

4.6 THANA IRRIGATION PROGRAMME (TIP)

The experiment on irrigation actually started simultaneously with the two-tier co-operative experiment in January, 1960. The initial remarkable success of the use of power pumps in two experimental villages in raising an additional crop encouraged the planners of the Academy to draw up a plan for its expansion. It also emphasised the need of village co-operative organization to own and manage the use of pumps and tubewells.

During rainy season water is abundant in this country while during dry season (winter) it is hard to get supply of surface water. The potential sources, however, are the river water and underground reserve. A comprehensive three-year plan (1963-66) for irrigation and concomitant electrification of the Comilla Kotwali Thana was prepared to use three methods of irrigation, namely (1) gravity flow system by the construction of a sluice gate on the embankment of the river Gumti from where its tributary called Sonaichari started to flow in through the villages, (2) use of low lift pumps for lifting water directly from the river Gumti and its tributary Sonaichari and other re-excavated canals lying inside the thana for irrigation, and (3) lifting underground water through deep and shallow tubewells sunk in areas which could not be reached by canals.

The plan was put into operation jointly by the then Comilla Kotwali Thana Council, Kotwali Thana Central Co-operative Association (KTCCA) and the local Water and Power Development Authority (WAPDA, now Power Development Board). Considerable micro planning and implementation system were developed in the field of Academy's educational, training and co-ordinating role, the collaborative role of Thana Council, Central Co-operative Association and Union Councils, the role of thana level officers and other agencies. Establishment of a central workshop at TTDC and extensive training there to build up human resources were useful component of the planned activities. It was assumed that in every thana water for irrigation was available from various sources.

The experiment was tested in 10 other Thanas of the country in 1966-67. The test application was evaluated by an expert committee. The committee found the performance of the programme satisfactory. The Thana Irrigation Programme was launched throughout the country as a national programme in 1968.

The four basic programmes developed by the Academy for rural development, namely the two-tier co-operatives, RWP, TTDC and TIP were presented as a package deal which ultimately came to be known as "Comilla Approach" or "Comilla Model" or "Comilla Programme" or "Comilla Experiment"

The steps involved in building the Model were described by Akhter Hameed Khan in his speech given at the Cornell University, Ithaca, New York on April 12, 1976. Mr. Sattar recorded and summarised the elements as quoted below.¹⁹

Several elements were combined and steps involved in the evolution of what is now known as Comilla Approach or Comilla Model.

The first step in setting up the pilot projects was the establishment of a training and research institution, -- the Academy.

The second step involved was the affiliation of a laboratory area, a whole Thana, to this institution. The purpose of the laboratory area was to carry on survey research and organize action research or pilot projects.

The third step, and a very important one, was thorough study of the laboratory area and intensive consultation with the villagers regarding their problems and their views about the solution of those problems.

The fourth step was close collaboration with the national planning commission which made and evaluated policies and prescribed priorities in respect of plan and projects.

The fifth was continuous evaluation and documentation of the pilot projects not only to determine their progress but also to discover their weakness and revise them as and wherever necessary.

The sixth step was assisting the Government agencies in the multiplication of the models.

The four major programmes, namely the Thana Training and Development Centre, the Two-tier Co-operative Programme, the Rural Works Programme and the Thana Irrigation Programme implemented as a package deal was the vision of the Comilla Model. Its emphasis was on co-ordination, inter dependence, mutual support and integration, both horizontal and vertical. The programme was thus named as Integrated Rural Development Programme (IRDP) in 1970. Unfortunately, the integration so much desired by the planners and so necessary for development, did not take place. Instead, integration was replaced by departmentalism, IRDP was replaced by BRDB. The sectoral or target group approach came to prominence with the patronage of the Government and active support of the World Bank and the NGOs. Thus the IRDP, visualised by BARD in its original theme, went to oblivion, the comprehensiveness of the approach was

lost. "The original Comilla concept of Gram Samabya Samity (Village Co-operative Society) had given in to formation of KSS (*Krishi Samabya Samity* : Agricultural Co-operative Society) which gave rise to the justification of profession based primary societies like Non-agricultural Co-operatives. The tide of group identification showed phenomenal centrifugality. Backed up by corresponding onrush of credit dispensations came the sex-based MSS (Mahila Samaboya Samity : Women's Co-operative Society) and means-based BSS (Bittahin Samabaya Samity : Assetless and Marginal Farmers' Co-operatives). The primary Comilla Model of area-based integrated multipurpose co-operatives was allowed to be replaced by a system of purpose based multiple co-operatives which was sold as "Comilla Model" and was replicated all over the country. BARD suffered the drift in silence and without whimper."²⁰

Beside the four basic programmes which constituted the Comilla Model, some more programmes were undertaken by the Academy in its initial stage some of which were merged with the Model while some others are continuing even to-day without being able to create an impression among the planners. These are :

- (1) Rural Administration Experiment was launched in April, 1960. It was an attempt to improve local administration of Government Programmes and to enhance the ability of local Government institutions to solve the problems of the rural people. This programme was subsequently merged with the Rural Works Programme and Thana Training and Development Centre.
- (2) The Women's Education and Home Development Programme was started from 1961-62 through the local co-operative groups with the objective of breaking segregation of women which prevents their education, keeps them away from any economic and productive activity and makes them ignorant, superstitious and timid. The aim of the programme was to make the women better and gainful partners in the hard struggle for existence. It further aimed at improvement of economic, social and hygienic condition of rural families and development of an workable organizational model for increasing women's participation in home development programme. The programme is still continuing through co-operatives under the name of Women's Development Programme.
- (3) The initial success in the field of irrigation encouraged WAPDA (now Power Development Board) to collaborate with the Academy in its efforts to develop a pilot projects on Irrigation and Rural Electrification. The collaboration had the following objectives :

- a) To supply power to every village of the laboratory area;
- b) To supply a perennial source of irrigation to every village from surface or underground water;
- c) To work out the cost and return of rural electrification and irrigation through research and experiment;
- d) To observe and analysis the social and economic factors involved in such a programme;
- e) To devise a suitable administrative system for organization, supervision, maintenance and expansion; and
- f) To prepare reports and manuals on rural electrification based on actual experience from year to year so that these could be used where necessary.

The pilot project of Irrigation and Rural Electrification was thus sponsored by the Academy under the joint responsibility of KTCCA, Thana Council and WAPDA (now bifurcated as Water Development and Power Development Boards).

Subsequently the irrigation part of the experiment was taken over by the Thana Irrigation Programme (TIP) and rural electrification part went under Power Development Board and Rural Electrification Board.

- (4) In order to help the members of the co-operative societies to get the fullest benefit of higher yield, the Central Association (KTCCA) being guided by the Academy started a marketing programme. A separate marketing section was opened, two Cold Storage were set up to store potatoes, one milk processing plant was established along with a Dairy Co-operative, rice husking mill was set-up which was later expanded as Modern Rice Mill, a poultry and dairy Feed Mill was established, experimental poultry and dairy farms were set up. Subsequently, the Cold Storage and Milk Processing Plant became the Comilla Industrial Co-operative Society (CICS).
- (5) During the same period, i.e. in 1962-63 the Literacy Programme was started with the objective of extending facilities of education to the adults and children alike. To make the programme economical and indigenous, the feeder school for children and adult centres were started in the Mosques

where the *Imams* (Religious leaders), after being trained at the TTDC, were employed as teachers.

Most of these programmes were problem based or need based. While these programmes were passing through experimental stage and struggling to be a gainful exercise, the hard blow came through the war of liberation which disrupted many endeavours of the Academy. The rural development policies of the subsequent Government did not favour the growth of those programmes. Before liberation, rural development was a field of careful exploration. But after liberation it became a field of free style exercise. Out of this free style exercise some promising programmes emerged which will be discussed in the following section.

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CHAPTER 5

OTHER RURAL DEVELOPMENT MODELS AND APPROACHES

In the preceding chapter we have discussed the Comilla Model and its dissemination. In this chapter we shall make an attempt to look into other rural development models or approaches now being implemented in Bangladesh. The question that naturally comes is, why was it necessary to go for other approaches or models? There are many answers, criticisms and counter attacks of Comilla Model. To give the reply in short, Despite the past efforts, the rural areas of Bangladesh to-day represent a grim picture of landlessness, unemployment and poverty." This confession made in the Third Five Year Plan also points to the poor performance of all the models or approaches that have been under implementation. As we look to the rural areas, things have not changed positively as yet. The realization, therefore, is that a rural development programme which is not sustainable shall not be able to achieve its objectives and hence cannot be a model and should not be pursued.

In the field of rural development, the question of sustainability surfaced recently as a major issue for obvious reasons. Since attempts to rural development in our country have been failing to achieve success in developing appropriate models, researchers and planners have started to look critically to the justification and ability of the attempts to continue as they are in producing the desired results.

During the pre-liberation period, rural development was more or less a virgin field with one or two major projects trying to make a dent. The Comilla Model was one such model. During its experimental period attempts were made to develop a package programme of an integrated approach for rural development. At the same time different kinds of projects were undertaken by the Bangladesh Academy for Rural Development (BARD) to address different problems of different classes of rural populace. It was then a period of exploration of the appropriate models of rural development. No one could say at that time which approach would be suitable, effective and gainful for the rural people of Bangladesh who constitute the high majority of the total population best with various problems of diverse magnitude. The Comilla Model was evaluated as a package programme and in piecemeal on a number of occasions and was certified for replication as a potential and promising package programme. At that time no critic raised the question of its sustainability, first because there was no other alternative programme and secondly, sustainability is a concept of second generation phenomena.

After liberation there came the explosion of rural development concepts and approaches, it was no more a field of exploration.¹ In the colourful capsule of relief and rehabilitation work, hundreds of NGOs stepped into the field of rural development. Their scholarly rampage over the established ideas and systems and their inherent weaknesses shattered the continuity of the old approach. The deluge of new ideas and concepts appeared to have cornered the old approaches. In order to get hold of the field, the services and supplies under the old system were pieced out by them. Thus the concept of distributive justice, integrated approach, people's participation, community involvement, bottom-up planning and implementation, target group approach, Swanirvar approach, etc. were introduced one after another, some of them simultaneously. Programmes were also developed on the basis of those concepts and men, money and mind were invested to establish their justification.

After the first thrust of the deluge we now find that the villagers, particularly the target groups are left with increased load of liability rather than asset. "Multiplicity of institutions, programmes and activities for the same population creates problems of duplication and overlapping rather than solving the problems of dependency and liability of the rural poor. Multiplicity multiplies the liabilities of the beneficiaries rather than the creation of their assets."² News papers sometimes publish news of mother selling her baby to repay her loan, cow owners, goat owners of boat owners selling their cows, goats or boats for the same purpose. Zamindars (feudal lords) are no more in this country, but it seems that new institutional lenders in colourful capsules have emerged with regimented system of loyalty and repayment. High repayment rate seem to have become the basis of measuring the success and sustainability of the approach, no matter what happens to the so-called 'beneficiaries.'

With this background we shall make an attempt in the chapter to analyze the activities for rural development under two board heads, - one is the Government activities and the other is Non-Government activities.

5.1 GOVERNMENT ENDEAVORS

Under Government endeavors we shall discuss those programmes which are important and have the potential of developing a model or approach and also recorded in the Five Year Plan book. Government endeavors may broadly be divided into two kinds, - one is financed entirely from development budget of the Government and another is financed partly from the same budget and the major part from foreign sources.

5.2 THE COMPREHENSIVE VILLAGE DEVELOPMENT PROGRAMME

It is recorded in the relevant documents that as a result of seed-fertilizer-water technology, production of rice has increased tremendously. Production increase of vegetables is the second generation impact of the green revolution technology. It was also observed that along with this increase, different classes of farmers became relatively affluent. A growing concern was expressed by the professionals on the question of distributive justice. At the same time the integration part of the Comilla Approach was losing ground.

The BARD then started experimenting with sectoral programmes and target group oriented projects some of which are class-based while others are problem-based or purpose-based. Examples of class-based projects are Small Farmers and Landless Labourers Development Project, Women's Development Programme, etc. Examples of problem-based projects are Health and Nutrition Programme, Rural Electrification Programme, Rural Education Programme, Production and Employment Programme. Food for Works Programme, EPI, etc.

According to some critics these are " Programmes in which parents are by-passed to reach the wives, and the family is by-passed to reach the youth. The advantaged and the disadvantaged, the urban and the rural, the land owner and the small farmer, the marginal and the landless, the pump group and the pumpless, the healthy and the malnourished, the rich and the poor, the educated and the illiterate, the old and the young, the men and the women, the young and the children, the houseowner and the homeless, the pond-owner and the pondless, the cattleowner and the cattleless and the pavilion of contrasted relationships between the members of a nation had been the subject-matter of a very special kind of attention by a particular brand of scholars.

Special Programmes have been designed for the dropouts, the illiterates and the disadvantaged. Easy loans have been made available for them. In addition to multiple Government programmes in the agriculture sector, there are over 150 non-Government organizations with different types of approaches, often overlapping, which have been confusing and confounding the farmers. It is the moral obligation of every civilized system to extend access of services and opportunities equally to every member of the society."³

Asafuddowla looked to the effects of all these approaches as " The rural masses are being agitated against the urban, the healthy are being cited as those responsible for the malnutrition of others, the landowners are being identified as enemies of the landless and the young are being incited to defy the

traditional norms and customs of parental authority. The rehearsal will inevitably lead to displays and lead on to destabilization of family, society and national harmony. In our eastern societies, a close sense of belonging to each other inhibits growth of polarizations. Famines, instigation of communal riots, political struggles, world wars, and even the war of liberation have not been able to destroy the unique stability of our society."⁴

A village does not belong to any particular class of people, nor does it have any particular specific problem. A village represents a community where a group of people of different classes with different problems live in the same place having common interests who frequently interact socially, economically and politically. The class-based and the problem-based approaches have not identified the village community in its total perspective. "Traditionally a village in Bangladesh was considered as a basic socio-economic unit and the villagers were bound together by reciprocal ties and obligations. The faction in the villages, if any, was mostly on kinship lines and resolved through village council or elders. Any attempt at rural development was, therefore, focussed on the entire village."⁵

These are the rationale of comprehensive Village Development Programme (CVDP). It was fielded in 1975 by BARD as its own initiative in its experimental area (Comilla Kotwali Thana). Some agricultural primary societies were brought under this scheme and all kinds of need-based activities were initiated through these societies, e.g., poultry raising, cattle rearing, pisciculture, cottage industry, women development, youth works, health and nutrition activities, family planning, rural education, rural electrification, cultural and religious activities, environment development, social service, etc. along with traditional crop raising. The societies under this scheme were brought under regular training on the above subjects. Regular savings and meetings were organized and need-based planning and investments were encouraged. This process continued upto 1985 and during this period 10 co-operative societies of Comilla Thana could come up successfully with the concept of comprehensive development.

