

BRAC's Economic Support Programme in Manikganj  
Phase I: April '76 to March '79

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Phase I: Apr. 1976 to Mar. 1979

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C O N T A I N S

C O N T E N T S

	Page
Economic Support to Disadvantaged People ...	1
The Program in Retrospect ...	2
Economic Support Programs : Some Cases ...	21
Appraisal ...	39

...

## 1. ECONOMIC SUPPORT TO DISADVANTAGED PEOPLE

### 1.1: Introduction

EMAC has been trying to involve the disadvantaged groups of people in a process of conscientisation. As such groups develop their capacity to engage in self-help activities, EMAC provides them with financial and technical assistance in support of these activities.

### 1.2: Objective

The first premise of all human existence is that the man must be in a position to live. But life involves, before everything else, eating, drinking, clothing, etc. They are to produce these means to satisfy their needs, thereby producing their material life itself. And as a logical extension of EMAC's rural development work, it is endeavoured to involve the rural masses in mobilising their potentialities and material resources for their own development.

The objective of EMAC's economic support programme is inseparable from its total objective. EMAC believes that credit is only a component of the total programme, aiming at organising the people for power. It cannot be isolated nor can it be ignored.

But more crucial is whether one conceives of the economic support programme merely as the pursuit of certain benefits or as the quest of these benefits in a certain mode. Collective productive activity is the cornerstone of EMAC's economic support programme in Hainkang which is believed to be an essential element in educating group consciousness amidst their movement for production.

### 1.3: Content

Cooperative loan is the key element of EMAC's economic support programme in Hainkang. EMAC gives credit to those vulnerable groups who undergo the functional education classes sponsored by EMAC and try to organise self-help activities. EMAC charges an interest of 12% per annum on loan, in general. But interest-free loans are given in some instances.

In order to obtain a loan from BMAC, a group has to prepare a scheme which contains an input-output budget. Subject to verification and approval by BMAC, a loan is given as per the requirement. However, the conventional practice of keeping mortgage security is not followed while giving a loan.

Loan is given for collective economic activity which may be distributed among different working groups of a cooperative according to the nature of the scheme. The economic support programme also aims at making credit a viable commercial operation as well. The terms and conditions of the repayment schedule dovetail with the timing of generated income from the investment. Group saving is emphasized and endeavored throughout the process. No individual loan is delivered, since, group action is the indispensable element of the programme.

## 2. THE PROGRAMME IN PERSPECTIVE

### 2.1: Amount Disbursed As Loan

During Phase I, Tk. 7,09,029 was disbursed as loan among different groups of disadvantaged people through the economic support programme. During the period from April, '76 to December, '76 Tk. 39,910 was disbursed. In 1977 the programme got the nodentus and Tk. 3,35,128 was given as loan. Tk. 2,44,491 was given during 1978 and during the period from January to March, 1979 Tk. 83,500 was disbursed ( see, table 1). In total, Tk. 4,76,322 was given to male cooperatives and Tk. 2,32,707 was given to women cooperatives, the percentage distribution of the amount being 67.2 and 32.8 respectively ( see, table 3).

### 2.2: Economic Support to Villages and Groups

During April-December, 1976, 15 groups in 6 villages received economic support from BMAC. The number became much higher in size in 1977, when 50 groups received loan in 39 villages. The situation in 1978 was more or less similar to that in 1977, when 50 groups got loan in 41 villages. During January-March, 1979, 15 groups in 14 villages were supported ( see table 2).

### 2.3: Schemes

During January-December, 1976 the highest number of groups got loan for paddy husking schemes (9), followed by agriculture (4) weaving (2) and pottery (1). In 1977, agricultural schemes represented the highest frequency undertaken by 35 groups, followed by paddy husking (8), irrigation (4), weaving (2) and bidi making (1). During 1978, schemes covering more non-traditional activities were undertaken. However, agricultural schemes were executed by the highest number of groups (30), followed by cow & goat rearing (12), pisciculture (9) and sari-making (3).

All numbers against schemes along the horizontal line in the table represent numbers of groups undertaking those schemes. One group might have been involved in more than one scheme (see, tables 4-A, 4-B, 4-C & 4-D).

### 2.5: Agricultural Schemes

During Phase I, 83 agricultural schemes were undertaken by different groups, 56 in the rabi season, 12 in the first kharif season and 15 in the second kharif season (see, table 5).

### 2.5: Agricultural Schemes by Duration

During Phase I, loan was given to 30 agricultural schemes for one or two seasons, whereas, loan was given for one year or more than one year to 53 agricultural schemes. Even, some schemes were of 3 years duration. It is revealed that landless groups go for seasonal schemes, in general, under sharecropping. The scheme involves a longer period of time when groups lease in land from others and undertake agricultural activities in it. Yearly lease of land is a widely prevalent tenancy condition in Mandiganj (see table 5).

### 2.6: Loan for Different Nature of Activities

The highest amount of loan was channelised to agricultural schemes (47.48%) followed by cow & goat rearing (13.92%) irrigation (10.69%) and paddy husking (5.97%) (see, table 7).

### 2.7: Participation

Participation in the programme was the highest in 1978. The participation rate was higher for males except that in 1976 ( see, table 8).

### 2.8: Recovery of Loan

In total, Tk. 7,09,029 was disbursed as loan to different groups during Phase I of which Tk. 4,33,451 was matured for repayment by March, 1979. It was revealed that 39% of the above amount was recovered in due time and 27.4% was realised after due time. The percentage of loan still outstanding is 33.6 ( repayment till June, 1979 has been taken into account). The percentage of loan realisation was higher in 1976 than that in subsequent years ( see, tables 9, 10-A, 10-B & 10-C).

