

# Dual Economic structure of Rural Non-Farm Economy in Bangladesh

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***Abstract:** Dual structure of the Rural Non-Farm Economy (RNFE) in Bangladesh is hindering the poverty reduction through RNFE development, by concentrating most of the RNFE income in the hands of a small privileged group, keeping others engaged in mere subsistence level activities. This paper will present the notion of dual structure of RNFE in Bangladesh and discuss the existing theories dealing with dualism to conclude that financial dualism will be the most appropriate tool to analyze the dual RNFE structure in Bangladesh. It will be argued that even the lending strategy of different successful micro-finance institutions are not able to break this cycle. The experience of different Micro-Finance Institutions Boeke's theory of social dualism and the theory of technological dualism as promulgated by Higgins and others will be discussed but later set aside as these two theories are either theoretically unsound or loose their practical relevance in the context of RNFE development in Bangladesh. Overall, it will establish a theoretical framework for analyzing the dual structure of RNFE in Bangladesh and introduce a model for its standard economic analysis.*

*KEY WORDS: RNFE; Social Dualism, Technological Dualism, Financial Dualism*

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