In 1989, Rural Development and Co-operative Division of the Ministry of Local Government Rural Development and Co-operatives (LGRDC) approved the project for two years to continue further experimentation with the philosophy. From January 1989 it continued for two years more in 15 villages. After that the programme has been included in the Fourth Five Year Plan. As a part of the plan the project is now under implementation in 80 villages of four divisions. Project activities in 40 villages under Khulna and Rajshahi Division are implemented by RDA Bogra and another 40 villages under Dhaka and Chittagong Divisions are taken care of by BARD, Comilla.

5.1.1. Objectives of CVDP

The board objectives of the programme are to improve the socio-economic condition and quality of life of all groups of people in the village through a common institutional framework. The specific objectives of the CVDP are :

- a) Develop common village facilities and make available at the village level various social and economic services relating to literacy and education, population control and family planning, minimum health care and nutrition, income generating activities, and others;
- b) Increase production in both farm and non-farm sectors, productive employment and household income, utilizing all available resources maximally;
- c) Encourage capital formation in co-operative society;
- d) Develop human resources;
- e) Promote greater participation of women in development activities;
- f) Ensure equitable distribution of benefits of development to all.

5.1.2 Institutional Arrangement for CVDP

The main approach of the CVDP is - one village one institution. In each village under the programme there is a village based co-operative called the Comprehensive Village Development Co-operative Society (CVDCS). It covers all the villagers, adult males and females and children. The members are divided into a number of functional groups, preferably homogeneous. The CVDCS is managed by a Managing Committee having proportionate representation from each functional group excepting that of the children. The representatives are selected by the respective functional group members. The existing co-operative societies and informal groups in the village are gradually amalgamated with the CVDCS based on consideration of the extent of their assets vis-a-vis liabilities.

The CVDCS have a two-way linkage. On the one hand, it is federated to the existing Central Co-operative Association at the Thana level within the co-operative system. This Linkage serves the purpose of organizational and economic

support and services to the CVDCS in line with the co-operative system. However, for the sake of economic viability and self-reliance, the CVDCS may retain and use a certain portion of its own fund developed through thrift deposits and shares for investment in business and commercial activities of the society.

The other linkage of CVDCS is with the local Government bodies at different tiers of the Thana for the purpose of development of common village facilities-physical, social and economic, and obtaining support services available at the Thana.

Presently the project is supervised and financed by the Government. But the credit fund is generated by the societies themselves through shares and thrift deposits backed by the Thana Central Association. The Government also provided a guarantee fund for the Bank so that it can issue loan to the rural poor without collateral. In order to make the project self propelling the implementors have to reach the model they have in vision. The model shows the services and supplies to reach the village through their institution. A village is a sum total of a number of families.

The CVDP, therefore, considers families or households as the basic units and the building block of all socio-economic development. Due to inertia in the family structure, manifestation of natural humanly qualities of women of the society is obstructed. Though different reforms and reviews have been made nationally and constitutionally to establish the rights of women, their impact on the society is very limited. In the absence of the establishment of value judgement of equity, humanity, democracy and partnership in private domain it is not possible to achieve a greater social system in the public domain merely by framing laws or acts. It was, therefore, felt necessary to follow a special work system or method in order to create awareness among the people for the manifestation of the principles of participatory democracy keeping the basic structure of the programme unimpaired. One of such work system is to practice extensively and intensively the method and system of democracy. "As a result of which from the very begging of the programme, unlike other existing rural development programmes, the main target beneficiaries of the CVDP were families or households instead of age, property and sex base target group... The basic objective of the programme is to eliminate discrimination against women within the family or household and to inculcating deeper understanding, sense of belongingness, solidarity, dedication for each other among all the family members, so that a sharing and caring environment may prevail within the family.

Like the weekly general meetings and monthly managing committee meetings of the CVDCSS, every member family will hold one daily family meeting. In those meetings each and every family member, i.e. children, adult male and female will remain present and discuss various family matters. These daily family meetings are nothing but eating one of the daily meals, preferably the supper together, in which all family members will remain present. Normally in village situation, all family members do not eat at a time. In almost all the cases, women's turn come last in the eating cycle of the family. As a result of which in poor families enough food is not left for them to eat and most of the time they live on leftovers. If a habit of eating together can be developed, the deprivation and discrimination in respect of food distribution within the family may be minimized. On the other hand, the habit of eating together may also be used as a daily family meeting or forum for the discussion of problems and taking decisions on the overall development of the family and its members. Before embarking on the programme, a motivational training programme was launched among the societies to make them understand the underlying objectives of the initiative. ⁶

Both Bangladesh Academy for Rural Development (BARD), Comilla and Rural Development Academy (RDA), Bogra have been implementing the project with the same philosophy. This phase of the project will continue upto June, 1995 as an experimental endeavour. No evaluation of the project has yet been made to make any conclusive comment. BARD as the initiator of the project, has been implementing it since 1975. RDA started participating in its implementation from the second year of the Fourth Five Year Plan. Naturally, the progress under BARD is greater than that under RDA. The progress at a glance can be seen in the following table.

Government of the People's Republic of Bangladesh provided a guarantee fund of Tk. 20,000 each to two Academics to facilitate loan payment to the landless and asset less who cannot provide any collateral to the Bank. Amount is deposited in the Bank as guarantee fund against which it provides loan to the poor.

**Table 27. The Progress at a Glance
(As of June, 1994)**

Heads	BARD	RDA
No. of villages	57	40
No. of societies	40	40
No. of members :		
Male	4509	1867
Female	2766	912
Children	3792	537
Total	11067	3316
Capital formation (Tk.) :		
Savings, Shares -> own fund	3,074,420	529,000
	7,693,922	333,000
Other kinds of deposits	5,280,000	158,000
Total capital	16,048,342	1,020,000
Government Guarantee fund	20,000	20,000
Credit operation (Tk.) :		
From own sources	5,605,168	450,000
Against guarantee fund	7,697,917	
Loan repayment (%)	78.4	74.4

Source : I) CVDP office record, BARD, Comilla.
 II) CVDP activities in Bar chart, RDA, Bogra.

Under BARD credit was given for 16 kinds of income generating activities while under RDA loans were given for about 10 kinds of IGAs.

The programme is still under experimentation. it has not been evaluated as yet in the light of model development. Only an ex-post evaluation can present the result of the experiment.

5.3 SMALL FARMERS DEVELOPMENT PROJECT (SFDP)

While previous project (CVDP) is a comprehensive approach, the Small Farmers Development project (SFDP) is a target group oriented approach. Like the previous project the SFDP is also sponsored by the Rural Development and Co-operative Division of the Ministry of Local Government Rural Development and

Co-operatives (LGRD & C). The difference is that the previous one is financed fully by the Government while SFDP is financed partly by the Government and partly by donor agencies, namely FAO, UNDP and UNCDF. The manpower and overhead costs are funded by the Government; technical assistance covering the costs of training, equipment etc. are financed by the UNDP and credit capital (guarantee fund) is provided by the UNCDF.

5.3.1 Rationale of the Project

In our preceding discussion we have seen that the small farmers and landless labourers form the majority of the rural population in Bangladesh. It is generally accepted that they are to be employed in gainful productive activities. Their prime need is credit which is a facilitating input for socio-economic development. It is further known that their access to institutional or formal credit system is highly limited. Dr. Yunus, the founder of the Grameen Bank project, declared that 'credit is a human right'. It is also demonstrated that the groups of the landless and rural poor have a strong desire to involve themselves in productive activities for their employment and income generation. Access of this group to formal credit system is highly limited and therefore, they are forced to seek credit from informal sources at exorbitant rate of interest. The small and marginal farmers are thus put to the process of landlessness and the landless labourers to that of destitution and pauperization. In order to arrest the process and to employ them in gainful productive activities, it is of highest priority to arrange easy, adequate and timely credit for them from institutional sources.

The need and demand for credit among the small farmers and landless labourers are, however, quite high. There has been some isolated programmes to meet the demand for their employment and income generation. But the programmes undertaken so far is considered to be inadequate to cover the demand.

"The need was, therefore, to develop an effective model of credit programme for the small farmers and landless labourers which would be organizationally sound and operationally effective, replicable and sustainable. The SFDP has been trying to develop such a model."⁷

5.3.2 Genesis and Background of the Project

The Small Farmers Development Project (SFDP) has its origin in a study project named "Asian Survey on Agrarian Reforms and Rural Development" (ASARRD) conducted to identify the problems of the rural poor and to come up

with practical suggestions for bringing them into the mainstream of the development programme. The study was proposed in the FAO Regional Workshop for Asian countries held in New Delhi in 1972. The study project suggested "a framework whereby the rural poor could be organized into a separate 'receiving system' and the 'delivery mechanism' could be so modified as to provide necessary support and service to the rural poor."⁸ Bangladesh agreed to the suggestion and with the assistance of FAO initiated an action research project in 1976 to experiment with the suggested framework. The experiment at field level was made in 12 villages of Comilla, Bogra and Mymensingh upto 1980 by BARD, RDA and BAU respectively. The encouraging results of the experiment prompted the implementors to prepare an expanded project covering 200 villages in Kurigram in addition to the existing villages. Due to non-finalization of financial assistance the expanded project could not be fielded upto 1988. However, the financing agreement with UNDP and UNCDF were signed in 1984 respectively and the revision of the project to extend its duration beyond 1985 was approved by the Government along with expansion of area to Patuakhali and Barguna districts and shifting of implementing agency from Rural Development and Co-operation Division (RDCD) of the Ministry to Bangladesh Academy for Rural Development (BARD) in July 1985.

But due to the uncertainty of the project's future, many of the project personnel left their job; monitoring and supervision became extremely inadequate, loan repayment started to fall sharply and the project lost its potentiality gained during the experimental phase. In July 1988 the project was started afresh in its normal form. The lesson learnt from the past manoeuvres led BARD to reorganize the whole project. Keeping in mind the questions of replicability and sustainability, the reorganized project emphasized three aspects, namely -

- a) formation of small groups of 5-10 members with homogeneous characteristic;
- b) promotion of savings for development of equity capital ;
- c) credit support to the project participants for income generating activities.

5:3.3. Objectives of the Project

The broad objectives of the project are to organize the small farmers and landless labourers, provide them with inputs and services for production and income and develop their organizations as 'Receiving and Delivery System' so that their quality of life could be improved.

The specific objectives of the project are :

- a) to identify the small farmers and landless labourers of the selected villages and to organize them into small informal groups and make them receiving points for getting inputs, supply and service;
- b) to mobilize savings through thrift deposits and to build capital;
- c) to arrange institutional credit for the small groups for production and income;
- d) to assist the individual groups to establish links with the delivery mechanism to receive supports and services;
- e) to promote inter-group action by undertaking joint economic activities maintaining joint property resources for increased profits through shared (own savings and seed money) capital investment;
- f) to develop leadership qualities of the beneficiaries for group action towards self-sustained and self-managed group so that after a reasonable period the direct project assistance and support can be withdrawn, and finally
- g) to develop a replicable and sustainable model of credit disbursement - utilization mechanism for the small farmers and landless labourers through Government institutional sources.

5.3.4 Project Areas

The project started in 12 villages under Comilla, Bogra and Mymensingh Districts. As of June, 1994 the project has been operating in 481 villages of 21 Thanas under 7 Districts. The Thanas are three Sadar of Comilla, Bogra and Mymensingh, six of Patuakhali, five of Barguna, four of Barisal and three of Bhola. The Thanas of Barisal and Bhola Districts (7) were including in April, 1993 and in these Thanas the project activities are yet to take a systematic shape.

5.3.5 Project Management

The present administrative structure of the project (SFDP) includes a Head Office at BARD, a liaison office at Dhaka and 21 sub-project offices (field offices)

in 21 Thanas. There are 4 officers and 12 staff in the Head Office and Liaison Office. In each Thana office there are one officer and two staff. Village level workers (Group Organiser = GO) are recruited on temporary basis at the ratio of one GO and 200 members. As of June, 1994 there were 178 GOs. In addition, there were 28 Field Assistants for supervising the works of GOs.

5.3.6 Project Financing

"As of now, all the overhead expenditures (pay and allowances, stationary, travelling and daily allowances, etc.) are borne by GOB. The fund provided by UNICDF is mostly used as credit capital in addition to the credit fund provided by the Janata Bank. Funds required for conducting training and orientation courses, equipment, transport, etc. are also provided by UNCDF"⁹

5.3.7 Institutional Arrangement

The basic unit of this project was considered as the group of the rural poor. The group was to be small and cohesive, informal and homogeneous. The size of the group was 8-20 persons. Later, inter-group activities were also promoted and small farmers association were developed. Under this institutional arrangement, the group was considered as the production unit while the association was developed as a supporting body.

The project implementors later found the institutional arrangement a complex one, time consuming and risky. In the whole project only 27 associations could be formed out of which only five could sustain, others became non-functional. In 1988, the project activities were limited to the basic unit, the group. The size of the group was also reduced from 8-20 to 5-7 members.

The beneficiaries of the project are two groups of the rural poor, namely the small farmers (families owning cultivable land between 0.51 to 1.5 acres) and the landless labourers (families who do not have any cultivable land and the families owning a maximum of 0.50 of cultivable land).

5.3.8 Speciality of the Project

The implementors of the project often claim some speciality of the project in their writings and speeches. "Unlike most of the poverty alleviation projects in Bangladesh, this project has involved a nationalized commercial bank (Janata Bank) along with their capital in providing credit support to the project

beneficiaries for undertaking various IGAs. Under the existing system, two thirds of the total credit support are provided by the Janata Bank and the rest one third is shared by UNCDF in 14 of the 21 thanas. In other 07 thanas, the entire credit requirement is met by the bank alone and this may be considered as a special characteristic of the project. Thus this pilot project has placed high importance on utilization of national resource (bank money) for providing credit support for poverty alleviation."¹⁰ The project aims at developing a model for poverty alleviation involving the commercial banks for providing credit support to the rural poor from their own fund and developing a habit of savings among the poor and thus creating a resource base of the rural poor.

