



Policy Brief

Eradicate Poverty by 2021

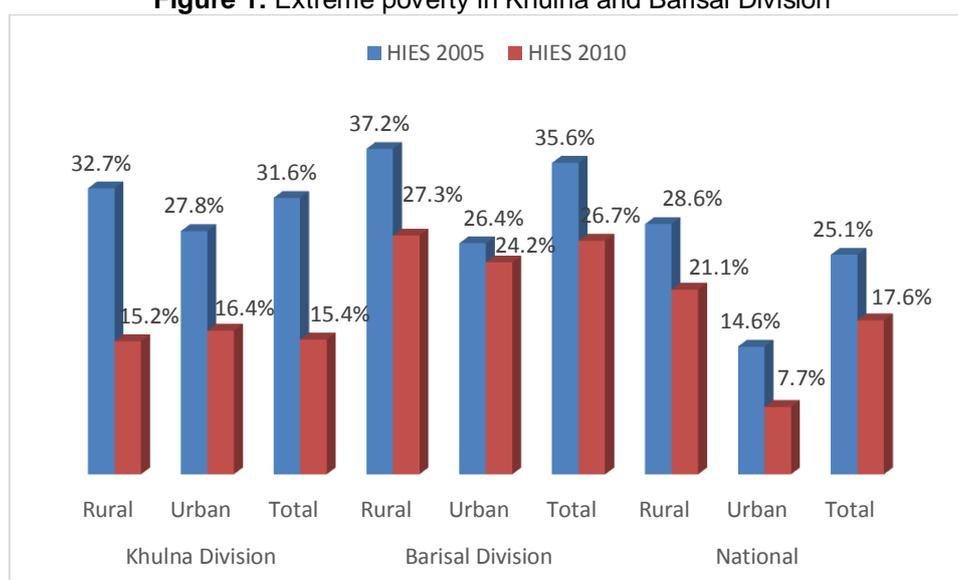
Khulna & Barisal Division

Introduction

The level of extreme poverty in coastal division of Barisal and Khulna is particularly high mainly because of adverse environmental conditions arising out of climate change effects. There is acute shortage of fresh water leading to poor health conditions, lack of employment as agriculture is less intensive and non-farm job opportunities are also shrinking due to shrinking access to finance. The social safety net program is not smart enough to cover the disadvantaged populations. This policy note based on the discussions with local community indicate some ways of addressing these challenges.

Khulna and Barisal divisions were the food basket of Bangladesh. It had prosperity and economic growth which is manifested in its rich local history. Zamindars, once reigned in this area. Remnants of Zamindar houses, the architecture of Moguls, the Sixty Dome Mosque of Bagerhat and many other similar structures only tell one story – the area was rich. The production system was based on agriculture. Yet today both of these areas have relatively higher poverty rate than others. Khulna, due to the Mongla port, has been able to attract some of the industries and has done better than Barisal in terms of poverty. Urban poverty in both divisions is higher than national averages of 2005 and 2010 (see figure 1), while in terms of rural poverty Khulna has done better than Barisal. Both divisions are under the radar of climate risks – cyclones, tidal surge, salinity are all expected to be on the rise due to climate change. As such it might jeopardize the success of public policies in reducing poverty from Bangladesh.

Figure 1: Extreme poverty in Khulna and Barisal Division



Source: HIES 2010, Bangladesh Bureau of Statistics



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Stakeholder engagement

Looking at the extreme poverty figures, however, we see some success in the poverty reduction efforts. Extreme poverty rate dropped from 35.6 to 26.7 percent in five years from 2005 to 2010 in Barisal while it dropped from 31.6 to 15.4 in Khulna. Today nearly 2.4 million people in Khulna and 2.2 million in Barisal are living in extreme poverty – meaning families cannot afford to have more than 2 meals a day. Khulna is more urbanized than Barisal due to Port in Mongla, Industries in Jessore and probably shrimps (both *Golda* and *Bagda*) provided an alternative to rice farming in saline areas. Bringing these 4.6 million out of poverty by 2021 is going to be a difficult task unless we closely examine the causes of, and the strategies to eliminate poverty. It requires a thinking process and actions which are different from what we already know to do it fast. It involves people, government, and businesses to work together for one goal – eliminate poverty.

In this context EEP/Shiree organized a regional level dialogue engaging all the stakeholders to define a strategy to reduce poverty from this region. Stakeholders were from civil services, NGO/CSOs, local elites, to discuss the issue frankly and openly. Their objective was to develop a consensus on strategies to achieve ‘zero extreme poverty’ for the region.

Challenge 1: Rise in Salinity

Stakeholders identified several challenges to eliminate poverty from the region. These are challenges for which the poor are trapped in the vicious circle of poverty. Southern parts of Khulna and Barisal divisions, in particular, have been experiencing a gradual but sharp rise in the salinity level in land and water. This trend has twofold effect of the poor people. First, their livelihood is under threat as yield per acre of land has declined due to higher level of salinity in crop lands. Salinity has also reduced cropping intensity in agriculture and many rice fields are now used for one crop a year. This has also impacts on employment in dry seasons. Second, women and also children are now more susceptible to health risks due to intake of saline drinking water in several upazilas. With looming threats of rising sea level due to climate change, the challenge in the region is how to maintain the level of economic activities in the region throughout the year. In absence of this, migration is expected to rise. In



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several of the coastal upazilas population growth rate is already negative (as per 2011 census of population).