Increasing emphasis has been given to nontraditional and innovative ventures where the element of risk was higher than that in traditional activities. This may be one of the causes of a lower rate of repayment in subsequent years. Besides, often the date of repayment was scheduled with a poor knowledge of timing of generated income from investments. Also, crop failures due to reasons beyond human control often lead to poor rate of repayment in case of agricultural schemes. In such cases, additional loan was often given to improve the income situation of borrowing groups.

### 2.9: Grant

Many rural works schemes initiated by cooperative groups were executed with the help of BRAC's grant. In many cases, such programmes were undertaken with voluntary labour from groups upto about 20% and the remainder paid by BRAC in cash. These programmes were mainly in the nature of resource development for these groups, viz, land raising for horticulture, levelling of fallow land, excavation of canal for irrigation, etc. BRAC spent Tk. 2,75,000 during Phase I to execute such schemes (see, table 11).

Table 1: Amount of Loan given by Year.

Camp	Amount of Loan given ( in Taka )				
	1976	1977	1978	1979	Total
Manikganj	25,330	1,91,681	87,800	49,300	3,54,111
Garpara	1,530	83,284	62,723		1,47,537
Betila	13,050	58,663	53,828	24,050	1,49,591
Malirtek		2,500	40,140	15,150	57,790
<b>Total</b>	<b>39 910</b>	<b>3,36,128</b>	<b>2,44,491</b>	<b>88,500</b>	<b>7,09,029</b>

Table 2: Number of Groups and Villages Where Economic Support was Given\*.

Camp	1976				1977				1978				1979			
	V	M	F	T	V	M	F	T	V	M	F	T	V	M	F	T
Manikganj	7	3	6	9	23	19	11	30	14	11	7	18	7	5	3	8
Garpara	2	-	2	2	9	7	4	11	10	8	2	10	-	-	-	-
Jatila	6	3	1	4	6	6	2	8	9	6	6	12	4	3	1	4
Kalirtek	-	-	-	-	1	1	-	1	8	6	4	10	3	2	1	3
Total	15	6	9	15	39	33	17	50	41	31	11	50	14	10	5	15

- \* V: Number of villages where economic support was given.  
M: Number of male groups who received economic support.  
F: Number of female groups who received economic support.  
T: Total number of groups who received economic support.



Table 3: Distribution of Loan among Male and Female Groups.

Camp	Amount of Loan disbursed ( in taka )									
	M	F	M	F	M	F	M	F	M	F
Manikganj	14,800	10,530	1,32,273	59,408	54,900	32,900	38,300	11,000	2,40,273	1,13,838
%	58.4	41.6	69.0	31.0	62.6	37.4	77.7	22.3	67.9	32.1
Garpars	-	1,530	60,694	14,800	42,103	20,620	-	-	1,10,387	36,950
%		100.0	82.2	17.8	67.1	32.9			75.0	25.0
Betils	9,650	3,400	45,713	11,950	29,479	24,349	16,350	7,700	1,01,192	48,399
%	73.9	26.1	77.9	22.1	54.8	45.2	68.0	32.0	67.6	32.4
Balirtek	-	-	2,500	-	18,120	22,020	3,650	11,500	24,270	33,520
%			100.0		45.1	54.9	28.1	71.9	42.0	58.0
Total	24,450	15,460	2,48,970	87,158	1,44,602	99,889	58,300	30,200	4,76,322	2,32,707
%	61.3	38.7	74.1	25.9	59.2	40.8	65.9	34.1	67.2	32.8

Table 4-A: Distribution of Groups Who Got Economic Support in 1976 by Nature of Activity.

Nature of activity	Manikganj		Garpura		Betilo		Selirtek		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Agriculture	4								4		4
Paddy husking		6		1	1	1			1	8	9
Weaving				1	1				1	1	2
Pottery					1				1		1
Total	4	6		2	3	1			7	9	16

Table 4-B: Distribution of Groups Who Got Economic Support in 1977 by Nature of Activity.

Nature of activity	Manikganj		Gargara		Betila		Balirtek		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Agriculture	14	4	9		5	1	2		30	5	35
Paddy husking		5		1		2			4	8	8
Irrigation	4								4	4	4
Jidi making		1								1	1
Chanachur making		1								1	1
Fish business		1								1	1
Rope making	1								1		1
Weaving	1				1				2		2
Bamboo & Cane work				1						1	1
Cow & goat rearing						1				1	1
Others		1	1	2					1	3	4
<b>Total</b>	<b>20</b>	<b>13</b>	<b>10</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>		<b>38</b>	<b>21</b>	<b>59</b>

Table 4-C: Distribution of Groups Who Got Economic Support in 1978 by Nature of Activity.

Nature of activity	Hemikgenj		Garpara		Betile		Jalirtek		Total		Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Agriculture	6		12		5		7		30		30
Cow & goat rearing		1		1		6		4		12	12
Pisciculture	4	1			2	2			6	3	9
Muri making		3								3	3
Paddy husking				1						1	1
Pulse husking						1				1	1
Bidi making		1								1	1
Irrigation	1								1		1
Block printing		1								1	1
Spices grinding		1								1	1
Old cloth business	1								1		1
Firewood business			1						1		1
Poultry								1		1	1
<b>Total</b>	<b>12</b>	<b>8</b>	<b>13</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>5</b>	<b>39</b>	<b>24</b>	<b>63</b>

Table 4-D: Distribution of Groups who Got Economic Support in 1979 by Nature of Activity.