Credit support provided by the project and realization of loan seem to be highly satisfactory. The table below shows that from 1988-89 to 1993-94 the borrowers took credit for as many as 47 purposes which are summarized in the table. The rate of loan realization is remarkably high (99.46%) as can be seen in the table 'SFDP at a Glance'

Table 28. Purposes of Credit and its Amount

Purposes of credit	Total amount (million Tk.)	%
1. Cattle rearing	44.423	53.1
2. Vanke business (paddy processing)	12.469	14.9
3. Various small business	17.642	21.1
4. Various occupational support	2.881	3.4
5. Agriculture	2.568	3.1
6. Fishery	1.703	2.0
7. Cottage industry	1.137	1.4
8. Poultry	0.540	0.6
9. Goat rearing	0.305	0.4
Total	83.668	100

Source : Records of SFDP office, BARD, Comilla.

A few more information on the project will help the readers to understand the trend.

Table 29. Classified information on SFDP

Sl. No.	Head	No & Amount in Taka.
1.	Formation of groups : a) 1988-89 to 1992-93 b) 1993-94	2965 1558 <hr/> 4523
2.	Enrolment of members : a) 1988-89 to 1992-93 b) 1993-94	16993 9707 <hr/> 26700
3.	Mobilization of savings (million Taka.) a) 1988-89 to 1992-93 b) 1993-94	9.017 8.902 <hr/> 17.919
4.	Credit disbursed (million Taka.) a) 1988-89 to 1992-93 b) 1993-94	39.086 44.582 <hr/> 83.668

source : Records of SFDP office, BARD, Comilla.

Credit operation under the project plays an important role to raise the income of the target population. It, therefore, deserves a special treatment. We have seen that credit was given for about 47 purposes and their rate of

realization was more than 99 per cent of the amount due. The following table present the data in a little mote detail.

Table 30. Savings and Credit Operation Under SFDP

Year	Savings (million Tk.)			Loan disbursed (million Tk.)			Loan realization (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1988-89	0.129	0.063	0.192	N.A.	N.A.	0.108	N.A.	N.A.	N.A.
1989-90	0.511	0.302	0.813	1.131	0.579	1.710	100.0	100.0	100.0
1990-91	10189	0.779	1.964	3.835	2.407	6.242	99.29	99.93	99.52
1991-92	2.419	1.788	4.207	5.645	4.717	10.362	96.36	98.17	97.10
1992-93	4.952	4.065	9.017	11.374	9.398	20.772	98.96	99.34	99.14
1993-94	9.726	8.193	17.919	24.648	19.934	44.582	98.52	99.45	99.94
Total	9.726	8.193	17.919	46.633	37.036	83.668	96.26	99.71	99.46

Source : Compiled from Karim, Md. Rezaul et.al., *Small Farmers and Landless Labourers Development Project, An Overview 1991.*

As of June, 1994, per capita savings stands at about Tk. 617, average amount per borrower stands at Tk. 3307. The savings and credit ratio thus stands at about 1:5. We have, however, seen that the project achieved a remarkable loan realization, it being about 99.0 per cent of the due loan.

Remembering the fact that in 07 Thanas, project activities started from April, 1993, it appears that savings of members and credit operation almost doubled in every successive years. In case of group formation and enrolment of members the trend was, however, a little skewed.

Table 31. SFDP at a Glance
(July, 1988 - June, 1994)

Sl. No.	Heads	No. & Amounts (Tk.)
1.	No. of villages	481
2.	No. of groups :	
	a) Male	2430
	b) Female	2093
		<hr/>
		4523
	c) Small farmers	2026
	d) Landless	2497
		<hr/>
		4523
3.	Membership :	
	a) Male	13716
	b) Female	12978
		<hr/>
		26694
	c) Small farmer	11868
	d) Landless	14826
		<hr/>
		26694
4.	Savings of the groups (million Tk.)	
	a) Male	9.726
	b) Female	8.193
		<hr/>
		17.919
	c) Small farmer's groups	7.014
	d) landless labourer's groups	10.905
		<hr/>
		17.919

Sl. No.	Heads	No. & Amounts (Tk.)
5.	Loans distributed (million Tk.)	
	a) Male	46.633
	b) Female	37.035
		<hr/>
		83.668
6.	Loans realized (million Tk.)	
	a) Male	29.625
	b) Female	23.780
		<hr/>
		53.405
7.	Outstanding Loans (million Tk.)	
	a) Male	18.549
	b) Female	14.700
		<hr/>
		33.249
8.	Overdue loans (million Tk.)	
	a) Male	0.222
	b) Female	0.069
		<hr/>
		0.291
	c) Small farmers	0.101
	d) Landless labourers	0.190
		<hr/>
		0.291

Sl. No.	Heads	No. & Amounts (Tk.)
9.	Rate of loan realization on the basis of due loans (million Tk.)	
	a) Male(%)	99.26
	b) Female(%)	99.71
		<hr/>
	c) Small farmers(%)	99.46
	d) Landless labourers(%)	99.43
	<hr/>	99.47
		9.46
10.	No. of loanee groups	4936
11.	No. of loanee members	25301

Source : Records of the SFDP office, BARD, Comilla.

5.3.9 Some Comments and Observations

First evaluation of the project was made by Bangladesh Institute of Development Studies (BIDS) in May, 1979. Their evaluation report observed, "The achievement of the target set for coverage of membership has been to the tune of 90 per cent. The average family income of participating families in the project as a whole increased 25 per cent (roughly) over the three years of operation of the action research project (1976-79).

The most important component in the experimental project is undoubtedly the arrangement of credit for the participants which is different from any previously tried institutional credit arrangement. Loans have been arranged through the project for 13 different activities. The rate of proper utilization of loan as well as the repayment rate of loan (more than 80%) are very high."

The next evaluation was made by Jahangirnagar University in 1980. It observed, "Income of the participating households has increased by 164 per cent since 1976 computed at the present price level. Savings habit is gradually growing among the participants. Repayment of loan is highly satisfactory ... the tangible and intangible benefits have raised the economic and social status of the group members."

The Institute of Business Administration of Dhaka University made a third evaluation in June, 1984 and observed, "The SFDP has made a favourable impact on target group. The project has been able to motivate the small and landless people, and their awareness for better life has increased."

The UNCDF Formulation Mission in their report in 1986 remarked, "The SFDP operates entirely at grassroot level, is village based, generates high local impact, features bottom-up, participatory management, by its own beneficiaries, is self-sustaining, and easy to copy to a very unusual degree."

John A. Hoskins, FAO Representative visited the project areas of Patuakhali and Barguna in May, 1990 and observed, "SFDP in Patuakhali and Barguna is an outstanding example of what a truly grassroots development project should be ... we found well organized in a wide variety of isolated and remote locations. These were serious groups with loan repayment close to 100 per cent; their savings records were close to perfect with weekly or monthly deposits consistently made. People who had never been in a bank or managed economic activities systematically were ... proudly dealing with the bankers and the group organized and competently keeping their own books."

Optimistic views were expressed in different evaluation reports and observations. The latest evaluation report, however, puts forward certain problems and constrains. It states, "A standard methodology for evaluating the impact of a project entails a combination of before-after comparison of both 'with' and 'without' project situation. In terms of output, time has not yet come for terminal or ex-post evaluation to gauge the impact of the project."¹¹ The evaluation, however, agrees that "Available studies and reports indicated an increase in purchasing capacity, income, successful operation of credit fund, satisfactory returns to investment, ownership of such assets as cows, bullocks, rickshaws etc. repayment of debts out profits made from investments of loans taken from the project, etc. of the target beneficiaries.... If the group efforts and credit disbursement can be widened and the present repayment rate can be sustained, the project has got reasonably a good potential for producing the desired impact." The evaluation was made in mid 1991. The figures of 1993-94 presented in this section shows that the trend observed in 1991 has been successfully sustained.

The report also pointed out some problems and bottlenecks. The report said that the credit fund was not adequate to give a greater coverage. From July 1988 to May, 1991 the project could give loan to 56 per cent of the members and about 60 per cent groups. The subsequent report prepared by the project personnel

in November, 1994 states, "With regard to number of borrowers and volume of credit operation, the year 1993-94 alone claimed more than 50 per cent of the total achievements of 06 years."¹² A more clear picture can be seen in the following table.

Table 32. Year-wise Number of Borrowers and Volume of Credit Operation During 1988-89 to 1993-94

Year	No. of Borrowers (Cumulative)	Total amount of credit (million Tk.)	Average amount per borrow (Tk.)
1988-89	45	0.108	2400
1889-90	611	1.816	2972
1990-91	1995	6.028	3022
1991-92	3201	10.372	3240
1992-93	6683	20.762	3107
1993-94	12766	44.582	3492

Source : Records of SFDP office, BARD, Comilla.

Another comment recorded in the Ministry's evaluation is that "The upper ceiling of loan is Tk. 3000. This appears to be inadequate to invest in some gainful activities ..." In explaining the situation the subsequent report on the project states "... most of the members during their first year/loan do not feel confident to borrow even this amount (Tk. 3000). After the proper use of first loan, they earn confidence in them as well as of the project, and they are allowed to borrow upto Tk. 6000 at a time. If a member's savings exceeds Tk. 3000, his upper culing is fixed at Tk. 6000 + 50% of his savings. For all these reasons, average amount of credit per borrower has been following a slow but steady increasing trend."

Another problem faced by the project implementors is that some villagers of small means had made similar savings deposits in similar savings project in the past. They did not get back their money. It points to the fact that multiplicity of institutions, programmes and activities could create such problems.

In some places banks are located far from the village. The female members find it different and costly to deposit their savings. Moreover, illiteracy of the female members make them dependent on the group organizers for keeping

accounts of their savings and loans. The group organizers shall have to assist the female groups in preparing production plan, loan proposal, accounts keeping, proceedings of the weekly meetings, etc.

The critical question of sustainability involves a mechanism for income generation through group efforts without external assistance. The most important thrust of the project is to equal members' savings with guarantee-cum-risk fund allotted to the banks from external sources. The slogan that has now been publicized is "the more the savings, the more will be the credit."

The group organizers are playing a very important role in keeping the discipline of the groups and maintaining a high level of loan repayment. The sustainability of the project depends to a large extent on their recognition in organizational structure of the project and realization of their cost through some kind of service charges from the beneficiaries.

5.4 BANGLADESH RURAL DEVELOPMENT BOARD(BRDB)

In our discussion on Comilla Approach we have seen how Bangladesh Rural Development Board grew up to take over the responsibility of replicating the two-tier co-operative throughout the country. Thereafter it gradually became the biggest Government organization engaged in rural development and poverty alleviation activities. During mid-1980s, BRDB undertook many organizational activities for the rural poor along with expansion of co-operative movement. At this stage many donor agencies came forward to provide assistance to BRDB in the implementation of their poverty alleviation projects. BRDB designs its projects and their goals, objectives and strategies keeping conformity with the Government policy of rural development.

The main aim of BRDB is to improve the quality of life of the rural people, particularly of the rural poor through different poverty alleviation programmes. Specific objectives of BRDB are :

1. Reduction of rural poverty through creation of employment opportunities in expanding production oriented activities.
2. Development of rural institution :
 - a) Registered co-operatives;
 - b) Unregistered pre-co-operatives/groups;
3. Improvement in technology and skill for productive activities and to

introduce the poor villagers with the sources of inputs for production.

4. Credit opportunities for agricultural development through institutional support and expansion of irrigation facilities.
5. Development of basic infrastructure in the rural areas (markets, godowns, training centres, workshops, etc.).
6. Expansion of women's participation in development works.
7. Provision of other supporting activities for rural development.

The BRDB started to operate as an organization with the responsibility of replicating, monitoring and evaluating the two tier co-operative project. Later it took up a number of projects which can broadly be classified as

- a) Agricultural development projects and
- b) Poverty alleviation project.

5.4 Agricultural Co-operative Societies

In order to organize the farmers and increase agricultural production the BRDB, from its inception has been trying to mobilize man, material and monetized capital of the farmers. The progress of activities under this project is given in the following table.

Table 33. Progress of Activities under Agricultural Co-operatives (as on June, 1993)

1.	No. of Thana Central Co-operative Societies	449
2.	No. of primary agricultural Co-operatives	65,426
3.	Total membership in the Co-operatives	2,316,717
4.	Total shares and savings (Tk. in million)	671.957
5.	Total loan (cumulative) disbursed (Tk. in million)	2137.167
6.	Total loan realization due (Tk. in million)	3774.915
7.	Total loan realized (Tk. in million)	748.240
8.	Percentage of loan realization	19.82

The rate of loan realization was very poor mainly due to exemption of agricultural loan upto Tk. 5000 by the Government along with its interest. But the loan of co-operative societies was not exempted. Members of co-operative societies, however, stopped repaying the loan with the expectation that their loan would also be exempted. This problem created a deadlock in the activities of the co-operative societies. Due to same reason members capital formation was also unsatisfactory.

Due to the same reason the Central Co-operative Association had to reduce its manpower which adversely affected the co-operative movement in general.

Due to fund shortage created by the above situation, weekly training classes in many Central Associations stopped. As a result the regular link between the Central Association and the primary societies and the link with the Thana level officers of nation building departments were lost or weakened.

The supervision of the activities of the primary societies from the above also became weak and highly irregular. The agricultural co-operatives thus could not achieve their targets.

The realization of short-term loan against production plan was, however, better than other fields, it being 76.88 per cent of the due loan. But realization of short term crop loan was extremely low, it being only 2.10 per cent in 1992-93.

5.4.2 Poverty Alleviation Programme : Rural Poor Programme (Normal)

In order to keep the rural poor involved in the rural socio-economic development process the normal Rural Poor Programme (RPP) continued under BRDB. The programme is termed 'normal' because another project for the same group was operating under the title Rural Development-12. The RPP started functioning from 1982-83. Under this programme credit was given to the members of assetless co-operative societies of both male and female. After 1988 Government withdrew its guarantee against the credit programme for the assetless. As a result the whole credit programme for the rural poor was closed. Added to this was the denial of the Government to exempt agricultural loan upto Tk. 5000 for the co-operative members. These two factors concertedly contributed to grow a negative attitude among the members in the field of loan repayment.

