

THE MERCHANT OF POVERTY

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There is no contradiction between wisdom and humor. Rather, the two often go together. And the secretive but learned committee in monopolistic control over Nobel Peace Prize has not failed to uphold their tradition of synthesizing wisdom and humor this year by awarding the coveted prize to a banker and to a bank, Yunus and *Grameen*, respectively as the committee did in cases of Walesa and other like minded friends. The class alliance is transparent.

Anyone can and has the right to question the statement made above. An explanation will make it easier to grasp the reality and will provide the answer.

Bangladesh with about 140 million population passes its days in poverty, hunger, corruption, inefficiency, macro-level thieving, discrimination and disparity. A recent study (Sen and Hulme: 2006: 40) on the state of the poorest in Bangladesh states: the real agricultural wage rate for male laborers was Taka (Bangladesh currency) 20 a day in 1983-84. After seven years, in 1991, it increased by four (4) Taka, to 24 and in 1996 it decreased by a Taka, to Tk. 23 and in 2003 it jumped to Tk. 28 a day. From Taka 20/day to Tk. 28/day, an increase of eight Taka in 19 years!, “Tremendous” success indeed! So, the economists said: “There is a pronounced rising trend in real agricultural wages in recent years” (ibid.). But this is not enough; this is only one side of the coin. There is inequality on the other side. The same report says: “...income distribution continued to worsen during the 1990s.... The increase in inequality was very sharp, and on a scale not seen before.... Bangladesh has entered a stage of relatively high income inequality, which is increasing over time.... the Gini index for rural income inequality has risen sharply from 0.27 in 1991/92 to 0.31 in 1995/96, rising further to 0.36 in 2000. The corresponding rise in urban income inequality during the 1990s is even more striking, urban Gini having increased from 0.33 in 1991/92 to 0.39 in 1995/96, increasing subsequently to 0.44 percent in 2000... Growing inequality emerges as an even more important concern for urban areas... [Bangladesh] witnessed a pronounced increase in inequality against a backdrop of fairly modest economic expansion... Bangladesh, ...is entering rapidly into a phase of rising inequality... sectors that are found to be most growth-enhancing also happen to exhibit pronounced tendencies towards increasing inequality” (ibid.: 45-46). The academic language fails to hide the truth. There are other studies which tell increasing migration to towns and cities, decreasing scope for employment in rural areas, increasing hardship of the rural poor and small farmers, rising hardship of the urban poor and increasing urbanization. A powerful social bomb, no doubt! Probably a much more powerful bomb than the Philippines, Nepal, Peru and Colombia. But yet the “tranquility” prevails in Bangladesh despite the “dangerous” trend in the socio-economic matrix. Maybe, it is the tranquility of grave!

The problem is not in the economics of the country only. A bigger problem is embedded in the politics also. The ruling class is in a general crisis through which it has been going since its inception (Umar: 1986:38-44). All its organs and instruments of rule are increasingly losing credibility and acceptability. Its "esteemed" institutions are no more esteemed in the eyes of the ruled. A number of instruments of rule are getting ridiculed by itself. There are in-fighting between the organs of rule. Corruption in the courts of law is reported in the national press. Petty issues overwhelm the mainstream politics while the fundamental questions remain unattended. Crisis of quorum appeared a regular phenomenon in the parliament which often got busy with trifling issues. Traders turned petty-industrialists turned politicians took control of legislation. For decades the legislature failed to get acceptability among all the factions of the ruling class. The judiciary is increasingly losing its appearance of neutrality even among the factions of the ruling class. Hooligans with powerful patrons became so powerful that the state had to take special measures withholding its rule of law which were alleged to be extra-judicial. But these hooligans are not more than, one hundred in number. Army had to be deployed to manage traffic in the capital city and Border security force got engaged in trading to check price spiral of daily necessities.

Organs that were set to act neutrally between the feuding factions of the ruling class lost all neutrality, got the seal of manipulation and the ruling intellect got engaged in devising newer mechanism for ensuring neutrality where persons overshadowed institutions. Corruption, nepotism, etc. has turned into cliché. All these are dangerous symptoms for the ruling class, the state it controls and the ruling machine it operates.