Nature of activity	Manikpanj		Garpars		Betila		Balirtek		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
Agriculture	2				3		2		7		7
Cow & goat rearing		2				1		1		4	4
Irrigation	1								1		1
weaving	1								1		1
Fire wood business	1								1		1
Bamboo & cane work		1								1	1
<b>Total</b>	<b>5</b>	<b>3</b>			<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>5</b>	<b>15</b>

Table 5: Seasonal Distribution of Agricultural Schemes\*.

Comp	1976-77			1977-78			1978-79			Total		
	K <sub>1</sub>	K <sub>2</sub>	R	K <sub>1</sub>	K <sub>2</sub>	R	K <sub>1</sub>	K <sub>2</sub>	R	K <sub>1</sub>	K <sub>2</sub>	R
Janikganj	1	4		1	8	15			8	1	9	27
Garpers				1	2	7	3	1	7	4	3	14
Betils			1	1	1	3	1	1	6	2	2	10
Balirtek					2	2	5	1	3	5	1	5
Total	1	5		3	12	27	9	2	24	12	15	56

\* K<sub>1</sub>: First Kharif season.

K<sub>2</sub>: Second Kharif season.

R : Rabi Season.

Table 6: Distribution of Agricultural schemes by duration.

Camp	1976-77		1977-78		1978-79		Total	
	Seasonal	1 yr. & above	Seasonal	1 yr. & above	Seasonal	1 yr. & above	Seasonal	1 yr. & above
Manikganj	3	2	7	17	8	10	27	
Garpura			8	2	3	8	11	10
Betila	1		2	3	2	6	5	9
Balirtek			2	1	2	6	4	7
Total	4	2	19	23	7	28	30	53

Table 2: Distribution of the Amount of Loan by Nature of Activity.

Nature of activity	No. of schemes	Amount of loan given (in Taks)	Percentage
Agriculture	83	3,36,641	47.48
Paddy husking	18	45,590	6.43
Cow & goat rearing	17	98,700	13.92
Irrigation	6	75,500	10.65
Weaving	5	24,650	3.48
Bidi making	3	14,800	2.09
Muri making	3	16,200	2.28
Fish business	2	4,800	0.68
Fire-wood business	2	16,000	2.26
Bamboo & cane work	2	1,200	0.17
Pisciculture	6	4,758	0.67
Chanshur making	1	12,600	1.78
Rope making	1	10,000	1.41
Spices grinding	1	1,000	0.14
Old clothes business	1	9,000	1.27
Block printing	1	1,000	0.14
Pottery	1	3,200	0.45
Pulse husking	1	1,000	0.14
Poultry	1	990	0.14
Others	4	31,400	4.43
<b>Total</b>	<b>159</b>	<b>7,09,029</b>	<b>100.00</b>

Percentages may not add to total due to rounding.



Table B: Distribution of Participants in Economic Support Programme by year.

Camp	1976			1977			1978			1979			Total		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Panikganj	55	100	155	315	157	472	191	100	291	62	37	119	643	394	1037
Garpars	-	12	12	189	72	261	220	31	251	-	-	-	409	115	524
Betile	37	20	57	150	21	171	127	72	199	58	11	69	372	124	496
Brlirtek	-	-	-	20	-	20	140	78	218	45	20	65	205	98	303
<b>Total</b>	<b>92</b>	<b>132</b>	<b>224</b>	<b>674</b>	<b>250</b>	<b>924</b>	<b>678</b>	<b>281</b>	<b>959</b>	<b>185</b>	<b>68</b>	<b>253</b>	<b>1629</b>	<b>731</b>	<b>2360</b>
<b>%</b>	<b>41.1</b>	<b>58.9</b>	<b>100.0</b>	<b>72.9</b>	<b>27.1</b>	<b>100.0</b>	<b>70.3</b>	<b>29.3</b>	<b>100.0</b>	<b>73.1</b>	<b>26.9</b>	<b>100.0</b>	<b>69.0</b>	<b>31.0</b>	<b>100.0</b>

Table 9: Extent of Loan Realisation.

Year	Disbursed (in tk.)	Realised in due time (in tk.)	Realised afterwards ( in tk.)	Outstanding (in tk.)
1976	36,710	19,057	9,830	7,823
%	100.0	51.9	26.8	21.3
1977	3,09,703	1,10,873	96,299	1,02,531
%	100.0	35.8	31.1	33.1
1978	87,038	39,293	12,467	35,278
%	100.0	45.1	14.3	40.5
Total	4,33,451	1,69,223	1,18,596	1,45,632
%	100.0	39.0	27.4	33.6

Percentages may not add to total due to rounding.

Table 10-A: Extent of Loan Realization, 1976.

Camp	Male					Female				
	Loan given	Realised in due time	Realised after due time By 3 months	Realised after due time During later period	Outstan- ding	Loan given	Realised in due time	Realised after due time By 3 months	Realised after due time During later period	Out- stan- ding.
Manikgenj	14,800	8,000	2,400	1,500	2,900	10,530	5,355	500	175	
%	100.0	54.1	16.2	10.1	19.6	100.0	50.9	4.5	1.7	
Garpasa						1,530	900	544	86	
%						100.0	53.8	35.6	5.6	
Betila	6,450	3,686	125		2,639	3,400	1,116			2,284
%	100.0	57.1	1.9		40.9	100.0	32.8			67.2
Total	21,250	11,686	2,525	1,500	5,539	15,460	7,371	5,544	261	2,284
%	100.0	55.0	11.9	7.0	26.1	100.0	47.7	35.9	1.7	14.8

Table 10-B: Extent of Loan Realisation, 1977.