5.4.3 Rural Development Project-5 (RD-5)

Rural Development Project-5 (PEP) has been a production and employment generation oriented project. The project was started in six Thanas of Faridpur, Madaripur and Kurigram districts in 1986-87 with financial assistance from Nordic donors, viz, SIDA, NORAD and GOB. First phase of the project was successfully completed in June, 1990. The second phase of the project started from 1st July 1990 and covered 32 Thanas of greater Faridpur and Kurigram Districts. The project is expected to conclude in June, 1995. This project is also known as Production and Employment Project (PEP). It is one of the component of Rural Employment Sector Programme (RESP) and BRDB is entrusted with the task of implementing the PEP component of RESP.

Fund allocation to the project is as follows :

Tk. 194.300 million,

Tk. 136.000 million for credit, both by SIDA/NORAD as grant and

Tk. 3.00 million from GOB allocation.

The following activities have been taken up under RD-5 :

- a) Formation and development of cohesive and viable informal groups of men and women meeting the target group criteria.
- b) Local resource mobilization :
 - i. Accumulation of savings and its utilization for different IGAs.
 - ii. Utilization of private and public local resources, i.e. land, ponds, water bodies and other services and facilities.
- c) Training.
- d) Income generating activities (IGAs) :
 - i. Credit based and non-credit based IGAs.
 - ii. Non-credit IGAs. i.e. participation of PEP groups in special schemes and other schemes under IDP.
- e) Support services :
 - i. Marketing assistance
 - ii. Legal support services.

- iii. Promotion of innovative IGA and transfer of technology.
- f) Technical assistance.
- g) Survey, monitoring and evaluation.

5.4.4. Rural Development Project - 9 (RD-9)

With a view to improving the socio-economic condition of the assetless rural poor, Rural Development Project -9 (R.D.-9) was taken up with a total fund of Tk. 576.228 million in 26 thanas of Rangpur, Nilphamari, Gaibandha and Lalmonirhat districts. Another Tk. 128.145 million was given by the same donors for credit fund. Government of Bangladesh made an allocation of Tk. 13.783 million to the project. The rest of the fund was provided by EEC/Netherland as grant. As of June, 1994 it could cover 20 Thanas out of a target of 26 Thanas. The project will continue upto December, 1996. The project is in fact a part of the Rangpur Regional Rural Development Project.

5.4.5 Objectives of the Project

- a) To organized the rural landless, marginal and small farmers into viable economic groups to involve them in the socio-economic development activities.
- b) To create employment opportunities for the target groups.
- c) To improve the quality of life of the target groups through promotion of gainful economic activities in agricultural and non-agricultural sectors.

5.4.6 Programme Components

Activities under this project include the following :

- a) Organizing target populations into informal pre-co-operative groups.
- b) Accumulation of savings.
- c) Credit for income generating activities.
- d) Small enterprises and technology development.
- e) Training.
- f) Provision of marketing.
- g) Civil works.
- h) Technical assistance.
- i) Survey, monitoring and evaluation.

5.4.7 Rural Development Project-12 (RD-12)

Rural Development Project-12 (RD-12) has been designed to develop the socio-economic condition of the distressed and assetless people of the rural areas. The project has been under implementation in 139 Thanas of 17 districts with financial assistance from CIDA. The activities under the project started from July 1988 and will conclude in June 1996. Fund allotment to the project is as follows :

Tk. 1054.035 million as CIDA grant, plus another Tk. 457.124 million for credit and Tk. 3.00 million as GOB allocation.

Though the project is called RD-12, it originated from RD-II under BRDB from 1984-85 to June 1988. This project was co-financed by IDA, UNDP, ODA, CIDA and GOB. The CIDA financed component of RD-II was the Rural Poor Programme (RPP). After completion of this project a mid-term operational review in May 1988 recommended continuation of CIDA assistance for RPP. Following a request from the Government of Bangladesh a mission was fielded in late 1987 to design the next phase of the RPP. This project (RD-12) is its outcome.

5.4.8 Objectives of the Project

- a) To mobilize and organize the assetless and landless rural poor into Bittahen (assetless) Co-operative Societies in order to improve their quality of life through gainful economic activities.
- b) To create additional employment opportunities through human resources development and skill development training.
- c) To provide credit to facilitate year-round employment and income generation.
- d) To strengthen the capacity of BRDB to plan, implement and sustain such development efforts among the rural poor by providing on the job training and guidance in the process of implementation of the project.

5.4.9 Project components

- a) Mobilization and support to formation of Bittahen societies.
- b) Credit operation and revolving loan fund.

- c) Training.
- d) Institutional strengthening action review for management.

In all the three projects namely RD-5, RD-9, and RD-12 credit operation played an important role in creating employment opportunity and income generation. The rate of loan repayment was also quite satisfactory, it being above 98 per cent. Particular reference may be made to the impacts of Rd-12 on the beneficiaries. The impact study was made by Dr. Rudi M. and his team.¹³ Some important findings may be summed up as follows.

1. On an average the women members invested Tk. 2126.00 annually and were able to earn a profit of Tk. 3089.00 while the male members invested Tk. 2242.00 and earned a net profit of Tk. 4721.00.
2. Due to proper investment of credit, members' annual work days increased from 181 work days to 247 work days. The increase is 66 work days, i.e. about 36 per cent.
3. Members unemployment came down from 2 per cent to 1 per cent.
4. In the field of credit based activities, the benefits of rural women investors were greater than others. For women, the credit programme created 59 per cent additional employment opportunity.
5. A change has taken place in the income generating activities. After receiving the credit, both men and women invested it in small trades and other fields of self-employing activities including traditional paddy husking (Vanki), poultry raising, cattle rearing, etc. These activities increased their skill and the women were able to contribute in increasing the family income.
6. The study further found that the social status of the credit receivers and investors increased considerably on the basis of the following indicators.
 - a) Development of homestead
 - b) Purchase of land.
 - c) Collection and rearing of poultry birds and other domestic animals and qualitative improvement in the process of their rearing.
 - d) Receiving ownership of property other than land.
 - e) Ownership of monetized property.

- f) Improvement in food habit and nutrition.
- g) Change in clothing and use of soap.
- h) Improvement in health and sanitation.
- i) Education of the children.

5.4.10 Other Project

Beside those projects the BRDB has been implementing the following projects with the broad objective of poverty alleviation.

(1) Rural Poor Co-operative Project

Area of Operation : 82 Thanas of greater Rajshahi, Pabna, Kushtia and Jeshore districts.

<u>Finance</u> :	Asian Development Bank	-	Tk. 853.408 million
	GOB	-	Tk. 168.340 million
	Total	-	Tk. 1021.748 million

Duration : 9-9-92 to December 1997.

Main Objectives : To organize the district rural men and women under village based co-operative and to increase the quality of their life.

(2) Rural Poverty Alleviation Programme

Area of operation : 145 Thanas of the country.

Finance : Fully financed by the Government of Bangladesh (GOB)

Duration : July, 1993 to June, 1998.

Main objectives : To organize the rural assetless distressed people under formal and pre-co-operative organizations and to increase their quality of life through creating employment opportunities.

(3) Rural Women Project

The BRDB has been implementing other rural development projects some of which are class-based. For example, it has been implementing "strengthening of ,

Family Planning through Rural Women project" through women co-operatives. Presently the fourth phase of the project is under implementation which will continue upto June 1995. During the first two years CIDA provided financial assistance as grant and thereafter it has been financed from loan of World Bank.

(4) Agricultural Development Projects

The BRDB has been implementing agricultural development projects, namely 'Second Bhola Irrigation Project', 'Co-operative-based Mechanized Cultivation Project', 'Model Village Development Project' and 'Production Increase Project through Supply of Agricultural and Irrigation Equipments through Co-operatives in Cyclone Effected Areas'.

The Second Bhola Irrigation Project is financed from the loan of Asian Development Bank and is being implemented in 6 Thanas from 1991-92. The Model Village Development Project has been financed by the Government of Japan and the GOB. The first phase of the project started from 1992-93 and will conclude in June, 1995. The second phase will start from July 1995 and will end in June 1999. The project for Cyclone Effected Areas has also been financed by the Government of Japan and GOB and has been under implementation in 94 Thanas of 13 districts from January, 1992. The project ended in June, 1994.

It has been observed that under BRDB, almost all the projects have been receiving foreign assistance and it played a vital role in initiating and implementing the projects. Previously the BRDB implemented many such projects with foreign financial assistance. To make particular reference, the names of the UNICEF assisted Rural Women and Children's Project, Noakhali Rural Development Project, North-West Rural Development Project may be mentioned. The critics raise the question of sustainability of these projects on the ground that these projects could not generated enough fund of their own to run the activities of the target population without foreign assistance. As soon as foreign assistance stopped the organizations and their members failed to continue their activities. Agreements for foreign assistance are made for a particular period of time. After the expiry of the project period, donors' assistance stop and with that stop the activities of the project. Many development projects of both GOs and NGOs came to an end in the past due mainly to this single reason. With the end of foreign assistance the supervisory personnel and their supporting staff leave their job. The rural institutions developed under such project are left to their own resources which gradually wither away due to absence of proper utilization of their monetized fund, leadership and supervision. According to some critics, the very nature of the foreign assistance has in itself the weakness contributing to the projects

inability to last out.

The foreign aids for most of the rural development projects are grants, and grants are not required to be paid back. The manpower employed in the project find no future in it. The beneficiaries look at it as a relief distribution under a system required by the Government and the donors. The temporary nature of the grant receiving projects thus have in them the inherent quality to lost upon. The only way to make them sustainable is to generate enough monetized resource of these projects to enable them to take care of their present and future needs. To quote from the report of the Task-Force constituted by the RDCD, "In the past the BRDB implemented quite a number of different projects and presently BRDB is also implementing a number of projects including rural poverty alleviation projects. But no mechanism has been built on any of the project document about sustainability of how the project activities can be continued after completion of the project without external assistance. The issue of sustainability is closely linked with the issue of having an effective institutional arrangement for support services, supervision and monitoring."¹⁴

The criticism raised above is not wholly true. The projects might discontinue to operate after withdrawal of foreign grant/assistance, but the skill of income generation continues to keep the beneficiaries engaged in economic activities. Collective approach might stop, but individual activities continue.

Except the two tier co-operative societies which the BRDB has been implementing as a national programme, all other projects are time-bound, area-bound and resource-bound. Most of them are addressed to poverty alleviation needs. "Since poverty is the most pressing problem in the rural areas of the country, a rural development programme to be meaningful must address the problem of poverty on a priority basis."¹⁵ The Fourth Five Year Plan (1990-95) also developed its policy towards employment oriented growth. Besides BRDB, the Government initiated many more projects under different Ministries/departments to address the unemployment and income frond. Some of them are :

1. Food for Works Programme (FFWP)
2. Vulnerable Group Development (VGD)
3. Projects Assisted by Bangladesh Small and Cottage Industries Corporation (BSCIC)
4. Thana Resource Development and Employment Project (TRDEP).
5. Employment Opportunities through Infrastructure Development
6. Rural Social Service Programme (RSS)
7. Use of Rural Mothers' Centres for Population Activities.

8. Urban Community Development Programme
9. Special Socio-economic Development Project for Hill Districts.
10. Thirteen Project under the Department of Women's Affairs. Though all of them have direct or indirect impact on poverty alleviation, the following deserve special mention :
 - (a) NGO Community-based Services for Poor Women and Children.
 - (b) Agro-based Rural Development Programme for Women.
 - (c) Self-reliance Programme for Rural Women.
 - (d) Women's Vocational Training for Population Activities.
 - (e) Day Care Services for the Children of Working Women.
 - (f) Technologies for Rural Employment with Special Reference to Women.
 - (g) Rural Employment Creation Project.
 - (h) Integrated Programme for Women's Participation in Income Generation Activities and for Legal Assistance.

Since Government has its network all over the country, it can implement its projects throughout the country through its well established network.

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CHAPTER 6

PRIVATE SECTORS IN RURAL DEVELOPMENT

Along with Government efforts, a large number of non-government and voluntary organizations have also been engaged in rural development activities particularly for affirmative change in the socio-economic condition of the rural poor. The deluge of the NGOs started immediately after liberation of Bangladesh to work for reconstruction, relief and rehabilitation for the war-torn country. Later these NGOs gradually stepped into rural development activities with specific areas of operation. Most of their programmes are addressed to poverty alleviation and improvement in the quality of life of the rural poor. "Some of these programmes, both in terms of beneficiary coverage as well as investments have made their ability to reach the benefits to the poor and address the issues of poverty alleviation more effectively. The number of non-government organizations (NGOs) have increased significantly over the years (more than 10,000 including local level NGOs). The total number of international NGOs working in Bangladesh is 89. While the number of national NGOs having foreign aids is 174. From 1982-83, 16.39% of the total foreign aids were channeled through NGOs."¹

The report of the Committee further records. "In an aggregate sense, the voluntary organizations cover a wide range of fields of rural development : physical infrastructure building, agricultural development, health and population control, formal as well as non-formal vocational education, relief and rehabilitation, income and employment generation, handicrafts and social development of specific groups, etc."

In this part of the report we shall discuss the activities of some major local national and internal non-government organizations.

6.1 BANGLADESH RURAL ADVANCEMENT COMMITTEE (BRAC)

Bangladesh Rural Advancement Committee (BRAC) started its activities in early 1972 after the war of liberation as a non-government organization. BRAC initially started relief and rehabilitation work for the refugees in the Sullia area of Sylhet district. Soon it was realised that relief and rehabilitation work was a temporary arrangement which created dependency syndrome among the beneficiaries and negated sustainable development. After meeting initial needs of relief and rehabilitation, "BRAC readjusted its strategies for a more comprehensive approach to community development. It soon become obvious that the benefits of the community approach would accrue mainly to the elites who are already well-off and the truly poor would receive little or nothing."² BRAC thus redirected its strategies again and included the target group approach for the

rural poor. The approach included organization of the rural poor and their participation in planning and implementation of the economic activities.

