creation of an institutional capacity at the local (i.e. thana) level which provided the bedrock on which later decentralisation initiatives such as the upazila system of the 80s could realistically proceed. Be that as it may, invoking the Comilla ‘approach’ is of relevance today primarily for putting the spotlight on one of the key weaknesses in the discourse, namely a failure to regain a holistic institutional focus, albeit within the ground realities of today. Decentralisation initiatives of the 90s such as the UNDP supported Kishoreganj<sup>6</sup> and Sirajganj

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<sup>6</sup> Sajjad Zohir et al, 1999, *A Preliminary Assessment of Kishoreganj Sadar Thana Project*, World Bank

experiments can be seen as attempts towards such an objective but the efficacy and viability of these remain to be convincingly established.

Unlike the Comilla approach, the other ‘turning point’ of the 60s was a state-inspired political strategy centred on the use of food aid to build a new ‘development culture’ at the local level. ‘Wheat’ was the common language of this culture and it generated an enduring nexus binding politicians, administrators and local government functionaries around a truncated vision of development built on institutionalised corruption.<sup>7</sup> Though food aid went on to play its own important role in addressing rural poverty, ‘wheat culture’ became entrenched as a fundamentally distorting influence shaping the developmental visions of politicians and local government leaders. Much of the criticism here has focussed on the aspect of corruption but perhaps the more significant and less understood issue has to do with the ‘wheat culture’ being an imposed style of political accommodation between aspiring local government leadership and the bureaucratic state. It is a style which continues to be a powerful influence on the worlds of local politics and local development.

## **2.2 1974 Famine and its Impact on the Poverty Discourse**

The disastrous experience of a famine coming so soon after national independence left an indelible mark on the political and developmental culture of the country. The programmatic lessons learnt thereof, in particular with regard to food policy, have been well-documented.<sup>8</sup> What of the larger impact on the poverty discourse? There were several strands to this impact, some well articulated and some much less so.

Within the domain of state interventions, the enduring consequence of the famine experience was an abandonment of any holistic approach in favour of a targeted safety net approach. The explosive growth of the food-for-work programme, rural maintenance programme, vulnerable group development programme etc signalled a new state priority centred on famine prevention, a priority which has held sway for the preceding quarter-century. And it is clear that there has been signal success in this goal.

There was, however, an important side-effect to the shift in approach: though the safety net programmes were ostensibly also infrastructure-creation programmes, the infrastructure-creation goal became wholly subordinated to the poverty relief

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<sup>7</sup> Rehman Sobhan, 1968, *Basic Democracies, Works Programme and Rural Development in East Pakistan*, Bureau of Economic research, Dhaka University

<sup>8</sup> Raisuddin Ahmed et al, *ibid*, Chapter 8.

goal. This was exemplified by the ubiquitous focus on seasonal earthen roads under the operational authority of the Relief Ministry. For about a decade and half i.e. up to the end of the 80s, infrastructure consequently was largely a missing variable in rural development processes. Only with the emergence of the Local Government Engineering Department (LGED) as a major developmental actor at the end of the 80s, was there a regaining of an infrastructure focus. This, of course, subsequently led on to major successes in all-weather road communication all through the decade of the 90s.

An important point to note here is that the post-famine shifts in policy approaches within the state domain occurred more as practical rather than discourse trends. It was rather the non-state sector with Grameen as its pre-eminent symbol which produced the discourse shift in the aftermath of the famine. Grameen, of course, went on to achieve world-wide relevance but it may be useful here to unpack this shift in the discourse as it occurred in the post-famine decade in Bangladesh. The most analysed aspect of the change has been the targeting approach, namely, that the poor are a specific group and must be dealt with as such. What used to be projected as holistic perspectives, i.e. community development, broad-based co-operatives etc. came to be seen as at best ineffectual, at worst anti-poverty. There was a parallel in this of state's adoption of safety net approaches over mainstream approaches to poverty reduction. The targeting approach undoubtedly succeeded in sharpening the focus on poverty and contributed significantly to establishing a resilience at the base of the economy. However, in the long run it has also rendered it difficult for the discourse to make any easy return to poverty reduction strategies built on holistic perspectives.