Camp	Male					Female				
	Loan given	Realised in due time	Realised after due time by 3 months	Realised after due time during later period	Outstanding	Loan given	Realised in due time	Realised after due time by 3 months	Realised after due time during later period	Outstanding
Manikganj	1,32,273	13,950	22,275	38,275	57,773	49,008	6,700	9,700	6,210	26,398
%	100.0	10.5	16.8	28.9	43.7	100.0	13.7	19.8	12.7	53.9
Garpara	63,359	48,700	14,234	100	325	14,800	14,800			
%	100.0	76.9	22.5	0.2	0.5	100.0	100.0			
Betila	36,713	13,573	4,215	1,290	17,635	11,050	10,650			400
%	100.0	37.0	11.5	3.5	48.0	100.0	94.4			3.6
Balirtek	2,500	2,500								
%	100.0	100.0								
Total	2,34,845	78,723	40,724	39,665	75,733	74,858	32,150	9,700	6,210	26,798
%	100.0	33.5	17.3	16.9	32.2	100.0	42.9	13.0	8.3	35.8

Table 10-C: Extent of Loan Realisation, 1978.

Camp	Male				Female			
	Loan given	Realised in due time	Realised after due time	Outstanding	Loan given	Realised in due time	Realised after due time	Outstanding
Manikganj	17,200			17,200	7,500	1,365		6,135
%	100.0			100.0	100.0	18.2		81.8
Garpasa	15,778	11,778	3,000	1,000	11,820	4,320	7,500	
%	100.0	74.6	19.0	6.3	100.0	36.5	63.5	
Betila	500	500	6,100	1	6,100	1	1,000	5,100
%	100.0	100.0			100.0		16.4	83.6
Balirtek	6,120	3,600	20	2,500	22,020	17,750	947	3,343
%	100.0	58.8	0.3	40.8	100.0	80.5	4.3	15.2
Total	39,598	15,878	3,020	20,700	47,440	23,415	9,447	14,578
%	100.0	40.1	7.6	52.3	100.0	49.4	19.9	30.7

Table 11: Schemes Executed with the Help of B&C's Grant.

Scheme	No. of schemes executed			
	1977	1978	1979	Total
Pond Excavation	4	11		15
Pond Reexcavation		1	3	4
Embankment	1			1
Land Raising	1			1
Road			10	10
Road cum-Embankment			1	1
Road cum Canal			1	1
Canal			5	5
Agricultural activity	3			3
<b>Total</b>	<b>9</b>	<b>142</b>	<b>20</b>	<b>41</b>

1. ECONOMIC SUPPORT PROGRAMME: SOME CASES

3.1: Schemes under the Programme

During Phase I, EMAC gave loan to groups for 159 schemes in total, representing varying nature of activities. Here, the operation of 13 schemes have been discussed in brief to have an idea how the programme is going on.

3.2: Ground Nut Cultivation.

Village: Gosainagar.

Name of the group: Gosainagar N.S.S.

No. of members in the group: 27

Scheme: Cultivation of ground nut.

The group received a loan of Tk. 925 from EMAC in November, 1970. They sharecropped in 1.5 acres of fallow land in the sloping sandy bank of the river, adjacent to the village, from 10 land-owners. Since the land was a fallow one, land-owners agreed to take 25% of the harvested crop as their share against the usual practice of 50%. However, all costs of production were borne by the members of the group. Their cash expenses on inputs are as follows:

- a. Seed: 2 maund  
= Tk. 520 (Tk. 260 per maund)  
Transport cost = Tk. 30.
- b. Employment of outside labour: 10 mandays  
= Tk. 100 (Tk. 10 per manday )  
Total cost = Tk .650. . . . . (A)

They worked leisure hours and consumed the rest of the loan as food support.

Ground nut was harvested in late May, 1979. Their income position is stated below.

Total harvest = 14 md.

Share of the group = 10 md. 20 ar.

Revenue accrued to the group

= Tk. 1081.50 (Tk. 103 per md). . . . . (B)

Net income = B - A - 1 ( amount of interest on loan )

= Tk. 431.50 - 1 . . . . . (C)

The loan was not yet matured for repayment. Hence, the amount of interest could not be calculated. They distributed 1 md. 3 ars. of ground nut among themselves and kept the sale proceeds from the rest of the quantity, worth Tk. 972. . . . . (D) in their group fund to repay the loan and to keep the rest of the amount as savings. Omitting the amount of interest, the potential saving amounts to

D - Tk. 925

= Tk. 47 . . . . . (E)

Hence, saving as percentage of net income amounts to: 10.9.

They had to remain satisfied with this outcome which might have been more profitable. They grew ground nut for the first time and failed to estimate per acre seed requirement properly. They sowed double of the standard quantity (25-35 ars. per acre ) which affected both the factor cost and the yield adversely. The yield per acre was only 9.33 md. against the national figure of 12.15 md. in 1976-77 ( Bangladesh Bureau of Statistics: Year-Book of Agricultural Statistics in Bangladesh, Dacca p. 149). After the harvest, they could not dry the product due to continuous rainfall at that time and sold the produce hurriedly. So they got a lower price in the market.

However, they have learnt the process of cultivating ground nut and they hope that the mistakes will not be repeated in their next venture.



3.3: Sugarcane Cultivation.

Village: Shakrail.

Name of the group: Shakrail Sanabaya Samity.

No. of members: 18

Scheme. Sugarcane cultivation & molasses making.

The group borrowed Tk. 15,000 from BAAC in the Winter, 1977-78. They sharecropped in 13.5 acres of land from 16 landowners for one year to cultivate sugarcane with the condition that land-owners would bear half of the harvest and post-harvest costs and would get half of the total revenue.

