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Bangladesh and Micro-Credit Banking

According to the United Nations, the country of Bangladesh is currently ranked as one of the least developed countries in the world with the highest population. This combination results in extreme levels of poverty and malnutrition. However, though 87% of Bangladesh's population lives below the poverty line, its citizens can hardly be accused of apathy and laziness. The poor people of Bangladesh are willing to work long and hard to provide for their families. Many work fifteen hour days performing laborious tasks such as weaving small stools out of bamboo at a return rate equivalent to two US cents or less per hour. Though the stories of poverty and hardship are alarming and unimaginable, the thought of looking toward the future and the eradication of malnutrition and hunger may be even more so. This is not because it is an impossible feat, but because the only way to achieve long-lasting, sustainable food sources to end nutritional problems in Bangladesh is simple: they need money. It would take not thousands or even hundreds of taka, just the smallest amounts of money to help the poor of Bangladesh feed, educate, and protect themselves and their children from disease and natural disasters. First, by instituting a banking system that could supply micro-credit (small manageable loans) to the poor in Bangladesh without collateral and at low interest rates, and providing basic educational opportunities regarding agriculture and health, the people themselves will form the initiative to improve all aspects of their lives and their communities. When given the chance to raise their socioeconomic status within a close-knit, micro-credit based community, the landless poor and the family farmer will work in conjunction with the educated members of their community to provide sustainable nutritional sources and substantial income through employment for all. Looking ahead, the establishment of an organized micro-credit system of banks specifically targeting agriculturists throughout the country and the opportunity for members of each micro-credited community to be educated in health and agriculture will result in sustainable methods of food production and nutrition security for the poor of Bangladesh.

In order to accept this proposal, one must understand the incredibly important connection that the micro-credit communities will form with one another and the positive impact that connectedness will have on the improvement of family farming and the overall nutrition of the community. Micro-credit is an already proven successful method of combating poverty. As shown in Banker to the Poor, Muhammad Yunus, founder of the Grameen Bank, developed a form of micro-lending to the landless poor in Bangladesh that succeeded in lifting members of 68,000 villages out of poverty (Yunus). In the model exhibited by Grameen Rural Bank, a strong community base is necessary to forming a sustainable farming system. Each community becomes one center; within each center one person is selected to attend agricultural training that will keep each village informed on new farming technology and new farming methods. This person is also responsible for conveying his training to each family farmer for a small fee. This way, the educated agriculturist earns a profit from his work and helps each individual family farm earn more money through smarter farming methods and new technology made available through micro-loans. Although the process sounds complicated, the effect is nearly guaranteed. Each member of the community relies on others so that together they can step up the economic ladder. An example of such a community in Bangladesh might include the educated agriculturalist, grain and rice farmers, poultry and egg farmers, tree farmers, silk work farmers, silk thread collectors, weavers, dyers, and seamstresses. Families trading amongst themselves would allow individual families to provide for themselves, while also contributing to the well being of others in the community. When loans are repaid new ventures can be initiated by another recipient of a micro-loan.

Another serious detriment to the improvement of health and wellness in Bangladesh is a serious lack of understanding of personal hygiene and cleanliness and a lack of clean water and wastewater containment. There is little or no plumbing in most of Bangladesh's rural communities. The spread of disease is a serious problem. The same presumption of communities working together applies for general health improvement in Bangladesh. One member from within each community is chosen to attend a school that will teach them basic medical training. This individual is familiar with local practices and familiar with the cultural practices of the community. He or she can then re-educate those within a community of healthier practices which will result in fewer illnesses and deaths. One such example is that of diarrhea. Because diarrhea is the body's rejection of liquids through watery bowel movements, natural instinct asserts that to remove liquid from the diet would eliminate the illness. However, even the most fundamental medical training teaches that fluids are the most important factor in recovering from diarrhea (Cheers-226). With the ability to squelch uneducated superstitions such as these, it is possible through the combination of money-lending and education to improve the health and well being of small villages in Bangladesh. Micro-credit can serve to both educate the family farmer in agriculture and health.