Target group includes those who own upto 0.50 acre of land, sell their manual labour for their livelihood and rural poor women. Under the target group approach BRAC initiated two different projects, namely the Outreach, concerned with conscientization and the Rural Credit and Training programme. In 1986, these two programmes were combined under the name of Rural Development Programmes (RDP). Available data shows that as of December 1990 BRAC has been operating in 3664 villages of 61 Thanas in 26 districts through a number of 90 branches. From January 1990 BRAC evolved a new operational strategy to enable them to spread to new areas of the country. The features of the strategy are as follows:

- a) Adoption of four year cycle of the RDP.
- b) Phasing out of direct BRAC support to a given RDP area offices after approximately four years of operation, thus enabling the staff to operate in new areas.
- c) As a consequence of the second feature (b), establishment of new and largely self-supporting credit institution in the phased out RDP areas to meet the credit needs of group members formerly served by the revolving Loan Fund of RDP.

As a result of these features the areas of operation of BRAC has been increasing since 1990.

Rural Credit project, later known as BRAC Bank Project takes over branch only when it gains efficiency in credit operation. The Rural Credit Project is thus a continuation of activities initiated by RDP with emphasis on credit operation.

Beside those, the BRAC is involved in Income Generation for Vulnerable Group Development (IGVDG). It is a collaborative programme where the World Food Programme, the Government's Directorate of Relief and Rehabilitation (DRR) and the Department of Livestock and BRAC are working together. Its "objective is to improve the income earning potentials of destitute women who are VGD card holders by providing training and credit for poultry and egg production in exactly the same way as BRAC's regular poultry programme operates."³ BRAC has a target to cover 75 per cent of the programme. With assistance from Ford Foundation, BRAC set up the Rural Enterprise Programme (REP) in 1986 which continued upto 1989. Therefore, the programme has been funded by donor

consortium. The main objective of this programme is to increase employment opportunity and income of the BRAC's beneficiaries.

The objectives of BRAC can thus be quoted as follows:⁴

- a) To create an environment in which the rural poor are able to develop their own resources and capabilities in reshaping their lives.
- b) To improve the quality of life of the most disadvantaged section of the rural community by raising their level of income through credit support to those who are not being served by the formal credit institution.

Under the programme the rural poor are organized in small groups of about 25 persons (men and women separately). They are provided functional education and skill development training. Credit is provided for income generating activities like small trading, agriculture, livestock, food processing rural industries and rural transport.

For the RDP phase-II period ending December 1990 the BRAC had a fund of Tk. 348.124 million of which 99 per cent were provided by the donors.

6.2 Rangpur Dinajpur Rural Service (RDRS)

Rangpur Dinajpur Rural Service (RDRS), like many other NGOs, initially started as a refugee assistance organization during the War of Liberation in 1971. Immediately after liberation RDRS involved itself in relief, rehabilitation, reconstruction and repair of local infrastructure and houses including medical services. Thereafter RDRS had to change its emphasis depending on the needs of the country. Since 1976 the emphasis shifted from relief and rehabilitation to income and employment generation for the low income groups and agriculture-oriented programme.

Another emphasis of RDRS relates to target group oriented approach comparable to the RPP programme of BRDB. Later it engaged itself in developing a comprehensive approach with integrated package of input to target group households rather than programme members. This approach include five areas of actions. These are education and social organization, women's development, agriculture, employment generation and health.

RDRS, however, did not abandon its initial works of construction and reconstruction of rural infrastructure. It continued these activities under Rural

Works Project.

In 1976 the agriculture projects were merged with the comprehensive approach. However, the target group approach reappeared in 1980 with farmers, having a maximum of 2.0 acres of land which was revised and brought down to 1.0 acre of agriculture land in 1985.

The objectives of RDRS can be summed up as follows :⁵

- a) To build up self reliance and economic and social independence and equality of landless and near landless people.
- b) To assist and support the development of local institutions.

The development programme is implemented through two complementary projects : the Comprehensive and Rural Works Projects. The Comprehensive Project is designed to alleviate poverty through social and economic empowerment of the people. The objective is to achieve sustainable self-reliance in five basic need areas within five years.

The landless and marginal farmers owning upto 1.00 acre of land constitute, as has been said, the target group of RDRS. They are organized into informal small groups of 15 where representation of women are almost equal.

To be more specific about the programme components of RDRS, they work in the following fields :

1. Social organization with literacy and numeracy
2. Agriculture
3. Off-farm employment generation
4. Training
5. Women's Development
6. Health and Family Planning
7. Need-based construction of rural infrastructure
8. Credit support for income and employment generation

RDRS receives its finance mainly from Lutheran World Federation. In 1990 it received US \$ 2,508,268 from the above source.

Available information indicates that RDRS has been working in 28 Thanas of 7 Districts, namely Rangpur, Thakurgaon, Panchagarh, Nilphamari, Lalmonirhat,

Dinajpur and Kurigram and intends to include more Thanas to cover a greater area. Seven group-based Comprehensive Project (CP) have been operating in these Thanas. In the half of their 5800 working villages one or two CP organized groups have been operating. Organization of groups are taken care of by Organizers. On an average one Organizer looks after 15 groups or 225 households. RDRS follows certain flexible policy to address the changing needs of the countryside and the target population.

6.3 PROSHIKA MANOBIK UNNAYAN KENDRA

Proshika Manobik Unnayan Kendra (PMUK) was established in 1976 as a national NGO. The PMUK has been engaged in assisting the rural poor in forming informal groups, developing habits of savings, providing with education, training, credit and various other support services. The following socio-economic categories of people are the beneficiaries of Proshika Programmes :

- a) The Landless agricultural labourers.
- b) The land poor, small and marginal farmers who practice share cropping.
- c) The occupational rural working people such as fishermen, weavers, rickshaw drivers, petty traders, etc.
- d) Women included in all the social classes and occupational formation.

According to the Report of the Committee on "Rural Development Strategies and Policies" (1994) Proshika has been working in 3176 villages in 399 Unions under 65 Thanas of 22 districts. It has 10,889 female and 11,053 male groups with a total membership of 350,000 persons.

Proshika also provided relief and rehabilitation assistance to the natural calamity affected people. It has gained considerable expertise and experience on development of minor irrigation in the rural areas through its irrigation programme.

Objectives of Proshika si as follows :

1. To improve the socio-economic condition of the rural poor, especially the landless, marginal farmers, fishermen, weavers and women of these classes and professions.
2. To organize the rural poor under informal groups for enabling them to undertake individual and collective projects.

3. To help the beneficiaries to realize and analyze their position in the society, identify their problems and find out their causes and solutions and act accordingly.
4. To build up their own capital through savings and together with external assistance to take up gainful economic activities so that they can come out of poverty and dependence to self-reliance.

The programme components of Proshika can be summed up as follows :

1. Organization of the rural poor.
2. Development Education.
3. Employment and income generating activities.
4. Rural health infrastructure.
5. Social forestry.
6. Urban poor development programme.
7. Disaster management programme.

For a period of five years Proshika received a fund of Tk. 1050.00 million from different donors. Donor's assistance is the only source of their fund.

Under Proshika target groups are organized into primary informal groups. Full time Organizers are entrusted with the responsibility of organizing the rural poor, both men and women. At the village level the primary groups form a broader organization. All village level broader organizations federate to form a Union level organization. All the union level organizations constitute the Thana level organization. However, where the Development Centres of Proshika covers more than one thana, the broader organization is located at the Development Centre.

It seems that the institutional management system involves too many tiers which the critics find difficult to manage. According to them, it may be likely for the Proshika to face a bigger operational or overhead cost to run the project.

The Task-Force report recorded several tiers of organizational structure for its operation, e.g. General Body, Government Body, Executive Committee (Management) and Zonal Co-ordinators and Animators.

6.4 SWANIRVAR BANGLADESH

Swanirvar (Self-reliant) Bangladesh movement has its origin in the 'Action Programme for Flood Recovery Operation (APFRO) initiated by BARD immediately after the unprecedented flood of July-August, 1974. During this flood nearly two-third of the country went under water for a period of 2-3 months causing huge losses in crops (1.1 M. ton in rice alone). This resulted in the creation of a famine in the country. According to official count, more than 27,000 people died due to starvation.⁶ Many more remained untraced.

Against this backdrop the BARD designed and launched on August 13, 1974 the Action Programme for Flood Recovery Operations (APFRO). "This programme was designed as a pilot project of the Academy to test out an organizational model for bringing various units in the society under an umbrella to fight national calamities at short notice. It also aimed at devising a method for self-reliant rural development by which "the hands of a beggar could be converted into those of a worker."⁷

The design of the programme, its need and approach were such that it soon spread spontaneously to 13 old districts of the country under different names, e.g. Shabuj, Shemol, Sonali Shaw, Sufala, Urbara, Swanirvar Dhaka, etc. covering nearly three-fourth of its population.

Some authors, however, traced the roots of the Swanirvar movement in the development projects attempted by great thinkers like "Rabindranath Tagore, G.S. Dutta, H.M.S. Ishaque, Nurunnabi Chowdhury in the late 19th and early 20th century in Bengal. The US inspired Community Development Programme of the 1950s can also be considered as a possible forerunner of this movement. However, the immediate stimulus for it came from the local reactions expressed explicitly by late Mahbub Alam Chashi (a former civil servant) against the country's heavy dependence on food aid from foreign countries and the increasingly bureaucratic approach of the Comilla model that aimed to solve this problem."⁸

The author further claims that the experimental project of Swanirvar Bangladesh was first tried in 1967 at Gumai Bee under Rangunia thana of Chittagong. Spontaneous participation of the people and the district administration made the project a great success. However, it is true that the Swanirvar Bangladesh got a structural framework from the experience of APFRO.

After achieving the immediate objective of the project the second part, namely `devising a method for self-reliant rural development by which the hands

of a bigger could be converted into those of a worker' was taken over by a separate body under the name of Swanirvar (Self-reliant) Bangladesh where suitable changes were made to adjust with the changing objectives, and new project components were added to achieve the objectives. APFRD can thus be called the pilot project of 'Swanirvar Bangladesh' project. Thus the project came into existence in 1975. Like the APFRD, this project at its initial stage gave emphasis to mobilize the support of political leaders, bureaucrats, local leaders and the target groups for strengthening the movement. In order to motivate and educate the small farmers, landless women and social workers of the locality, a well-organised training programme was introduced. Initially, voluntary mass participation schemes, family planning programmes, literacy programmes, etc. were undertaken. Later, specific programmes were taken up in selected areas of the country, However, its credit programme has been the most important vehicle through which it reached the rural poor.

Under this programme persons owning upto 0.40 acre of land or earning a yearly income of Tk. 6,000.00 can form a target group. Men and women form separate groups and each group consists of five members. Ten groups form a Sabha Kendra, which elects a Pradhan (head). The Sabha Kendra collects a security fund to be used by borrowers who face crisis.

The project could cover 138 thanas in 40 districts. Available figure shows that as of 1989 Tk. 829,611,951 was disbursed as loan to 4,919,137 beneficiaries through Bangladesh Krishi Bank and other nationalized commercial banks.⁹

The Swanirvar movement saw many ups and downs, its flag carrier Mr. Mahbub Alam Chashi was brought down from the pinnacle of power and authority as Principal Secretary to Special Secretary in charge of Swanirvar Division, Ministry of Agriculture. The Swanirvar movement lost its 'non-official' character. However, inspite of all odds and evens, the Swanirvar programme continued to operate and spread in different areas. The Swanirvar Gram Sarker (Self-reliant Village Government) concept is the outcome of the Swanirvar movement. But it was taken over by the Zia Government and politicized. It was constituted to institutionalise the self-reliant movement. In this sense Gram Sarker is the complementary institution of Swanirvar Bangladesh movement.

6.5 SWANIRVAR CREDIT PROGRAMME

Swanirvar (self-reliance) Credit Programme was introduced in 1977 addressing the problems of credit on easy terms and without any collateral for the rural poor. During its initial period it covered ten Thanas of ten old

districts. Four commercial banks, namely the Sonali Bank, the Janata Bank, the Agrani Bank and the Pubali Bank Ltd. and the Bangladesh Krishi Bank and the Rajshahi Krishi Unnayan Bank Ltd. are associated with this programme. The Pubali Bank, after its transfer to private ownership, discontinued its association with this programme. As of June, 1992 this credit programme was operating in 794 Unions of 117 Thanas of 38 districts of the country. Since its beginning till June, 1992 the participating banks disbursed an amount of Tk. 1042.0 million to the beneficiaries and recovered of Tk. 783.2 million. During the same period, loans outstanding, due for recovery and overdue stood at Tk. 772.6 million, Tk. 703.7 million and Tk. 694.2 million respectively.

6.6 GRAMEEN BANK

Over the years the Grameen Bank has become a project of much interest and attention to policy makers, planners, economists and professionals. It is now considered to be the most innovative initiative in providing credit facilities to those who do not qualify for credit under conventional system, i.e. the rural poor. The pioneer of the Grameen Bank project Professor M. Yunus emphatically says, credit is a human right. Asafuddowla writes, "It is the moral obligation of every civilized system to extend access of services and opportunities equally to every member of the society."¹⁰ Professor Yunus himself writes, "To agree that banking cannot be done with the poor because they do not have collateral to offer, is the same as arguing that man cannot fly because they do not have wings"¹¹

Let us also see the economic analysis of Grameen Bank project. " The fundamental value in conventional economics is profit maximization, a maximum return to the owner of the capital for his consumption or further investment. Grameen accepts this economic credo but it adds : there is a second value to be included : the social imperative of poverty alleviation, the human right to credit. The Bank thereby introduces a two value paradigm in economics. It is both a financial system and a system of social values. Rather than talking about profit maximization, it talks about profit optimization for the benefit of the poor. "¹²

6.5.1 From Cradle on to Earth

We have seen that there are a number of projects both under GOs and NGOs working for the socio-economic development of the rural poor and poverty alleviation. But Grameen Bank operates as a bank to provide credit to the same target population so that they can keep themselves involved throughout the year in income generating economic activities. If we look back to all other poverty

alleviation projects, the most common feature found in them is that credit is given a significant role to play in alleviating poverty through employment and income generation. All these projects agree that credit has a very important role to play for poverty alleviation. The second feature is the provision of skill development training for self-employment. Grameen Bank, however, does not agree to this idea. It states, "Since training for all the poor people would require a massive effort by the state, it does not become feasible ... If the poor cannot earn at all, how do they manage to survive?"¹³ Therefore, Grameen Bank believes that the rural poor have their own skill and can give hard labour. Hence the Bank looks to the problem from a Marxian point of view. Instead of surplus value it says that a big part of the national income is created by the poor due to their own skills and hard labour. But the bigger share is credited to the accounts of others. "Poor people have not only survived due to their own skills and hard labour, but others have acquired wealth and reaped bounteous harvests because of them ... they are hardly in a position to claim from more powerful people what is their due share. ... Moreover the powerful people have created such social and economic institutions that there is no scope for the poor to raise any objections. Whatever the poor see around them, they have learned to accept as the inevitable dictum of fate."¹⁴

Another significant feature of his employment is that his employment is seasonal. As a result he is unable to utilize all his skills to their fullest extent. Added to this is his inability to get credit, ... the essential factor to engage himself in economic activities. But it is not true to state that "That is why even now labour is available in Bangladesh for a day's subsistence or for the value of half a seer (approximately 1 kg) of rice; sometimes without paying anything."¹⁵ Presently, it is hard to get a labourer in times of need at a value of less than 5 kg. of rice. However, the point to stress is that the labourer cannot utilize his labour during slack season due to his inability to receive capital for economic investment. The landless labourer, however, is familiar with different off-farm activities. If credit could be made available to him he could make fuller utilization of his skills and time for productive activity. This would lead to the strengthening of his capital base, increase his investment capacity and income by using his skills. It is on these grounds that credit is so important to the poor men. The need of a bank for the rural poor was thus felt by the planners of Grameen Bank.