Challenge 2: Climate vulnerability

Global Climate Models have also predicted a rise in the storms and cyclones in the Bay of Bengal due to climate change. Economies of the south in Barisal and Khulna are also driven by marine and in-land fishing activities along with processing of fish. As the number of storms and cyclones are expected to rise in future, it will also have an impact on availability of jobs in many coastal communities. Fishing communities and the allied economic activities will become vulnerable as the number of active fishing days in year are going to fluctuate due to climate threats. Many of the poor households are fully dependent on fishing and fishing related backward and forward linkage processing and manufacturing and hence the poor people are now more vulnerable.

Challenge 3: Access to finance

NGOs and Micro Finance institutions, which are the primary source of financing the entrepreneurial ventures of the poor, have also started to feel the threat. In particular, failures of repaying loans after disasters have become a real threat to them since *Sidr* and *Aila* (two major cyclones since 2008). During the post recovery period (from cyclones) people were unable to repay their loans and as a result, the level of microfinance activities in the region has declined. As such, access to finance for the real poor has also fallen sharply.

Challenge 4: Managing Polders and Canals

Life of the people in coastal areas is fully dependent on the level of protection they receive from polders, dykes and embankments. Many of the coastal communities have been living within polders since the 70s. For them, these public investment goodies have created both problems and solutions because of mismanagement. The dykes and polders protected people, their properties and crops from tidal surges. However, many of the canals are now silted because there is no regularity in maintenance. This has resulted in encroachment of river beds by wealthy people. In few places, government has also allocated the riverbed to people for settlements through redistribution of *Khas* land. In some places, government offices continued to lease canals to fishers despite the fact that fishing canals were the only source of fresh



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water source for nearby agricultural lands. As a result, *boro* cropping area has declined. This made poor household vulnerable because of large scale unemployment during *boro* season.

Policies to overcome the challenges

Local stakeholders were also keen to suggest several strategies to meet the challenges. For them, government and donor communities must get their act together to help the poor people in order to eradicate poverty from coastal districts.

Promote agricultural growth

For majority of rural poor, agriculture is still their first choice of work because this is what they know. A strategic plan to enhance agricultural production in coastal communities will keep up the employment and it will help them to survive through the lean periods of farming. In many of the coastal communities, off-farm jobs are also linked to farming activities and farm output and so maintenance of agricultural activities throughout the year is an important first step to reduce poverty.

Smart Targeting of SSNPs

Social Safety Net Programs (SSNPs) of the government are of several kinds. Some of them like old-age payments, payments to widows could be expanded and targeted to people who has little social support for living. Old people who had 2 or less children are likely to be the most vulnerable. They should be targeted separately in the program because they cannot get sufficient support from their family members. Abandoned parents or old parents with nowhere to go could be provided food and residency under a government welfare program.

Similarly other programs like FFWs, VGDs, TRs, 100-days work program etc. could be targeted only for people who have been permanently living in the area. The activities under the program can also be targeted towards building social capital for the communities like helping the older people, managing public goods like roads, canals, etc.. More importantly they should be timed appropriately matching with lean employment season of the locality.

Finally, both the selection process and the distribution of benefits from SSNPs shall be made public and transparent. People should be able to find out who receives such



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public support in order to register their disagreement if these are evidences of corruption and nepotism.

Revamping rural finance

Extreme poor people are losing access to finance in many of the coastal areas as many of the MFIs are now moving towards larger loans in order to reduce the cost of finance. Many of the credit providers have now moved towards formal eligibility criteria for selection of beneficiaries, some have reduced their operations in remote locations due to high cost of monitoring and recovery of loans, some also lost interest due to intense territorial competition in rural communities, and so on. The process must be reversed in order to pull more people out of poverty. With improved access to mobile technologies MFIs should find a new strategy to enhance their presence in rural areas.

Rural Jobs and Energy Security

Coastal communities desperately need jobs during lean periods of production but they also need more jobs in order to keep up with growth in population. This requires investment in coastal districts. The strategy of job creation is not separate from other activities but one of the key elements for success in job creation in rural communities is to improve access to energy. Securing energy for rural communities should be a priority in public policies. Penetration of energy into rural communities will make investment in agricultural sustainable and will create jobs. It will also allow people to use local ingredients to produce traditional handicrafts. Stakeholders mentioned about *sheetalpati* (cane/bamboo mat), *gamcha* (local towel) which were traditionally produced by people during lean periods of agricultural production.

Redistribution of Khas land

Stakeholders in the workshops also mentioned about the effort by Shiree and its partner organizations – Uttaran in Khulna who managed to secure government land for 10,000 poor households. However, they also pointed out that many of the *Khas* land are not productive throughout the year. They can only produce one crop and so redistribution strategy needs to be supported by other facilities such as access to finance. This could be a useful strategy to bring people out of poverty.



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Meeting the needs of the most vulnerable

People with physical and psychological challenges in rural communities, elderly people, ethnic communities who are less mobile, fishers dependent on capture fishing, women during pregnancies, abandoned and street children in the rural communities are the most vulnerable groups. These groups need support in order to survive during periods of hardship in rural areas. As the communities suffer from income and job losses, these groups also lose support and so became the most vulnerable groups. Stakeholders in the workshops suggested special programs for these groups.

In short, we may pin point following policy options for considerations:

- Promote saline resistant agriculture throughout the year as most people are still engaged in agriculture for promotion of homestead agriculture, providing desalinization opportunities for the community may be a few of these strategic inputs.
- Design smart social safety net programme, if possible using mobile technologies, to cover the climate vulnerable recipients like old people with more than two children, abandoned or old parents people who have been permanently living in the climate vulnerable areas. These programs must attempt at providing employment and other services in the lean period. Also ensure transparency of these programs so that these are on targets.
- Provide access to finance through MFIs or there NGOs linked with banks CSR programs so that cost of delivery is low.