The group had no plough and bullock of its own. They tilled the land with spade and used no wage labour throughout the operation. The budget position of the scheme is as follows:-

Non-labour costs:

- i) Pro-harvest: Seed = Tk. 8,000. . . . . (A)
- ii) Post-harvest: Molasses making = Tk. 7,125
  - ( Paid to machine-man)
  - container (300 nos.) = Tk. 1,050
  - Fuel, etc. = Tk. 340
  - Total post-harvest costs Tk. 8,515. . . . . (B)
  - Post-harvest cost paid by the group
  - =  $\frac{1}{2}$  B = Tk. 4,257.50. . . . . (C)

The members of the group consumed the rest of the loan as food support during the period.

- Food support = Tk. 2,742.50. . . . . (D)
- A + C + D = Tk. 15,000

It was agreed that land-owners would bear half of the harvest cost. It took 750 mandays of labour to harvest the crop and land-owners paid the wage for 375 mandays of labour at the rate of Tk. 10 per manday.

Labour cost paid by land-owners = Tk. 3,750. . . . . (E)

In total, 350 mds of molasses was produced which was sold at the rate of Tk. 175 per md. Also they sold Tk.9,000 worth of seedling.

Total revenue = Tk. 70,250. . . . . (F)

Group's share =  $\frac{1}{3}$  = Tk. 35,125. . . . . (G)

They repaid the loan to BRAC.

Interest on loan = Tk.2,200. . . . . (H)

Groups net income = G+E - (A+C+H) = Tk. 24,417.50

Then group saved Tk. 10,000 from their income and eventually invested it in sugarcane cultivation during the next rabi season. The extent of investible surplus was spectacular which amounted to 41% of their income.

#### 3.4: Jute Cultivation.

Village: Pura Baichal.

Head of the group: Pura Baichal Srannjibi Krishak Sanity.

No. of members: 20

Scheme: Jute cultivation.

The members of the group did not take any loan from BRAC. The newly formed group had been striving to accumulate capital through individual subscription of Tk.2. per month. To expedite the formation of capital, they harvested 3 acres of khesari in April/May, 1978 and earned Tk.360 from a land-owner. Then they sharecropped in 0.62 acre of land from the local Kadrana in May,78 to grow jute. Their cash expenses were as follows:

Seed ( 3 lbs ) = Tk. 13.50

Levelling of land = Tk. 22.00

(paid to hired labour )

Rent of plough & bullock = Tk. 30.00

Chemical fertiliser = Tk. 71.00

Total cost: Tk. 136.50. . . . . (A).

All other works were performed by the members of the group.

They harvested 6 mds. 15 mrs. of jute from the land and sold it at the rate of Tk. 140 per md.

Revenue: Jute = Tk. 892.50

Jute Stick = 240.00

Total revenue = Tk. 1,132.50 . . . . .(B)

50% of B was deposited to the credit of Madrasa.

The share of the group =  $\frac{1}{2}$  B

= Tk. 566.25 . . . . .(C)

Net income accrued to the group = C - A = Tk. 429.75

They reinvested the whole income in lease of land and cultivation of rabi crops subsequently.

3.5: Potato Cultivation.

Village: Char Hatta.

Name of the group: Purbayara K.S.S.

No. of members: 20

Scheme: Potato cultivation.

The members of the group borrowed Tk.2,400 for one year. They first sharecropped in 0.27 acre of land in September, 1973. The land was owned by two members of the same group. It was agreed that land-owners would bear 50% of non-labour costs and would get 50% of the harvested crop. Cash expenses of the scheme are:

Seed ( 6 mds.) = Tk. 750.00

Chemical fertiliser Tk. 143.50

Basket ( 3 ) = Tk. 12.00

Jute bag ( 1 ) = Tk. 3.50

Total expenses = Tk. 909.00 . . . . .(A)

They harvested 38 mds of potato in December, 78 (equivalent to 140.74 mds. per acre) . The productivity was satisfactory compared to average per acre yield of 24.05 mds. in Manikganj (BRAC: Manikganj Agriculture, Income & Asset Survey 1977, Dacca, 1978, p. 59).

They sold the produce at rates ranging from Tk. 50 to Tk. 60 per md.

Revenue = Tk. 2102.50. . . . . (B)

Net income of the group =  $\frac{1}{2}$  (B-A)

= Tk. 596.75

The whole income was saved and reinvested in subsequent agricultural activities.

3.5: Khesari and Paddy Cultivation.

Village: Dhalai.

Name of the group Dhalai K.S.B.

No. of members: 16

Scheme: Khesari & Paddy cultivation.

The group borrowed Tk.6,275 from BRAC in late '77. They leased in 1.32 acres of triple cropped land for five years with Tk.4,000. They grew Khesari during the rabi season, 1977-78. They had to purchase 2 mds of seed. They themselves worked in the land and harvested 16 mds. of khesari.

Cost:

Seed = Tk.2,00. . . . . (A)

( Tk. 100 per md. )

Revenue:

Khesari = Tk. 1376

( Tk. 36 per md. )

By Product (straw) = Tk. 100

Total revenue = Tk. 1,476 . . . . . (B)

Yield per acre seems to be satisfactory which is 12.12 mds. against that of 5.99 mds. in Hanikganj (Ibid: p.51 ).

Then they grew aus and aman paddy together in 0.32 acre and transplanted aman in 1 acre. The budget position of the crops are :

a. Aus/Aman:

Cost: Seed (15 seers ) = Tk. 45. . . . . (C)  
= ( Tk. 120 per md. )

Yield: Aus = 1 md. 20 seers.

Aman = 4 md.

Total revenue = Tk. 550 ( Tk. 100 per md. ) . . . . . (D)

b. Transplanted aman:

Cost: Seed ( 1 md. 5 seers) . . . . . (E)  
= Tk. 135 ( Tk. 120 per md. )

Yield = 17 mds. 4 seers. of paddy.