Grameen Bank started as a very modest local initiative in village Jobra near the Chittagong University in 1976. The University branch of Janata Bank, after much persuasion, agreed to give loan to a group of poor villagers on personal surety of Professor M. Yunus. Small loan groups were organized, weekly

repayment of loan was introduced for effective operation of the programme, but loan approval by the bank was taking longer time,... four to six months, because the loans had to be sanctioned by the head office of Janata Bank in Dhaka. Professor Yunus was able to convince the Managing Director of Krishi Bank to open a special branch at Jobra to meet the credit needs of the landless villagers. This sub-office was named "Experimental Grameen Bank". It became fully operational from March, 1978.

In 1979, the project was tried in Tangail with loan from IFAD. Thereafter a decision was taken to expand the project to Dhaka, Rangpur, Patuakhali and Chittagong to examine its efficacy under the supervision of Professor Yunus. Banks were not willing to take up this programme as their own. Therefore, Professor Yunus proposed to Bangladesh Bank to permit conversion of Grameen Bank project into a full-fledged commercial bank with 40 percent Government share and 60 per cent by the landless. In September, 1983, the Grameen Bank ordinance was issued. It became a full-fledged bank on 2nd October, 1983. The Grameen Bank ordinance was recast in July, 1986 where 75 per cent ownership was given to the landless and the rest remained with the Government.

6.5.2. Objectives of the Grameen Bank.

Grameen Bank has come a long way, a journey of about 19 years, to establish itself as a viable and replicable project. It developed its objectives as follows :¹⁶

1. To extend the banking facilities to the poor men and women.
2. To eliminate the exploitation of the money-landers.
3. To create opportunities for self-employment for the vast unutilised and under-utilised manpower resources.
4. To bring the disadvantaged people within the folds of some organizational format which they can understand and operate and can find socio-political and economic strength in it through mutual support.
5. To reverse the age-old vicious circle of "low-income, low-savings, low investment, low income" into an expanding system of " low income, credit, investment, more income, more credit, more investment, more income.

6.5.3. Operational Structural:

Landless man and women are the beneficiaries of the Grameen Bank project. They are required to form themselves into a group of five to receive loans for which no collateral is required. Like-minded persons of similar socio-economic

background form a group. The member who owns not more than 0.5 acre of cultivable land and the value of whose family assets 'does not exceed the market value of one acre of medium quality land in the area' is eligible to receive loan from the bank for economic investment.

Before sanctioning loan the group members undergo a sort of motivational training, face a test, and if the Bank staff are satisfied about their integrity, seriousness and loyalty only then their loan applications are considered.

The group elects a chairman and a secretary who organize the meetings where attendance of all members is a must. A maximum of 6 to 8 groups in the same village federate themselves into a 'Centre' and elect a 'Centre Chief' and 'Deputy Centre Chief' from amongst the Groups Chairman. They are responsible to conduct weekly meetings of the Centre, recommend lone proposals, supervise the loan activities and assist the Bank workers.

Two savings accounts are formed by the members. one is Group Fund and the other is Emergency Fund. One-fourth of the total interest is paid by the loanee to the Emergency Fund to be used as life insurance.

Normally a Grameen Bank branch works with nine staff, e.g. branch manager, a senior assistant, six bank workers (of which three are girls.) and a guard. Except loan disbursement, almost all transactions are made in the meetings of the Centre where bank workers attend. The branch of the Bank borrows fund, whenever needed, from the head office at the rate of 10 per cent and the branch lends it to the members at the rate of 20 percent interest.

Over the years the implementors of poverty alleviation projects, particularly those who deals with credit, found that it is convenient, manageable and effective to work with smaller groups of beneficiaries. The following list shows the group formation of beneficiaries under different projects.

RD-5	-	15-20 members
RD-9	-	12-20 members
RD-12	-	25 members
RDRS	-	15 members
BRAC	-	5-7 members
SFDP	-	5-7 members
Proshika	-	15-20 members
GB	-	5+ members

6.5.4 Credit Operation

The Bank worker is the key person who plays a very important role in the disbursement of loan and its collection. The loans are given without collateral to a maximum of Tk. 10,000. The peer pressure or group pressure acts as collateral. "A borrower is free to use the loans in any activity but the loan has to be utilized immediately so that there is a regular flow of income from it. This is essential for repayment of the weekly instalments (fifty in a year)... Each members of the group must save Taka one (3 cent) every week in addition to 5 per cent of the loan amount, which is kept aside at the time of loan disbursement. The saving are accumulated in the Group Fund. ... A member can borrow from the Group Fund with the consent of other members on dire need so that he/she need not go back to money lenders."¹⁸

The performance of Grameen Bank (GB) as of January, 1992 can be seen in the following table :

- GB branch	-	924
- No. of borrowers :		
Male	-	76,428 (9%)
Female	-	1,015,374 (93%)*
Total	-	1,091,802 (100%)
- loan disbursed	-	Tk. 10,800 million (US \$ 270 million)
- Loan recovery rate	-	About 98 per cent.
- Group members savings	-	Tk. 920 million (US \$ 23 million)
- Districts covered	-	25,000 villages.

According to information recorded by Gibbons, Grameen Bank was disbursing Tk. 280 million per month as loan. These loans were utilize for more than 400 different kinds of activities. The GB gives two kinds of loans, one is individual not exceeding Tk. 10,000.00, another is collective for joint enterprise. Loans for joint enterprise are bigger than individual enterprise. Collective loans were given for more than 100 different kinds of activities, such as shallow tubewells, deep tubewells, rice mills, oil mills, leasing of markets, ponds, and land, power tillers, wheat threshers, etc.

Housing loans are also provided to the GB members. It amounts to Tk. 18,000.00 for constructing a simple house with tin roof. The loan is to be repaid in 10 to 15 years on weekly instalments.

6.5.5 Impacts of Grameen Bank

Field surveys indicate considerable difference in the level of income, acquisition of lands, wealth, etc. between members of Grameen Bank and control groups who belong to similar socio-economic background but are not members of GB. The findings are summarized in the following table.

Table 34. Difference in Economic Indices Between Target and Control Groups

Indices	Average of Target Group	Average of Control Group
1. a) Per Household Income (Tk.)	23,476	11,488
b) Per Capita Income (Tk.)	5,045	2,471
2. Per Household Owned Land (acre)	0.201	0.064
3. Number of Rooms per Household	2.04	1.45
4. Amount of other Assets per Household(Tk.)	6,745	769

Source : Rahman, Dr. Atiur, "Rural Development From Below : The Case of Grameen Bank," in M. Quddus Ed. *Poverty Focused Rural Development*, BARD, Comilla, 1995, p.220.

The supreme reason of Grameen Bank's success is 'the tight supervision of the borrowers by its motivated bank staff' and a well regimented discipline introduced in the lending and recovery system.

6.5.6 Some Observations on Grameen Bank

Grameen Bank has been lauded in many forums, both in black and white and speeches in seminars and workshops. The stories of Joriman and Koriman also depicts the success of Grameen Bank in changing misery to comfort, poverty to its alleviation. It has by this time, established the replicability of the project not only within the country but also in other countries of Asia, Africa and America with country adjustments. Therefore, it can be said that the glorious march of the GB beyond the boundary of Bangladesh is a laudable achievement.

But to some critics, some of the premises of GB are not above questions. Fuglesang and Chandler write, "It is the starting point for Grameen Bank a counterculture that it considers Government institutions ineffective and incapable

of solving the problems of poverty in Bangladesh. It is therefore imperative to build institutions which are more capable." In another page they say, It (the emblem of the GB) "is an arrow up, a rock of honesty and efficiency in a swamp of corruption and deceit. Bangladesh receives 1.6 billion US dollars a year in foreign aid from principal donors and has little to show for it among 60 million poor. The money is spirited away by a supreme and greedy establishment of government bureaucrats, politicians, businessmen and landowning elite."¹⁹ They also said that the national economy of Bangladesh is extremely hostile to the poor. These premises are not acceptable in its generalised form. In order to establish the glorious achievements of Grameen Bank it was not necessary to make so frustrating criticism of the Government machinery and its institutions. This attitude is comparable with the approach that 'others are bad, therefore I am good.'

In the proceeding chapter we have discussed some of the important government programmes for poverty alleviation. Some have demonstrated equal efficiency and achievement in the field of poverty alleviation. To take the case of SFDP (Small Farmers Development Project), it has been efficiently and effectively addressing the problem of credit for rural poor. Investment performance of the loan has also been found to be highly satisfactory. The main shortcoming of this project is that they lack the quality of beating their own drum, nor do they have the fund or trust to invite established researchers/ authors to evaluate their activities and write success stories. It is a Government project with donors assistance. It does not have such funds either. It is also not true that cultivable land in Bangladesh remain fallow now-a-days.

On the contrary, forest areas are being cleared to bring more land under cultivation. The wage of agricultural labourers have stepped up to more than five kg. rice a day with three times food. This year in the *boro* season the wage rate of agricultural labour shoot up to Tk. 150 to Tk. 200 per day with three foods which is equivalent to about 13 kg. rice. This happened due to shortage of labour supply. Alternative employment opportunities have increased considerably offering opportunities of choice to the labourers. This happens particularly in winter when all kinds of construction works start along with *boro* rice cultivation and harvest. Therefore, the premises of Grameen Bank as stated by Andreas Fuglesang and Dale Chandler are not true.

The success of Grameen Bank is its own achievement, not based on the failure of other projects or on the evils of Government machinery. The network of Government machinery and institutions are spread to all corners of the country. No project can run efficiently and effectively and become a national

programme without Government support. In 1994, Bangladesh Bank gave a guarantee of Tk. 5650 million²⁰ (US \$ 141 million) to Grameen Bank to run its credit programme.

One significant difference with Government projects is that in the project proforma (PP) or Technical Assistance Project Proposal (TAPP) or project documents approved by the Government, the date of commencement and the date of completion are clearly mentioned and agreements with donors are signed accordingly. On accessions the project continues for two or three phases with donors green signal and Government approval. After that the donors support and Government allocation stop to flow to the project. It thus faces an automatic death. It happened with many Government projects and will continue to happen even if some of them show promising results. But in case of NGOs, this rarely happens. Grameen Bank does not have any date of conclusion, but SFDP has . Grameen Bank has been receiving both donors' assistance and Government support without interruption for long about 18 years enabling them to build up their own fund base. "Grameen Bank in Bangladesh has received unusually high level of support from international organizations. IFAD made significant contribution in its initial phase and provided concessionary funding support to it. Now a number of other organizations, both bilateral and multilateral, have come forward to support this effort."²¹

Another contention centres round the interest of loan given by GB. The interest rate for the loan of Grameen Bank is 20 percent. To many of the observers the rate seems to be quite high for the poor payers. In one of the meetings of Permanent Parliamentary Standing Committee for Industries, a member of the Government party raised this issue and drew the attention of the Ministry of Finance. He further said that the rate was quite high and the Bangladesh Bank had no control over GB in fixing the interest rate. MP Main Abdullah Wazed in his written letter to the Ministry of Finance further wrote that GB was not a schedule bank; the central bank had no authority over GB. When the 'schedule banks' charge 7 to 9 per cent interest for their long term loans, (Schedule Banks' interest rate is 16 to 18%) Grameen Bank charge 20 per cent interest and it starts realising it from the week next to giving the loan, i.e. before the loan was able to generate income. It becomes a burden on the part of the lonee, because instalments of loan repayment along with interest starts before the loanee is able to start his business or trade to his satisfaction. This statement was made by an MP to whom the beneficiaries of GB approached for solutions. This was published in The Daily Ittefaq of April; 4, 1995. The MP further suggested that the interest rate should be brought down to 9 per cent and it should be a simple interest rate, not a compound one as is charged now.

Probably at this stage it is necessary to compare the rate of interest charged by other poverty alleviation projects, both Government and NGOs and the rate of their repayment.

Table 35. Rate of Interest in Different Poverty Alleviation Project

Name of the Project	Rate of Interest against credit (%)	Rate of recovery of due loan (%)
RD-5 (BRDB)	16	100
RD-9 (BRDB)	16	99
RD-12 (BRDB)	16	97
IDRWCC (Integrated Development of Rural Women & Children through Co-operatives; BRDB)	15	98
SFDP (BARD)	9 (+5 service charge)	99
RDRS (NGO)	16	NA
BRAC (NGO)	16	98
Proshika (NGO)	10 to 14 (Service charge depending on volume of trade)	90.3

Source : RDCD, *A Comparative Report on Selective Programmes of BRDB and Some Leading NGOs*, Ministry of LGRD&C, Dhaka; SFDP records, BARD, Comilla.

Grameen Bank has been able to create tremendous hope and aspiration among the policy makers, planners, professionals and intellectuals of home and abroad about finding a mechanism for poverty alleviation. Hundreds of books and papers have been written on different aspects of GB. Success stories dominate the literature on it. Hye says, "But the success of Grameen Bank cannot be judged by recovery rate alone, neither by the coverage of membership or the number of activities. It is a programme for poverty alleviation and as such its success depends on the number of poor it has been able to lift above the poverty line, however defined."²² Professor Yunus also looks at development in the same way. "Elimination of poverty in the most direct manner should be

recognised as the central issue in all development thinking and action."²³ Hye made a few rapid case studies of the beneficiaries of GB in November, 1985.