However, the targeting strategy was only one aspect of the discourse shift engendered by non-state actors symbolised by Grameen. The other critical element lay in the broadening of the question of agency. Non-state actors began to acquire a discourse legitimacy on issues of poverty perhaps as never before and by the 90s NGOs had become firmly established on the agency landscape. However, in the initial challenge to the discourse hegemony of the state, the focus on questions of agency initiated by actors such as Grameen lay a larger social potential of democratising the institutional basis of social life. While the ground reality has clearly seen an unfolding of a broader agency, this larger social process has had to contend with the muscular projection of an all-encompassing NGO self-image in the discourse space. Two decades later, it has thus become a moot question whether this larger democratic potential has become obscured through a narrow NGO hegemony over the poverty discourse. This notwithstanding the dramatic achievements of the NGO sector in Bangladesh.



### 2.3 1990s: the Turn to Multi-Dimensionality

Beginning in the early 90s, the discourse emphasis increasingly fell on the multi-dimensionality of poverty. However, here too the strands were several. Almost a decade before issues of vulnerability gained prominence in the global discourse,<sup>9</sup> Bangladesh discourse was making vulnerability a central concern in the fight against poverty.<sup>10</sup> The emphasis was both on the multiple dimensions of vulnerability and on the nature of their economic consequences. Conceptual innovations such as *income erosion* not only helped to deepen the policy understanding of the poverty process, it also allowed for a more effective categorisation of the poor.<sup>11</sup>

Parallely, another meaning of multi-dimensionality was also taking shape taking its cue from the UNDP Human Development Reports. This entailed an emphasis on social sector expenditures, i.e. health and education, and a discourse concern with the issue of participation. Important gains were made during this period in the areas of primary education, girl education, health education, immunization etc. In the specific way this discourse developed, however, ‘multi-dimensional’ did not translate into a new holistic perspective but became mainly a way to emphasise the social sectors.<sup>12</sup>

Laudable as the re-orientation towards the social sectors has been, certain unintended consequences are beginning to cast a shadow over the donor-driven ‘human development’ paradigm. Even as primary enrolment rates have soared, concerns on quality and standards have become near-universal, not just at primary level but at all levels of the education system. The more insidious effect has been in the way the discourse emphasis on summary indicators such as literacy rate have unwittingly spawned a ‘shortcut mentality’ among political leaders and other actors on the operational question of achieving ‘human development’. Political dividends are being sought in a rather narrow interpretation of performance and this often appears to be coming at the cost of a more holistic and strategic engagement with these sectors. In Bangladesh today, we thus have the curious spectacle of a competition to project ever-higher official literacy rate figures on one side and a pervasive social perception on the other that the education system is in a state of collapse in terms of quality, standards, norms and behaviour.

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<sup>9</sup> *Attacking Poverty: World Development Report 2000/2001*, World Bank/Oxford University Press

<sup>10</sup> Hossain Zillur Rahman & Mahabub Hossain (ed), *Re-Thinking Rural Poverty*, SAGE, 1995

<sup>11</sup> Hossain Zillur Rahman, 1999, *Poverty: the Challenges of Graduation*, BIDS

<sup>12</sup> For a comparable perspective see, Martin Greeley, 2000, *Pro-Poor Growth: A review of Three Issues Informing the Current Policy Agenda*, paper presented at the Expert Consultation Conference on OECD Poverty Guidelines, Callanstoog, The Netherlands, September, 2000.

## 2.4 Late 1990s: A Re-engagement with the Inequality Issue?

Some recent commentaries have begun to voice a concern with the inequality issue noting a rise, in particular, in urban inequality.<sup>13</sup> Neither the marshalling of the evidence nor its analysis make obvious, however, what the strategic lessons are vis-à-vis the poverty challenge in today's Bangladesh. Urban inequality has risen but the rate of poverty reduction too has been faster in the urban areas. What then are the strategic lessons here? This is where the argument remains to be developed convincingly, in particular, the argument for a return to a re-distributive agenda. Indeed, some analysis caution against any ready re-prioritising of a re-distributive agenda ahead of a pro-poor growth agenda.<sup>14</sup>