Revenue: Paddy = Tk. 1710 ( Tk .100 per mds. )

Straw = Tk. 100

Total revenue = Tk. 1810. . . . . (F)

The group used its own labour power throughout the operation. They had to pay Tk. 4,000 as rent of land for five years which was equivalent to Tk. 800 per year ( for three seasons ).

Rent of land = Tk. 800. . . . . (G)

Net income of the group = B+D+F - (A+C+E+G) ( minus the amount of interest to be paid at the time of recovery of the loan. Part of the loan is yet to be recovered and hence, the exact amount of interest could not be estimated ).

= Tk. 2,656.

The group preserved 2 mds. of khosari ( worth Tk. 172) as seed. Also they saved Tk. 605 in cash. Total value of savings amounted to Tk.777 which was 29.3% of their net income. The rest of the income was distributed among them equally.

**3.7: Irrigation.**

Village: Jaira

Name of the group: Jaira Multipurpose K.S.S.

No. of members: 23

Scheme: Irrigation.

This is a novel kind of scheme that has proved commercially profitable. The group hired the local deep tube-well from the government and supplied water to irrigate 40 acres of land owned by 30 land-owners of the same village during the winter, 1977-78. Also they excavated canals for this purpose.

A managing committee of 25 members was formed to run the scheme of which 12 members were selected from land-owners. 13 members represented the group of which one was the manager. It was agreed that the group would bear 50% of the cost of the scheme. Besides, the group would be entitled to use its own labour power to meet all labour requirements. After the harvest, 25% of total revenue would go to the managing committee and the rest to land-owners. The return to the committee, then, would be divided into 25 shares of which 12 would go to the group, and the manager and 13 to the representatives of land-owners. The operation of the scheme was as follows:

Amount of loan from BKAC = Tk. 15,000

a. Labour cost: Construction of canal (750 mandays) = Tk.7,500

Salary of one driver and 2 chowkidars for five months = Tk.5,000

Harvesting and threshing (150 mandays) = Tk. 1,500

Total cost ( labour ) = Tk.14,000. . . . . (A)

Cost borne by land-owners =  $\frac{1}{2}$  = Tk.7,000. . . . . (B)

b. Non-labour cost: Fuel = Tk. 10,800  
Rent of tube-well = Tk. 1,200  
Total cost (non-labour): Tk. 12,000. . . . . (C)  
cost borne by the group: Tk. 5,000. . . . . (D)

Due to flash flood, the harvest was poor. Total yield amounted to 1,000 mds of paddy. The group's share was:

120 mds. of paddy = Tk. 10,080 . . . . . (E)  
(Tk. 84 per md. )

Share of manager = 10 md. of paddy  
= Tk. 840. . . . . (F)

Income accrued to the group: E+F - D  
= Tk. 11,920 ( minus the amount of interest )

They were scheduled to repay the loan by September, 1978. But they failed to repay it in due time. In consultation with BRAC staff, they kept the revenue (E) with them to invest it during the next winter.

During the winter 1978-79, they again embarked on the same scheme with 50 acres of land. The budget position was as follows:

a. Labour cost: Canal excavation & re-excavation = Tk. 2,000  
Salary of driver & Chawkidars = Tk. 5,000  
Harvesting & threshing = Tk. 2,000  
Total cost = Tk. 9,000 . . . . . (A)  
Cost borne by land-owners =  $\frac{1}{2}$  A  
= Tk. 4,500. . . . . (B)

b. Non-labour costs:  
Rent of tube-well = Tk. 1,200  
Fuel = Tk. 11,960  
Total cost = Tk. 13,160. . . . . (C)  
Cost borne by the group =  $\frac{1}{2}$  C  
= Tk. 6,580. . . . . (D)

Total yield = 1,600 nda. of paddy

The share of the group = 192 nda.

= Tk. 18,240 ( Tk.95 per nda. ) . . . . .(E)

The share of the Manager = 16 nda.

= Tk.1,500. . . . .(F)

Income accrued to the group = B+E-F-D

= Tk.17,680 ( minus the amount of interest). . . . .

This time, the harvest was better and the market price of paddy was higher. The scheme became profitable and the total loan was repaid.

3.8: Muri Making

Village: Dhalai.

Head of the group: Dhalai Mohila Sanity.

No. of members: 12

Scheme: Muri making.

The group received Tk.3,000 from BHAC as loan in July, 1978, and started working in three teams. Each team consisted of four members. They used three dhakis ( husker ), one by each team.

They used to buy paddy from the local market. First, paddy was soaked and boiled. Then it was dried and husked. Husked rice was fried in a pan. The whole operation for a single cycle ( from soaking to frying) normally takes five days, though all the stages of operation can be done simultaneously with separate quantities of paddy.

The operational routine is as follows:

- 1st day: Soaking of paddy
- 2nd " : Parboiling " "
- 3rd " : Drying " "
- 4th " : Husking " "
- 5th " : Muri making (frying )



Wool being a substantial negligible cost other than that of paddy. But is used as fuel. Washi (Fuel made of washing) worth Rs.5 is used to boil one mt. of paddy.

It was observed that one can make 22 more of wool from 1 mt. of paddy. Income from wool at different prices of paddy is shown below.

Paddy per mt. (Rs.)	Wool (lbs.)	Total cost (Rs.)	Wool of wool (lbs.)	Wool per mt. (Lbs.)	Wool cost (Rs.)	Net Income (Rs.)	Net Income per sheep (Rs.)
45	5	90	22	240	152	48	16.5
100	"	105	"	260	163	50	16.5
125	"	130	"	280	174	50	17.3
150	"	155	"	320	196	51	18.25

It is revealed from the table that income from wool has a negative correlation with the current price of paddy.