Bangladesh is one of the most severely hit countries by natural disasters. Nearly seventy percent of the nation's rural land is a flood plane. Therefore, the country can offer little agricultural security. However, micro-credit banks will allow some form of security to subsistence farmers who have the opportunity to take loans of any size necessary to rebuild their losses. Natural disasters aside, it is imperative that through the loan system, farming communities work together to improve irrigation and tube wells. Throughout the Bangladeshi countryside abandoned wells are commonplace, due to lack of the education of management and upkeep. This management and upkeep is considered to take too much time and energy better spent doing actual farm work (Yunus). More wells must be built within communities to ensure safe drinking water and irrigation water year round (Van Geen). With the help of credit, family farmers can combine resources to maintain and support wells for their communities and their crops. The chosen agriculturally educated members of each community can, in turn for the availability of safe drinking water and well irrigated crops, educate the individual subsistence farmer on the best crop to grow under different weather conditions.

Also, by comparing the advantages that a crop provides Bangladesh, it is possible to pinpoint sustainable agricultural practices for subsistence family farmers. Crop assessment consists of two factors: net economic profitability and domestic resource costs, meaning the total profit a crop contributes to the economy and the total expenditure necessary to produce the crop. Focusing on rice, studies show that through the years of 1996 to 1999 Bangladesh's three agricultural seasons boro, aman, and aus had similar results regarding highest advantage rice crops. Within the three seasons, when the high-yield variety is combined with rainfall, the Net Economic Return is highest and the Domestic Resource Cost is lowest. This result proves that high-yield variety is the best crop for subsistence farms to cultivate and other varieties such as Pajam, Local T., and Local B. should be phased out of Bangladesh's cropping system (Shahabuddin-20). Though studies show that rainfed crops are highest-yielding, it is important to remember that the country consists of many different regions that include numerous crop pattern variations. These patterns can be roughly classified as rainfed and irrigated, and within both of these classifications the staple crop—or HYV boro rice—is adopted. The benefit of this widely accepted rice variety is its ability to produce a higher yield that allows farmers to use a wider variety of crop substitution. Such agricultural diversification can provide an assortment of nutritional food, an increase in exportable goods, and it can also help to regenerate degraded soils. With the support of micro-credit the obtainment of the observably superior HYV rice cropping system will become easily available to subsistence farming communities (Shahabuddin-39).

When addressing the issue of food security and nutrition it is important to consider agricultural and educational possibilities as well as government policies. In 1971, after West Pakistani owners of

industrial enterprises fled the new country, the government of Bangladesh found itself managing and operating one of the world's poorest and least developed countries. Though the country still struggles today, the government Planning Commission, responsible for national rehabilitation, has been directing economic priorities with five-year plans. Between the years of 1985-1990 the goal was to reduce poverty, bring down the rate of population, increase exports and domestic savings, attain self-sufficiency in food production, and recognize a yearly increase of the gross domestic product ("Economic Policy"). Since then the five-year plan project has remained on course and on track. Right now, a government agricultural project by the name of the Special Programme for Food Security is designed to assist and improve national household/individual food security on an economically and environmentally sustainable basis by rapidly increasing food production, reducing year to year variation of production and improving access to food as contribution to equity and poverty alleviation ("List"). Uniting this project with a family farm-based micro-credit bank would allow the agricultural communities of Bangladesh to be financially and educationally stable with the support of government policy. Although the micro-credit bank should remain an independent entity separate from government management, the two should work together to achieve success in agriculture and national security.

Looking ahead, establishing an organized micro-credit bank system, specifically targeting subsistence farmers throughout the country, and providing the opportunity for members of each micro-credited community to be educated in health and agriculture will result in sustainable methods of food production and nutrition security for the poor of Bangladesh. By expanding the procedure developed by Muhammad Yunus to specifically target and cater to the financial needs of landowning family farmers, a sustainable method of agriculture can be developed. The crop production studies completed in Bangladesh during the 1990's can be applied to farming communities of any region of the country. New agricultural systems including tube well management, high-yielding rice varieties and crop rotation diversity can be taught and administered by the selected members of the micro-credit center, or community, that were chosen to be educated agriculturalists. Similarly health practices and procedures can be distributed to each community through the medically trained member. These practices of education, agriculture, and community can subsequently be supported by the projects instituted by the Bangladeshi government. More policies such as the Special Programme for Food Security can be implemented to make large strides toward food production and nutrition security for the poor. The way to achieve long lasting, sustainable food sources to end nutritional problems in Bangladesh is simple: institute micro-credit loans. Therefore, the issuing of micro-credit loans to aid all of these financial responsibilities will eventually eliminate the disturbing stories of poverty and hardship that are commonplace in the lives of Bangladeshi citizens.

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