These are two sides of the coin. There is the people factor There are popular protests concerning every-day problems. These protests, big and small, sometimes turned violent, magnitude and intensity, of which if measured in a scale, are not negligible. Initiatives of these protests, in many cases, come from among the common masses, which many of the time deceptively appear apolitical but which in reality is the opposite. Sometimes the extent of these spontaneous protests goes to the length and breadth that even the mainstream political parties cannot organize. On many occasions the masses while waging protests and demonstrations do not seek the shelter of mainstream political parties, but organize their own organs of protest. There are short-lived and sporadic flare ups suddenly and in an isolated way but these are outbursts of deep-rooted grievances and discontents and having no trust on the established, re-cognized and traditional political authorities of all forms. Even new leaders emerge who were obscure persons just before the protest flared up.

This backdrop is not full of peace and tranquility. Probably none will disagree. There are all the signs of restlessness, signs of a charged up society, signs of defiance and of throwing up challenges. There are ripples of a future-storm, but the eye of the storm is yet to identified.

The rural area which is gradually and increasingly losing its population to urban-centers is still waiting for a well-organized capitalism. In many spheres

of rural life feudal relations and semi-feudal modes of production persist. The pauperization in the rural masses is increasing. The urban centers and the industrial capital do not have the capacity to absorb the vast rural poor having no or very little seasonal employment opportunities. And they threaten the status quo. This multitude of the poor appears as a threat to the existing system if left without employment, i.e. opportunities to make effort to earn bread. Village usurers will not choose these hapless guys as prey as they have nothing to put forth as collateral or the piece of land they have is miserably small. Here stepped in the *Grameen*, the peace prize winner, “the bank for the poorest” and the banker beloved-by-the- finance capital. Other micro-credit operators, about one thousand in number, joined in. The rural Bangladesh turned into a big “market” or investment-ground for the finance capital with a few peculiar characteristics.

The threatening multitude of the poor was not only tamed for the time being by providing credit, they were tied into a system for providing surplus-value also. The debtor was turned into wage-worker with ensured and instant return from credit. The debtor of the *Grameen Bank* (GB) is, at the same time, an independent producer, an independent trader and bonded to the creditor who actually dictates and determines the pace of work and the commodity to be produced. The miserable souls whom the industrial capital was unable to directly bring under its control and to turn to wage-slaves were turned, mainly, into commodity producers by the usurer capital in the form of micro credit. At the same time, it was not possible for the finance capital to invest directly in the rural Bangladesh with the present level of capitalism and production organization there. It was not possible for it to invest through these rural poor. Grameen, has done it. Now there are 4,059,632 persons — 3,883,383 females and 176,249 males — only in the Grameen credit-net spread over 48,472 villages (CDF: 2005: 226). Also, there are other money lending sharks in rural Bangladesh. Moreover, the interest-seeking net is now being spread out in the urban centers also. Since its inception the cumulative amount disbursed by the bank, Grameen, is Tk. 217,313.9 million (ibid. 225). The micro-credit, provided by the GB along with other credit providers, is in essence usurers’ and trading capital, “the lowest and worst forms of capital”. For the time being, the system appeared effective in engaging the poor in commodity production and other economic activities who otherwise would have turned desperate finding no opportunity for survival in rural and in urban areas as well. And at the same time individual poor became the “tool” through which finance capital invested in enterprises micro in size, isolated and individualized, without whom it would not have been possible for the finance capital to invest in such under-developed rural economy and to directly subjugate the rural poor. This has tamed a portion of the rural poor, pacified the situation, at least temporarily, and at the same time opened opportunities for investment by the finance capital. So, now it appears as “peace through profit by exploiting poverty”. And the banker-turned peace-maker was awarded the laurel. This is the mixture of wisdom and humor where Shakespeare failed but the peace prize awarding committee has succeeded. But time will show that the person and the bank with laurel-wreath can not escape the wrath of the exploited, the debtors, millions in number now. They will say: “Then shalt have nothing but the forfeiture” (Shakespeare, *The Merchant of Venice*, Act 4, scene 1).

This is only a small fragment of the “peace” and profit-making story.

Notes:

CDF: 2005: Microfinance Statistics, vol.17, Credit and Development Forum, Dhaka, Bangladesh, p.226

Lenin: 1972: Collected Works, vol.4, p.68, Progress Publishers, Moscow.

Sen and Hulme: 2006: The State of the Poorest 2005/2006: Chronic Poverty in Bangladesh, BIDS. Dhaka and CPRC, Manchester. UK

Umar, Badruddin: 1986: General Crisis of the Bourgeoisie in Bangladesh, Papyrus Prokashanee, Dhaka