The members of the group has been much benefited from the scheme which has become a regular source of income to them. They have formed their own savings which has been invested on cow-rearing and agriculture.

### 3.6: Summary:

Village: Dalli & Shaitta.

Name of the group: Saha Mobile Society.

No. of members: 15

Scheme: Cow-rearing.

The group borrowed Rs.7,500 from S.M. in January, 76. They purchased 15 calves and each member of the group was entrusted with the responsibility of rearing one calf. Rearing cost was negligible which required no cash expense. After one year, 16 calves were sold. One calf was not properly

reared and the woman concerned continued to rear it.

Cost ( 15 calves ) = Tk. 7,500 . . . . . (A)

= (Tk. 500 each )

Cost of 14 calves = Tk. 7,000 . . . . . (B)

Sale price of 14 calves = Tk. 14,614. . . . . (C)

They repaid the loan to BRAC after a lapse of few months from the scheduled date of repayment, since, they had been waiting for a higher market price for calves.

Amount of interest on loan = Tk. 1,136. . . . . (X)

Net income = C - (B+X) = Tk. 6,678. . . . .

50% of net income was distributed among the members of the group equally and the rest was saved in the group fund.

### 3.10: Pisciculture

Village: Aurangabad

Name of the group: Aurangabad Palley Unnayan Samity and  
Aurangabad Mohila Samity (Joint Venture)

No. of Members: Male = 24

Female = 15

Total = 39

Scheme: Pisciculture

They started fish rearing in a tank within the village in August, 1978. Earlier, land of the tank was leased in by BRAC for 15 years from four owners to help the group members in pisciculture. A tank was excavated on the land in early '78 with the help of voluntary labour from groups to 20% and the remainder paid by BRAC. The tenancy condition of lease included a 25% share of income from the tank to be given to land owners.

The members of groups started their scheme with their own capital which they formed through individual subscription of Tk.2 per month. Their cash expenses in the scheme were as follows:

Fish fries (3,000)	= Tk. 469
Husk (2 mds.)	= Tk. 125
Line (30 mds.)	= Tk. 60
Oil cake ( 1 md.)	= Tk. 83
Chemical fertiliser	= Tk. 20
Total expenses	= Tk. 757 . . . . .(A)

(Fish fries are of rui, katla and  
mrigel varieties)

Also they applied some quantity of cow-dung from their own stock. They have not yet started selling fish from the tank. However, they expect a revenue of Tk.4,000 from their stock in the tank.

3.11: Weaving.

Village: Dhalai & Sharupai

Name of the group: Weaver Co-operative Society

No. of members: 10

Scheme: Weaving.

The group has 10 handlooms, one owned by each member. They received a loan of Tk.7,500 from BAC in March, 1979. The loan was mostly used to buy cotton yarn. They weave only sari and lungi and sell to local merchants at a wholesale price.

Weaving is purely a household activity where one man weaves and normally two others help him by performing other subsidiary works (pre-weaving). Usually child family labour is utilised in this respect.

2 length of Zaghibof Ensoles

Cost of cotton yarn ( 40 count)	= Tk. 64
Sale price	= Tk. 90
Net income	= Tk. 26
	= Tk. 13 per saree

2 length of 4 lungies involves:

Cost of cotton yarn ( 60 count)	= Tk. 85
Barley, etc.	= Tk. 5
Total cost	= Tk. 90
Sale price	= Tk. 148
Net income	= Tk. 58
	= Tk. 14.50 per lungi

One weaver with average skill and intensity of work can weave 2 sarees and 4 lungies in one and two days respectively.

3.12: Bidi Making

Village: Barangakhola

Name of the group: Sarasajibi Mohila Samity

No. of members: 17

Scheme: Bidi making

The group received a loan of Tk.6,000 in September '77 and another loan of Tk.2,100 in October, '77. They were trained by a local expert in bidi making for two months ( March - April '78). A large amount was spent in procuring licence, making block for printing of package and advertisement.

Till mid-78 they had been undergoing the preparatory phase. During these months, they suffered such losses due to their poor advertisement policy and inadequate market knowledge. The block, a sophisticated and urban one, proved unpopular among consumers. At that time, the future of

the scheme became uncertain. But BRAC staff had been striving a lot to engage those women in such a venture which might be a regular source of income to them, if they would become successful.

During May-June, 1978, they received another loan of Tk.6,700 from BRAC to construct their own factory. They built a tin-shed structure for the purpose. Since, July, 1978, they had been working more or less regularly. Two male persons from the same village with similar socio-economic background help them in their work; one in management of production, and the other in marketing. To improve the mode of advertisement, they have been using small posters instead of street corner meetings which they followed earlier. Though their scale of production is too small, the whole production is marketed successfully.

One woman can make 1,000 sticks of bidi a day in her leisure hours. To make 1,000 bidi, following costs are involved,

1000 pieces of rolling paper	= Tk. 5.00
40 pieces packaging paper	= Tk. 2.35
1 ar. <del>labourer</del>	= Tk. 7.60
Perfume	= Tk. 0.55
Excise tax	= Tk. 8.00
Total expenses	= Tk. 23.50
Sale price of 1000 bidi	= Tk. 28.00
Net income	= Tk. 4.50 which is distributed in the following manner
Women labourer	= Tk. 2.50
Male Associates	= Tk. 1.00
Savings	= Tk. 1.00

There is a market for large scale production of bidi in that area. However, they have attained a capacity of producing only 2,00,000 sticks of bidi per month.

3.12: Block Printing

Name of the group: Manikganj Shebika Sanity.

No. of members : 10

Scheme : Block Printing.

