

# A new poverty reduction perspective

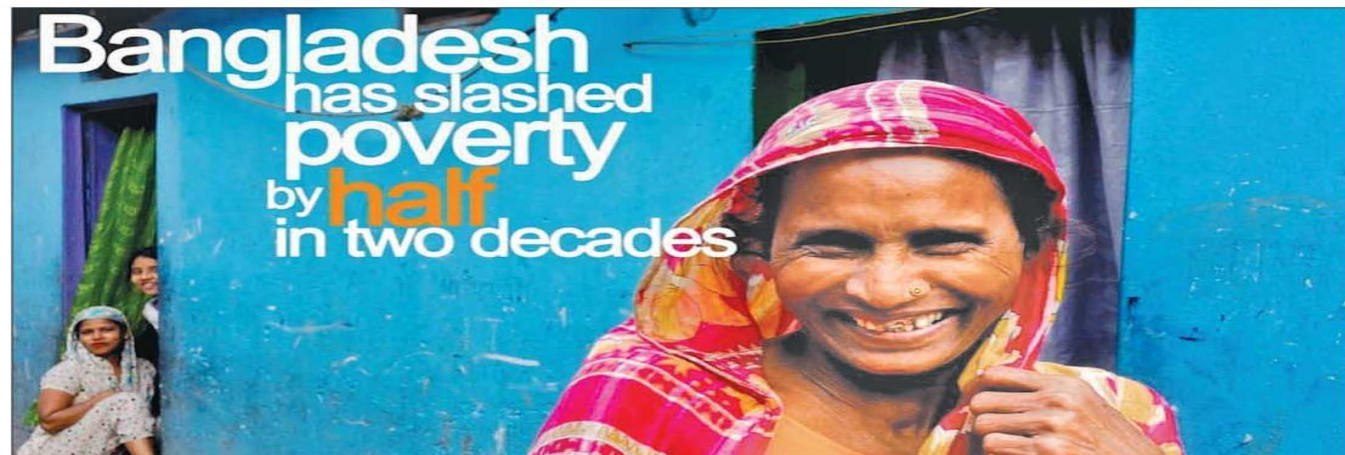
In order to reduce poverty, rather than attempting to change the “culture of poverty” “structural trap” should be removed

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In a recent article published in the World Journal of Science, Technology and Sustainable Development, Dr. Khurshed Alam of Bangladesh argued that the universal approaches in poverty reduction may not be applicable rather country-specific approach needs to be evolved and followed. Scholars from both developed and developing nations paid high attention to understand the reasons of prevailing poverty for poverty reduction. Two explanations of poverty were highlighted, one being the “poverty trap theory” covering “structural trap” and “kinship trap theory,” and the other being the “culture of poverty theory.” The structural poverty trap theory blames the rich, where the kinship trap and culture of poverty theory blames the poor. Hence, the two major grand theories contradict each other and none of the theories give any solution to the problem of poverty. In addition to these, colonialism, new-colonial society, dependency theory, and world system are some other theoretical stands which did not get much attention from mainstream scholars. Scholars have considered their theories sufficient to explain the poverty condition.

His paper argues that the two theories mentioned above are not necessarily applicable in each country. This idea goes hand in hand with the statement of Nobel Laureate Douglas North that economies that adopt the formal rules of another economy will have different performance characteristics than the first economy because of different informal norms and enforcement.

In order to reduce poverty, rather than attempting to change the “culture of poverty,” remove the “structural trap,” or “kin system as poverty trap” it can be achieved through harnessing the enabling factors of poverty reduction. Every



country has its enabling factors that contribute the most to reduce poverty, despite the existence of hindrances. Thus a country needs to focus on its ‘potential’ factors of poverty reduction, rather than focusing on “barriers” to poverty reduction.

Instruments of poverty reduction have revealed in his paper where a usual practice is to identify the barrier to development and to suggest the means of overcoming those barriers. A means of poverty reduction also being suggested where country-specific strategy or home-grown model can be drawn out based on the identification of potential factors. It suggests how to look into the issue from another way round; instead of identifying the barrier attempt should be made to identify the enabling factors and to harness those enabling factors.

He has identified the factors which are instrumental to poverty reduction

opposed to many factors that are considered as impediments to poverty reduction in a poor country like Bangladesh. Bangladesh could substantially move forward in the case of overall poverty reduction. The Household Income and Expenditure Surveys conducted by the Bangladesh Bureau of Statistics (2011) gives the statistics of the incidence of poverty faced by Bangladeshi people using the poverty headcount ratio method. The report shows that under the Pakistani rule, the national poverty rate in 1963-1964 was 33.1 percent, which increased to 46.4 percent right after liberation in 1973-1974. The trend of poverty has been increasing since then, reaching the highest rate of 71.2 percent in 1981-1982. Poverty rate was 56.6 percent in 1991-1992. Since then, the rate has been declining, reaching 31.5 percent in 2010, and is estimated to be 26 percent in 2014. Population suffering

from extreme poverty in 2014 was 10.64 percent whereas it was 17.6 percent in 2010.

He further mentioned that out of 64 districts, 12 (18.75 percent) had less than 10 percent of its population suffering from the extreme poverty whereas four (6.25 percent) had less than only 5 percent. Though the rate of decline in the poverty level is quite high in the urban areas compared to that of the rural areas, it is quite clear that at the national level, poverty is dominated more by the rural areas.

This can be explained by the fact that despite the growing urbanization, around 67 percent of the population lives in the rural areas. Therefore, in order to have a stronger impact on poverty eradication at the national level, it is important to take poverty reduction measures targeting the rural population.

In Bangladesh, poverty reduction

would be possible through agricultural development and remittance. The utilization of land and labor could bring a transformation in the rural economy of Bangladesh which is essential to poverty reduction. Individuals here can escape poverty largely through their own effort where a proper policy support from the government is needed. The state needs to play the facilitating role rather than the instrumental in the case of poverty reduction. Thus the statement of Former US Ambassador in Bangladesh Dan Mozena, “Bangladesh would transform from the ‘bottomless basket’ to an ‘overflowing basket’ very soon” would turn into a reality.

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