A corollary, and perhaps more significant, rendering of the inequality argument has been to highlight the issue of extreme poverty. With anywhere near forty per cent of the poor falling within the analytical category of extreme poverty,<sup>15</sup> the continuing scale of the problem serves perhaps as the most stark reminder that poverty remains the most important challenge for Bangladesh. While the moral lesson is clear, the analytical lessons here too are an emerging area of debate. Are safety net approaches sufficient to deal with the problem of extreme poverty? What directions should policy innovations in the area of safety nets take? Is it enough to pose the extreme poor as an analytical construct or is it more useful to look for sub-categories which are readily identifiable? How has the nature of extreme poverty itself evolved over time?

## 3. THE STRUGGLES AHEAD

### 3.1 Understanding the New Challenge

Bangladesh has made important gains in the fight against poverty. On the cusp of a new century, however, there is an inescapable 'reality', namely that the sum total of our poverty reduction strategies translates into a 'best case scenario' limited to a rate of poverty reduction at under one percentage point a year. Achieving an acceptable time horizon for dealing with the problem of poverty, thus, remains an unfulfilled strategic challenge. The question here, of course, is not one of inventing a new agenda since no agenda is wholly re-invented. Building on the incremental possibilities of existing agendas will certainly have to continue.

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13. Binayak Sen, 2000, *Bangladesh Poverty Analysis; Trends, Policies, Institutions*, Asian Development Bank/BIDS. For a useful international perspective on the issue, see Simon Maxwell, 2001, "WDR 2000: Is There a New 'New Poverty Agenda'?", *Development Policy Review*, Volume 19, Number 1.

14. Martin Greeley, *ibid*

15. Hossain Zillur Rahman, 1999, *ibid*

However, equally certainly, a scaled-up attack on poverty also demands a search for a new strategic focus, a focus born of an appropriate understanding of the new ground realities.

There are three outstanding considerations which apply behind such a search. Firstly, a concern for a *holistic* focus; this translates into an emphasis on *graduation* i.e. a concern for the poverty ladder in all its stages rather than for any one stage on the ladder.<sup>16</sup> The second is a concern for *scale*; this translates into a concern for an acceleration of the growth process in favour of poverty reduction. The third is a concern for a shift in discourse style, an eschewing of an excessively normative approach to agenda formulation in favour of a *politically intelligent* approach.

### 3.2 A Search for Strategic Promise

Policy prescriptions burdened with encyclopedic answers are often a problem rather than an aid to the fight against poverty. The real challenge in agenda formulation is not merely to list the a to z of solutions but to highlight wherein lie the areas of greatest strategic promise, areas which if acted upon effectively will unlock the dynamic potentials of society to deal with the problem of poverty. From such a perspective, three areas emerge as the strategic launching pads for a scaled-up attack on poverty:

- *Re-vitalising local governance and establishing a link between local governance and local growth*

A livelihood analysis puts the spotlight on a *local economy perspective* as increasingly the more relevant reference frame in which livelihood strategies for a scaled-up attack on poverty are best forged. Such a perspective is to be distinguished from prevalent sectoral or micro household perspectives. A local economy perspective is also not to be confused here with notions of village economy; it is more accurately a *meso* economy perspective. What imparts the novelty to such a perspective is the changing ground realities such as the growing rural urban continuum which now define the 'local'. In an earlier era, the programmatic understanding of such a focus would have been captured by terms such as 'integrated rural development' or 'local-level planning'. The current emphasis on a local economy perspective, however, marks a radical departure on such earlier meanings. The concern is less about sectoral programmatic focus per se underscored by bureaucratic notions of co-ordination. It is more about

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<sup>16</sup> Hossain Zillur Rahman, 1999, *ibid.*

positing a new action goal, namely, that of a regeneration of the local economy by which the pursuit of multiple livelihoods by the poor is best empowered.