The members of the group have come from different villages of Manikganj. They had been working with their respective groups as health worker and functional education teacher. To earn their subsistence through productive means they formed a cooperative in early '78. First, five women received training in block printing from a local trainer for two months. The expenses of training and other necessary equipments were borne with the help of a grant given by BRAC.

In December, 1978, they borrowed Tk. 1,000 from BRAC. One of them was sent to India for advanced training in February, 1979. Her training expenses were borne by the UNICEF through Karika, a marketing centre of rural crafts in Dacca. Back from India, she trained 10 women including those who were trained earlier. The scale of work is still limited and the product is mainly being marketed at a rural craft centre in Dacca called "Karong", sponsored by BRAC.

At present, the work is going on regularly. With wooden block, they print bedsheet and table cloth, in particular. The profitability position is depicted below:

a. Single bed-sheet:

Costs: Harkin cloth	= Tk. 37.00
Dye	= Tk. 10.00
Laundry	= Tk. 2.00
Sewing	= Tk. 1.50
Input procurement & marketing	= Tk. 2.50
Total	<u>Tk. 53.00</u>
Sale price	= Tk. 65.00
Net income	= Tk. 12.00

b. Round table cloth ( with 6 napkins):

Cost: Markin cloth	= Tk. 70.00
Dyes	= Tk. 10.00
Laundry	= Tk. 8.00
Sewing	= Tk. 5.00
Input procurement & marketing	= Tk. 4.00
Total costs	= Tk. 97.00
Sale price	= Tk. 120.00
Net income	= Tk. 23.00

One skilled women can print 3 bed-sheets and two table cloths ( with napkins ) a day if the design of the block is simple.

The scheme seems to be highly profitable one. Also, investment-income ratio is highly lucrative.

At present, there are four skilled women among them. Previously, income had been distributed among them equally. Now, everyone is getting her share according to her work.

3.14: Ericulture

Village: Chander Char

Name of the group: Gramajibi Mahila Sadity

No. of workers: 7

Scheme: Ericulture

The scheme was started in the village of Chander Char in November, 1978. BRAC supplied them 7 charka ( indogenous spinning wheel). One women work with a charka assisted by one or two family labour. BRAC also supplies eggs for cocoon (sheath of insect in chrysalis stage) rearing at home. Seeds of varenda ( custer: a substitute of mulberry) are also supplied by BRAC for plantation. Varenda leaf is the food of the silk worm.

The rearing of cocoon takes a cycle of 45 days. They use a self made of bamboo at their home where eggs are kept on a tray. Varenda leaf

is given to worms, these develop from eggs, thrice a day. At the end of the cycle, cocoons are brought to BMAC office and after necessary processing they are sent back to the group for spinning. Hanks of spun thread are sold to the sericulture farm run by Silk Board of the government at Jaidevpar, Dacca through BMAC. The production by the group during January - June, '79 is shown below:

Month	No. of hanks produced.	No. of charks in operation	Production per charka
January	54	2	27
February	177	4	44
March	381	7	54
April	437	7	62
May	551	7	70
June	700	7	100

The table demonstrates that the skill and intensity of work has been moving in a positive direction. But they are yet to attain the capacity to rear sufficient number of silkworms for their uninterrupted employment.

It is revealed from discussion with members of the group that one woman does the volume of work as follows:

Thread (count No.)	Spinning of hanks per day	Sale price of one hank	Revenue
40	10	Tk. 0.80	Tk. 8.00
60	8	Tk. 1.00	Tk. 8.00
80	7	Tk. 1.20	Tk. 8.40

At present, they have been mostly producing hanks of 60 count. With respect to their volume of work in June, 1979, they have been able to utilise only 42% of their capacity. In order, to utilise their capacity to the full extent, they will have to rear about 17,000 silkworms



per cycle. However, they have now attained the capacity to rear 14,000 worms, 2,000 by each member of the group.

BRAC has planned to realise the price of charka on a long-term basis. Each bank of 80 count is sold at Tk.1.20 and BRAC pays them Tk.1.00 only. The rest of the amount(Tk. 0.20)is taken by BRAC.

#### 4. APPRIAL

##### 4.1: Impact

BRAC's economic support programs, superficially, reflect increasing concern for rural poverty. The magnitude of this poverty is, however, so large that even if all schemes prove highly successful, no significant impact can be expected in the short run. However, some resultant features may be mentioned here to have a shallow idea about the programs in retrospect.

##### 4.2: Saving & Investment

There are two aspects of employment, its impact on present consumption and its impact on investment ( i.e., future consumption ). The extent of savings and investment by groups from their income reveals their determination to give relative weights for the future consumption stream which seems to be a positive attitude towards development.

##### 4.3: Spontaneous Collectivism

Formation of cooperative societies coupled with BRAC's economic support programs has been producing the required ferment to uphold the spirit of collectivism. This induced many disadvantaged groups to go for collective economic activities without BRAC's financial assistance.

4.01 Shift of Emphasis

Agricultural schemes of rural extension in developing are mainly done on land basis under the system of lease or sharecropping. Considering a wage based agriculture on the one hand and a tenant farm on the other the wage may be significantly higher than the supply price of labour in a tenant farm, though the real cost of labour in the latter may not be lower than the wage rate. Hence, under-employment may be more rampant in such a tenancy system.

This can lead to new thinking in handling the subject. Emphasis has been shifted more and more towards non-agricultural activities.

4.02 Incentive Approach

World Bank has been striving to explore all systems of employment and wage under incentive and also various training schemes for being undertaken. Especially, the scheme of block printing and orientation may be mentioned in this respect. These schemes helped the rural women to acquire new skill and access to new market and ultimately lead to employment generation via a via reduction of under-employment in the traditional sector to some extent.