Though years have passed after that and things have changed quite a lot, it is probably necessary to quote his conclusion. "I could go on interviewing more members but the pattern was already clear. The majority are still at the subsistence level requiring loan year after year and the fortunate minority who may have attained relative affluence through luck or intelligent management on their own have developed insatiable need for more loan. Both the categories want to be perpetually dependent on loan from Grameen Bank. In spite of the dedication and hard work of the field staff, Grameen Bank will be moving in this vicious circle of dependency syndrome unless a strategy for poverty alleviation with a cut-off point for each loanee is determined... From the documents, publications and discussions with officials it did not appear that they were aware of this basic problem."²⁴

The objectives of both Government project and NGOs are almost similar, e.g. to provide work to the idle hands of the poor and raise their income so that the quality of life of the rural poor of both men and women change positively and attain self reliance. But the design and approaches of the two are different; Governments' is uni-dimensional and NGOs' is multi-sectoral. Both of them, however, are contributing considerably, sometimes as partners while some other times as complimentor, to the development of the economic condition of the rural poor.

In this chapter we have briefly discussed some of the non-government organizations and their approaches. The table below sums up the extent of income of the members and non-members of certain micro interventions of GOs and NGOs.

In appendix-1, the activities of a few more NGOs are given very briefly.

Table 36. Levels of Household Income, Poverty and Concentration of Income for Group Members and Comparable Non-members in Bangladesh

Type of organization and respondents	Average household income (Taka)	Per capita Income (Taka)	Proportion of household above the poverty line (%)	Concentration of Income	
				Measured by Mean deviation	Measured by Gini concentration ratio
GB					
Group Members	19879	3259	48	0.36	0.246
Non-Members	13406	1954	23	0.39	0.263
Difference (%)	46.28	66.79	25	-0.03	0.017
BRAC					
Group Members :					
SIP	10700	1486	10	0.44	0.294
HIP	14709	2493	37	0.38	0.251
Non-members :					
SIP	10290	1391	10	0.42	0.281
HIP	11423	1799	20	0.39	0.262
Difference (%)					
SIP	5.98	6.83	0	0.02	0.13
HIP	26.77	36.58	17	-0.01	0.011
RDRS					
Group Members	11628	2005	30	0.37	0.248
Non-member	9874	1580	15	0.39	0.265
Difference (%)	17.76	26.9	15	-0.02	0.017
Proshika					
Group Members	10248	1708	20	0.39	0.261
Non-Members	9412	1518	15	0.39	0.262
Difference (%)	6.88	13.17	5	0	0.001
SCP(SB)					
Group Members	14078	2427	35	0.38	0.253
Non-Members	10893	1702	18	0.40	0.262
Difference (%)	25.24	42.6	17	-0.02	0.009
RPP(BRDG)					
Group Members	13914	2244	33	0.36	0.241
Non-Members	11267	1662	15	0.39	0.262
Difference (%)	25.49	25.01	18	-0.03	0.021

N.B. The difference in average household income and per capita income between members and non-members were found statistically significant (at least at 5 per cent level) for all organizations except BRAC (SIP) and Proshika.

Source : Alam, J., 1993, "Rural poverty in Bangladesh : The Impact of Non-Governmental and Governmental Organizations", as quoted in *Rural Development in Bangladesh : Experiences and Future Directions*, Report of the Committee on Rural Development Strategies and Policies, RDCD, Ministry of LGRD&C, Government of Bangladesh, March, 1994, p.24.

The Committee on "Rural Development Strategies and policies" found that "Most Government organizations having poverty alleviation programmes generally use informal groups of men and women for channeling their services with individuals and families remaining important entities without attaching much importance to formal organizational structures. They try to reach the poor men and women individually which renders it difficult to make any appreciable impact on the people.

Some NGOs, e.g. BRAC and Proshika, operate through informal groups but do use formal structures, such as Village Organizations which are recognized to be the most important grass-root level institution for employment of the poor and for poverty alleviation efforts."

This study, however, finds that in both types of programmes, rural institutions, formal or informal, are playing a very important role in the efforts of poverty alleviation. Even under government programmes, it is hard to reach the individuals; the services and supplies reach them through their organizations. Departmental programmes and their services, however, do reach on occasions to individuals or families through their field workers. But programmes have their institutions and the institutions do the job for the members.

6.7 RURAL CREDIT

Credit plays a very important role in creating investment capacity and employment opportunities. Proper investment of credit generates income, and increased income enables the investors to save and make further investment. Credit therefore has a multiplying effect or a positive effect of circular causation. The basic premise of rural credit and credit for all poverty alleviation projects is this circular causation. If credit would not have this multiplier effect the slogan - 'credit is a fundamental human right' would not be raised at all. Those who have some kind of assets have access to institutional credit. But those who are assetless are in real problems of capital to start with. The concern of all the poverty alleviation projects of GOs and NGOs is capital for the rural poor or assetless. In order to address this problem all those projects have the provision of credit for the target population. The role of credit has more powerfully been recorded in gibbons writing.²⁵

"The earliest form of institutional credit used to be channelled through the provincial department of revenue. It was more in the nature of 'distress finance', designed to alleviate the worst consequences of famines or floods or other calamities. This was later extended to include permanent improvements in

agriculture."²⁶ When agricultural revolution (some call it green revolution) set in and population explosion flooded the labour market, the problem of the assetless and landless came to focus. During the early 1960s the landless constituted only about 16 per cent of the total population. It therefore, did not create any concern. But to-day their number has gone up to more than 50 per cent. It has thus come to the focus demanding immediate and serious attention. Attention they got, and special institutional credit programmes have been designed both by GOs and NGOs. Thus the primary attention of the financing institutions to increase agricultural production was further extended to the problem of employment generation for the rural poor through credit. During the gestation period of the seed-fertilizer-water technology, huge institutional credit facilities were provided through banks, co-operatives and other financing institutions including NGOs to the farmers. When the problems of rural poor came to focus, the GOs and NGOs took it up and started providing the most important and 'powerful weapon' - the credit for their employment and income generation. Credit has thus been made a fundamental human right, not confined to any particular class of people.

Commercial banks and other financing institutions often argue that since the poor cannot provide collateral, there is no basis for lending to them. So, the slogan of 'fundamental human right' was raised to address their problems. This, however, is one side of the coin. The other side is that it is the savings of others that form investible capital or credit given to investors who save and have the ability to save. Theoretically, the higher is the savings the higher is the growth both individually and nationally. It is agreed that a big part of the national income is created out of the hard labour of the poor people. It is further true that higher national income leads to higher growth rate; and growth rate without much dependance on foreign assistance can be achieved by higher savings rate. The rural poor does not have enough income to save. Therefore, whether credit is given to them by the banks, it is given from the savings of others, or from donors' fund. Two views are expressed on this, one by bankers and the other by some economists. The bankers view is that the savings of one group is coined as the credit right of another group. It is probably reasonable to accept that the difference between the hired hands and the hands of the hirer is as old as human civilization.

Another view is that, since majority of the rural people including the women are poor and huge number of them are unemployed or under-employed, they need credit to be involved in employment and income generating activities. Other than banks they receive it from different programmes financed by foreign donations. Both the GOs and NGOs have been providing huge credit to them for engaging them in productive and income generating activities. But the question

that has now been asked is, — what are the things coming up in the market against huge credit investment ? Maloney writes,

The tremendous expansion of rural credit in the early and mid-80s is partly responsible for the rushing inflation. Agricultural credit, co-operative credit, weavers' credit, fisheries credit and a multitude of other rural credit programmes, plus huge industrial credit necessary for planned growth of the private sector under New Industrial Policy, was fueled by almost reckless increase in the money supply in recent years. The increase was often at an annual rate of 20 to 30%. ... Whatever the economic justification for these inflationary policies, the political motivation has generated more credit than the society has been prepared to responsibly handle.²⁷

It is universally agreed that if the rural poor are to be gainfully employed, rural credit is a 'powerful weapon' for that as is followed in almost all the poverty alleviation projects. But at the same time it must also be seen from which source the borrowers are repaying their weekly instalments.

6.8 LOAN EXEMPTION

The history of credit in cash is as old as mint civilization. So is the history of default and its exemptions. Governments initiated loans for their own reasons. The Taccavi loan initiated by the British in 1885 was given in times of distress which were hardly repayed. Government also did not take much initiative to realize it. Taccavi loan thus came out to be a charity.

After the enactment of the Co-operative Societies Act in 1904, rural credit started to flow through co-operative societies. In 1912 some Central Co-operative Banks were set up in Bangladesh. Soon many societies became defaulters. The great depression of 1930s made the situation more worse. In order to relieve the farmers and the co-operatives from loan burden, the Bengal Agricultural Act came into operation in 1935. In 1939 Bengal Money Lenders Act was passed. "So the idea that Government could forgive private loans as well as its own loans began to take hold."²⁸ Financial discipline further broke down during world wars, Bengal famine of 1943 and the partition of the Indian sub-continent in 1947.

We have seen in the chapter on the history of co-operative movement how,

after partition, the co-operatives were in complete disorder with huge loan unrecovered. After Bangladesh became independent, "Sheikh Mujib announced (in 1972) that interest on all agricultural loans disbursed during the Pakistan period would be forgiven. Borrowers relaxed their payments on principal too. ... All those loans have now been wiped off the books. Loans given in the mid-70s through foreign donor funding suffered similar fate, as they were given in an environment of charitable reconstruction in the new country."²⁹ The NGO loans also faced the same situation.

The very recent example is the exemption of agricultural loan amounting to taka 5,000 and its interest. According to Agricultural Credit Division of Bangladesh Bank, Dhaka, total amount of agricultural credit and its interest exempted by the Government was Tk. 21,430.6 million. The amount exempted from Rajshahi Krishi Unnayan Bank (RKUB) was Tk. 3,343.6 million, from Bangladesh Krishi Bank (BKB) was Tk. 8,600.3 million and from other Nationalised Commercial Banks (NCB) was Tk. 9,486.7 million. Thus a huge amount of money was drained out from the banks reducing their capacity of credit operation. In order to reduce the shock and tide over the fund crisis, Government had to refinance these banks amounting to Tk. 8,198.9 million. The policy of exempting agricultural loan up to Tk. 5000.00 along with its interest created an adverse influence over loan repayment behaviour of the loanees. Credit operations of the banks have become a perilous business. Agricultural loans of co-operatives, however, were not exempted. But the members of co-operatives are not repaying the same amount of loan exempted by the Government. The amount of total loan actually drained out would thus be much higher.

The credit operation of the co-operatives have thus been reduced to a great extent. In order to face the situation the Central Associations have reduced their manpower, administrative and supervisory. Monitoring and supervision became weak which adversely affected the co-operative societies. Opposition leader has already declared that they would exempt agricultural loan amounting to Taka 10,000 if they could form the government. Thus "It has come to be almost expected in Bangladesh that the Government will utilize the credit system to garner political support."³⁰ We have seen in our earlier discussions how this kind of exemptions have put the credit realization situation into a serious disarray. This will be further worsen if economic reasoning fail to prevail over political considerations.

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CHAPTER 7

SUSTAINABILITY AN EMERGING ISSUE OF RURAL DEVELOPMENT PROJECTS

The issue of sustainability of the rural development projects has of late become a subject of much interest and emphasis among the policy makers, planners, professionals and researchers. The question of sustainability got much of its importance on economic considerations. Things or systems that are not sustainable, are not considered to be a field of effective, worthy and gainful investment. In the field of rural development it came to focus on the basis of the realization that all(?) the attempts of rural development have failed to impress the policy makers and planners in terms of achieving their economic objectives. The confession made in the Third Five Year Plan document that "Despite the past efforts, the rural areas of Bangladesh to-day represent a grim picture of landlessness, unemployment and poverty" further establishes the failure of the past efforts. Even then things have not changed positively as yet. The realization is that a rural development programme which is not sustainable shall not be able to achieve its objectives and therefore, cannot be a model and should not be pursued.

What do we understand actually by sustainability ? The dictionary meaning of the word 'sustainability' is 'the strength to last out'. Therefore, the word sustainability refers to the ability to last long. Our common intelligence tells us that sustainability is a qualitative term referring to the continuity or permanence of a thing or a system depending on its own built-in strength.

In the field of rural development, the question of sustainability surfaced recently as a major issue for obvious reasons. Since attempts to rural development in Bangladesh have been failing to achieve success in developing appropriate models, planners and researchers have started to look critically to the justification and ability of the attempts to continue as they are in producing the desired results.

During the pre-liberation period, rural development was more or less a verging field with one or two 'Romeos' trying to make a dent. The Comilla Approach was one such 'Romeo'. During its experimental period attempts were made to develop a package programme or an integrated approach for rural development. At the same time different kinds of need based projects were

undertaken by the Academy to address different problems of different classes of rural population. The two-tier Co-operative Programme in concert with Thana Training and Development Centre Programme, Rural Works Programme, and Thana Irrigation Programme implemented as a package programme was found to have great potential for comprehensive rural development providing opportunities of both production and employment increase. These programmes were evaluated more than once during their experimental stage by the Government and were found to be effective and gainful approach. It thus appeared to the policy makers and planners to be a potential and promising system and so were replicated throughout the country.

In the previous chapter we have seen the emergence of new concepts of rural development and programmes based thereon. It thus can be repeated that "Multiplicity of institutions, programmes and activities for the same population creates problems of duplications and overlapping rather than solving the problems of dependency and liability of the rural poor. Multiplicity multiplies the liabilities of the beneficiaries rather than the creation of their assets."¹ When we read the news of a poor mother selling her baby to repay her loan we get a picture of the increasing load of liability. The loan was given to her for undertaking income generating activities. But the terms and conditions of loan repayment was such that she could not generate sufficient income to repay the loan installments in time and ultimately she had to sell her most valuable asset on earth. Instead of income generating activity, the loan turned out to be an asset selling activity. Huge criticisms are directed towards money lenders, but new institutional lenders in colourful capsules have emerged with a loud slogan of the rights of the landless with regimented system of loyalty. High repayment rates seem to have become the basis of measuring the success and sustainability of approaches, no matter what happens to the target population. The success stories provide us the impetus, but we cannot ignore the stories of baby sellers, cow sellers, goat sellers and boat sellers to repay the loan. High repayment rate through cow selling or goat selling cannot be considered as a sustainable approach.