What of the vehicle(s) by which the goal of ‘regenerating the local economy’ is to be achieved? This is where insights from analysis on local governance becomes of critical relevance. The cast of actors who matter here extend well beyond the traditional focus on local *governments* as they also cut across traditional sectoral or rural-urban boundaries. The challenge really is of multiple livelihoods, of linkages and a critical expansion of local opportunity frontiers, and of bringing within mainstream attention any categories of ‘missing poor’. Such a menu of tasks do not fit easily within traditional sectoral or decentralisation approaches. What is required is a governance focus with a twist, namely, a primary orientation to livelihood issues and embracing the possibility of enlisting categories of actors beyond local governments per se. Interestingly, it is precisely in adopting such a livelihood-orientated governance focus that the real possibilities of a decentralisation agenda currently lie. A strategy of up-front struggle over jurisdictions and power for local governments appears to be a non-starter in the current balance of political and administrative power. The politically intelligent approach is to galvanise the local governance potential through investing it with a new functional focus around the goal of regenerating the local economy.

▪ *A “New Deal” for agriculture and farmers*

Recent research has increasingly underscored the fact that agriculture no longer accounts for the major share in rural household incomes. Non-farm activities contribute the larger share. The strategic lessons to be drawn from these findings have, however, become an area of some policy confusion. Should non-farm become the new centre of attention? Is agriculture to be relegated to a secondary status? Simplistic conclusions here, however, are likely to produce more harm than good. The critical message implicit in the changing profile of rural household incomes is not one of non-farm counterposed to farm but rather both linked in a wider reality of a local economy. Policy perspectives on agriculture continue to be overshadowed by notions of subsistence agriculture. The truth is the Bangladeshi peasant today is a vastly changed personality striving to graduate to a more productive, diversified and globally-integrated agriculture. The farmers have a wholly transformed set of requirements and aspirations but bereft of any political

clout, they merely exist in the policy-makers world as the dependable producers of cheap rice. Any serious strategy to accelerate poverty reduction has to bring about a drastic change in such an outlook. The strategic requirement today is a 'new deal' for the farmers and for agriculture as a whole.

- *A paradigm shift on education towards pro-poor and market-relevant skill education*

Education in our view has three large goals:

- Growth of the individual human personality
- Development of a social ethos
- Empower the individual as an economic agent i.e. as a participant in the critical business of "earning"

In human history, the spread of education has not been an "automatic" process. The concept of the "school" in the ancient world – ancient Greece, ancient India etc – was an elite preserve through which the social ethos would be developed albeit under their control. With the growth of the modern world economy, the functional dimensions of education also began to receive emphasis but still under elite control. 19<sup>th</sup> and 20<sup>th</sup> century saw the acceleration of a process in which some social reformers focussed on the potential of education as a vehicle for developing a democratic social ethos and also as an instrument to empower functionally the common people in the economic arena. The example of Bishop Grundvitg and his "Folk High Schools" in Scandinavia in late 19<sup>th</sup>/early 20<sup>th</sup> century readily comes to mind as a successful example of education-centred social movement pursuing the goals of economic and social democracy. Paulo Freire, the Brazilian educationist working from the 1960s onward offered a different example of education as an instrument of political awakening and much of the NGO work in education has drawn from Freire's ideas.

The education scene in Bangladesh today is one characterised by the following features:

- The social ethos creating role of education has been greatly weakened in Bangladesh to the point of a virtual collapse
- An over-emphasis on access at the cost of quality and content dominates both NGO and Government programmes on education
- There has been great progress in access indicators particularly at the primary level but the message from the children is "sure, we are going to school, but our hunger for education remains"

- Real education, i.e. education which empowers one in the economic arena, remains very much biased against the poor
- The economically-empowering quality of education remains very weak for all classes as a whole.

While the above point towards the need for a critical engagement with education policy as a whole, our interest here is limited to the poverty-education interface, in particular, to the economically-empowering potential of education. Surprisingly enough, market-relevant and pro-poor skill education does not enjoy great policy prominence whether in the government or NGO discourse, indeed even in the donor discourses. This is unfortunate because the crucial challenge before the poor is not the isolated upward mobility of some lucky ones but their *bulk entry* into more remunerative occupations. And the principal vehicle for ensuring such bulk entry whether within the country or in foreign employment opportunities is market-relevant skill education. This is where the greatest strategic promise lie for the poor to tap the potentials of globalisation to their own advantage.