Bangladesh Krishi (Agricultural) Bank has long been engaged in developing the agriculture sector. It has been providing credit for various agricultural activities and agro-based industries. There is no reason to undervalue the push factor of the Bank in boosting up agricultural production, the nucleus of the rural life. Yet it is not called a rural development programme because it is a bank and so its success is measured in terms of its rate of loan recovery and profit thereon. Its long continuous services in the field of agriculture have not been able to earn any laurel because its commercial objective has not been

achieved. And a bank's success as a business unit is in its ability to achieve highest recovery of loan with interest. Thus from commercial point of view the Krishi Bank presents us an unsatisfactory performance. But the roaring tillers in the fields, the rolling waters of the deep and shallow tube-wells, the hissing music of the sprayers, the basket load of fertilizers on the shoulders of the farmers or agricultural labourers, the green luxuriant crops in the fields, the fattened cattle heads brought in the rural and urban markets for sale, the ever increasing supply of big size poultry eggs from poultry farms, rapidly expanding pisciculture in rural ponds are the testimony of the Bank's success in achieving its development goals. It is only on this ground the Krishi Bank justifies its sustainability, not on the ground of maximum loan realization at the cost of villagers' partition of their costly assets.

In order to multiply the liabilities, special programmes have been developed for the landless, the marginal farmers, the farmers, the youth, the children, the women, the fishermen, the artisans to address the problems of employment, income, health and nutrition, sanitation, illiteracy, dropouts and so on. To some critics these class-based and problem-based multiple approaches appeared to be like exploring an elephant by some blindmen. One blind man touched the tail of the elephant and said, the elephant is like a broom. Another blind man touched the legs of the elephant and said, it is like pillars, while another blind man touching the trunk of the elephant said, no, it is like a hose-pipe, and so goes the story. Thus the blind men could not explore the elephant in its real total form. The critics, therefore, say that the proponents of sectoral approaches have also failed to see the village in its totality. Multiplication, according to them, is propounded as a strategy for the sustainability of their proponents. The NGOs, backed by World Bodies and also by some GOs have been able to convince the policy makers and planners to recognize their view as rational. Whatever their views and programmes are, the question that is relevant to our discussion is that, are they sustainable without foreign aid or assistance? Experience tells us that none of their programmes could establish themselves as sustainable with their own built-in strength. If donations from aid giving agencies or organizations stop, they will starve to death. Many of their programmes have increased the liability of the rural people; their easy credit programme was more of relief oriented rather than production oriented which contributed more to inflation, and their nature of activities created an atmosphere of dependency syndrome.

Immediately after liberation of Bangladesh large number of NGOs came to the country and started relief and rehabilitation work. It is true that the NGOs contributed to a large extent in the reconstruction of the country and

rehabilitation of the distressed which would otherwise be a very difficult task for the new Government of the new country. These NGOs started their works with relief orientation. Therefore, they could not, rather did not introduce any hard discipline in their system for the beneficiaries. Subsequently, however, they turned to rural development, particularly for poverty alleviation in the rural areas. In our study it was found that most of the NGOs started poverty alleviation activities with credit programme on soft terms; in other words, with a relief orientation. The economic activities of the missionaries are entirely relief oriented. The activities of church-based NGOs also have the same orientation. The dependency syndrome was thus furthered by this orientation.

The question of 'rationality' again, is seen from different angles. On the question of appropriateness and sustainability when integrated approach is placed to the policy makers and planners, they say, yes. When comprehensive approach is put forward, they say, yes. When target group approach is raised, they say, yes. The policy makers and planners, in the midst of unmanageable gigantic problems of rural development, were frantically looking for an appropriate and effective approach to rural development the advantage of which were taken by the opportunists. Therefore, the whole exercise in the field of rural development has become a mix-up of approaches having limited visible impact on those for whom they are developed. The question that naturally follows is, what is rational than? "It is the moral obligation of every civilized system to extend access to services and opportunities equally to every member of the society".²

When Marxism was propounded it revolutionized the thoughts of the people. Socialism was put to practice as a sustainable approach. John F. Dullas recorded in his War and Peace, 'Never before have so few gained so much so fast'. To-day it is no more so. The decentralized administration in Bangladesh was once claimed to be a system that came to stay. Whatever are the reasons, political or impracticable, the system is scrapped. When Comilla approach was put to practice, though with modifications, it appeared to be a sustainable system. The Government replicated the programmes under it throughout the country. To day the pale 'Romeo' is still found in the rural areas of Bangladesh moving from village to village with the same old and universal message of discipline, group activity, stability in growth process and extension of services and opportunities to all that has been painfully pieced out by different GOs and NGOs. But with its torn, pieced out and faded uniform, its voice is feeble in the midst of loud love cry of other approaches of colourful 'Romeos'. Thus the sustainability of the approach is eclipsed behind the 'explosion' of the smoke bombs of rural development programmes.

Sustainability of a thing or a system is to be maintained by an in-built process of addition and omissions, by plugging in of new ideas and pulling out of identified undesirable premises. In the absence of such process probably nothing is sustainable under the sun. Baby food alone is not considered now-a-days to be the only need for the sustenance of the new-born babies. In order to ensure their sustenance we have added EPI and preaching the omission of TBAs (Traditional Birth Attendants).

Morning does not always show the day. A bright morning may turn out to be cloudy evening and vice-versa. The rehabilitation programme of the landless in Chittagong Hill Tracts is an example at hand. The 'Uzama' of Tanzania presents us more or less a similar idea. Many such programmes within the country have gone to oblivion without any whimper (e.g. 'Island of Peace' at Gohira of Rauzan Thana, 'Fasha', etc. of Chittagong, 'Te-vhaga' - tripartite sharing - movement of Bengal in general and joint farming of Bamoil, Comilla in particular, 'Vhu-dan' - land donation by big landlords for the landless - movement of Acharia Benoba Bhaba of India, etc.). The deluge of rural development approaches after 1971 have not been able to present us any sustainable model of comprehensive development of the rural populace. Island of success of sectoral approaches provide inspiration, but these approaches have ignored the macro aspect of development and so could not probably become a national programme.

The issue of sustainability of rural development approaches and programmes has been raised by scholars, policy makers and planners. The same scholars point out that rural development is a dynamic process. "Development of human society is a dialectic process. It has its conflicts and contradictions. Needs and priorities change with the emergence of new issues and problems. Strategies generally adopted to address those issue and solve those problems shift from one focal point to another. Many of the basic premises of development theory, constructed during 1950s and 1960s, came into question during 1970s and 1980s and the directions and priorities of development policy shifted drastically."³

Dynamism and sustainability are opposite terms. Sustainability of a programme or a project or a system should be measured on the basis of "other things remaining the same." The "other things" include factors like inflow of foreign aid or donors' assistance, Government policy, population growth, landlessness, investment environment, etc. It should also be measured on the basis of the project's or programme's ability to adjust with the changing needs of the beneficiaries. Sustainability, to which the scholars with their contradictions currently giving much emphasis, therefore, should not be the measuring point to evaluate the efficacy of the development projects. If measured or evaluated as

seen by the scholars from the angle of sustainability, many projects discussed in the previous chapter will probably come under question. Sustainability of a programme is an issue of adjustments and maintenance through additions and omissions as per need of the time and the beneficiaries. In order to address this issue the science of monitoring and evaluation has been introduced and practiced. It is the mechanism through which the need for changes and gaps / weaknesses are identified and adjustments and corrective measures are taken so that the project can continue to sustain and achieve its objectives. Sustainability should, therefore, be measured in terms of the possibility of an approach to stand out with changes and adjustment as per requirements.

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Appendix-1

SOME NGO ACTIVITIES IN BRIEF

Both Government and Non-government organizations have been working in the field of poverty alleviation. Under Government organizations maximum ministries have different programmes of poverty alleviation and rural development. There are many more NGOs working with the same objectives financed by donors of western countries some of which originated with a religious background. In this report it is not possible to discuss all of them except a few well-known ones. Here we can name a few more :

(1) CARITAS

It is an agency of the Catholic Church engaged in relief and development activities. Its target population are rural poor, i.e. small and marginal farmers, landless labourers, fishermen, others "whose occupation are not respected." It provides credit to non-co-operative groups.

(2) CCDB : Christian Commission for Development in Bangladesh

It undertakes service activity of the National Council of Church of Bangladesh. It has agricultural programmes in Rajshahi and Pabna. It also works for the target groups of small farmers and those who are earning less than three kilo of rice a day. Initially its emphasis was on credit, but finding it hard to realize, started giving emphasis on savings.

(3) CRWRC : Christian Reformed World relief Committee

It is an organization of the Christian Reformed Church in North America and works for relief and development. It operates in Bogra with the target groups of small farmers, landless, small businessmen and women. It started its credit programme with individual loans. Now it gives emphasis on savings.

(4) FIVDB : Friends in Village Development, Bangladesh.

This organization operates in Sylhet and receives fund from some European Churches. It works for the improvement of the condition of distressed people by strengthening their institution. Its beneficiaries are the labourers. This organization provides loan to the disadvantaged through formation of groups of 5-10 members. The members have savings programme against which the organization gives 5 per cent interest. Credit

is given for releasing mortgaged land, renting ferry ghat, fertilizer dealership, boat purchase, plow oxen, tea shop, fish nets, trade in paddy, tobacco and fish and land purchase. Interest rate against loan is 24 per cent and repayment rate is said to be 98 per cent before 1984 which fell to 96 per cent thereafter.

(5) **MCC : Mennonite Central Committee**

This NGO works in Comilla and Noakhali areas. Its fields of emphasis are agriculture and other need based intervention for the rural poor. Under MCC, groups of 8-20 members are formed and the programme of savings and credit are introduced. In order to qualify for certain amount of loan the group must have 25 per cent of the loan amount as savings. It also works jointly with Janata Bank for credit operation. The services of volunteers from USA and Canada are used in the programmes of MCC. Rural poor and distressed women for whom MCC works were found to be lacking in self-confidence. Therefore they were hesitant to invest and take risk for income generation.

(6) **SOVA : Social Organization for Voluntary Activities**

SOVA receives its funds from Oxfam and Catholic Church sources. It works in the Meherpur-Kustia area. It follows the methods of MCC, BRAC and Proshika. Rural groups under SOVA are of 15 to 40 members based on para. Savings is an important activity of the group members. For Credit operation it has set up guarantee fund in some banks against which loans are given.

(7) **World Vision of Bangladesh**

World Vision of Bangladesh is financed by Church groups of North America and operates in scattered areas of the country. Its target groups are marginal families and tribal people. The World Vision set up Village Committee and loans are provided through this Committee. It introduced savings programme and linked it with credit. Credit is given mainly to the poor and distressed women in Dhaka city, Mymensingh and elsewhere. Repayment rate is about 65 per cent. No action is taken against the defaulters. If loan is repaid in time, interest is returned. In other words, loans have no interest.

(8) CARE : Co-operative for American Relief Everywhere

It has three credit programmes, namely for (I) deep tubewells, (II) small farmers and (III) women. CARE also helps farmers install power pumps against credit from Agrani Bank. It also has savings programme for women linked with credit. Their credit realization rate is about 64 per cent. Its loan programmes are good examples of Government banks and NGO collaboration.

(9) Comilla Proshika

The proshika organization was split into two in 1981. The Comilla Proshika is one of the two. Though the organization split, their objectives and methods remained same. Comilla Proshika is financed by CIDA and other donor agencies. The beneficiaries of its activities are the landless and marginal farmers. This organization also has savings and credit programme and works with informal groups. The interest rate of their loan is 18 per cent. Repayment rate of its loan is said to be 99 per cent.

(10) Proshika Manabik Unnayan Kendra

This Organization also works for the underprivileged through group formation, savings and credit for income generation activities. It has 35 Area Development Centres where groups of 15-20 members each are formed. It provides loan for agriculture, cattle, fish production, reclaiming mortgaged land, rice husking (Vanki), small business and handicrafts. Recovery on time loan is 81 per cent while the same of guarantee loan from Krishi Bank is 78 per cent.

(11) IUCW : International Union of Child Welfare

This organization is a branch of Enfants du Morde and is funded by the Government of Switzerland, USAID, CIDA and the Netherlands. Their target group is the most needy families and children and provide help through various community activities. It further aims to strengthen effectiveness of the Development of Social Services. It has a strong link with this department because its entire programme is operated through them and after about four years of operation, they hand over their programmes to this department.

They have Credit programme in 40 Thanas but no savings programme. Since

it works with families, its loans are to individuals.

Its loans are given for small business, rice husking (Vanki), cattle breeding, agriculture, handicrafts, small shop, poultry, cycle repair, weaving, carpentry, puffed rice making, boat, tailoring, oil pressing, poultry, blacksmith, barbering, push cart. The repayment rate is said to be unsatisfactory.

(12) **MIDAS : Micro Industries Development Assistance Society**

This organization received its original fund from USAID. It gives credit for small industrial project at a service charge of 18 per cent. It provides consultancy, information and liaison services to small industrial projects. Its credit programme is not linked with any kind of savings programme. For private entrepreneurs, 30 per cent equity capital plus collateral are needed to receive a loan from MIDAS.

This NGO operates like a bank for the entrepreneurs. Its loans are fully repaid.

(13) **SCF : Save the Children Fund, USA**

This NGO has been working for some years in 17 selected villages for the welfare of the Children. It mobilizes savings of group members through an elected Village Committee for the Village Development Fund.

Groups of about 25 members are formed for its credit programme. Members are of four categories; landless, farmers, women and youth. Loans are given for land leasing, joint farming, selling vegetables, rice husking (vanki), rakhi, etc.

(14) **VERC : Village Education Resource Centre**

This NGO works in Savar area. Its main work is training and Communication. It also organizes informal groups of men and women and has savings programme. Loans are given from group fund particularly for cattle raising, rice husking, small trade and rickshaws.

Note: For further information please refer to Maloney, Clarence and A.B. Sharfuddin Ahmed, *Rural savings and Credit in Bangladesh*, The University Press Limited, Dhaka, 1988, pp.210-220.



