



BANGLADESH RURAL
ADVANCEMENT COMMITTEE

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INITIATING DEVELOPMENT
BRAC's Economic Support
Programme In Sulla:
Some Case Studies

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THE J.N.ND.PUR GROUP

| | |
|----------------------------|--------------------------------|
| Number of Working People : | 65 |
| Nature of work : | Paddy cultivation (IR-8, BR-3) |
| Amount of land : | 40 acres. |
| Loan from B.N.C : | Tk. 45,500 |
| Duration of scheme : | 6 months (Dec.'77 to May,'78) |

II

The members of the group were purely landless. They got 37.67 acres of khas land from the Government under permanent settlement in September, 1977. With B.N.C's support, they embarked on collective farming on this plot of land. The actual position of the scheme can be understood with the help of following tables.

Table 4.1-a: Investment on Seed-bed.

| Input | Qty./No. | Rate of rent | Cost |
|-------|----------|------------------|---------|
| Land | 2 acre | Tk. 125 per acre | Tk. 250 |
| Hal | 2 | Tk. 15 per hal | " 30 |
| Total | | | Tk. 280 |

They got 15 maunds of BR-3 seed from B.N.C free of cost. Out of this amount, they sowed only 7 maunds. They sold the rest of the amount and purchased necessary quantities of other varieties of seed.

Actual investment on seed by the group

= Tk. 203.13.

Table 4.1-B: Cost of Fertilizer.

| Variety | Quantity | Rate per md. | Cost. |
|---------|----------|--------------|-----------|
| Urea | 31½ md. | Tk.60 | Tk. 1,875 |
| T.S.P. | 33 " | Tk.50 | Tk. 1,650 |
| M.P. | 27½ " | Tk.40 | Tk. 1,100 |
| Total | | | Tk. 4,625 |

Table 4.1-C: Cost of Pesticide.

| Variety | Quantity | Rate per lbs. | Cost |
|----------|----------|---------------|---------|
| Melathin | 18 lbs. | Tk. 8 | Tk. 144 |
| Desutin | 50 lbs. | " 6 | Tk. 300 |
| Total | | | Tk. 444 |

Table 4.1-D: Other Physical Investments.

| Input | Number | Cost |
|---------------------------------|--------|------------|
| Tractor | 1 | Tk. 11,000 |
| Power Pump | 1 | Tk. 10,506 |
| Spray Machine (depreciation) | | Tk. 25 |
| Total | | Tk. 21,531 |

Costs against tractor and power pump refer to rent thereof. The spray machine is owned by the group which cost Tk. 125. Taking the life of the machine as 5 years, depreciation is calculated for a single year as Tk. 25.

Table 4.1-E: Cost of Transportation.

| Purpose | Cost |
|-----------------------|--------------|
| Purchase of pesticide | Tk. 33.50 |
| Sale of paddy | Tk. 2,205.50 |
| Total | Tk. 2,239.00 |

Table 4.1-F: Opportunity Cost of Labour.

| Phases of operation | Mandays involved |
|---|------------------|
| Tilling of seed-bed and sowing | 54 |
| Irrigation in seed-bed | 14 |
| Fertilizer application in seed-bed | 4 |
| Preparation of main land | 77 |
| Transplantation | 880.5 |
| Weeding | 66 |
| Application of fertilizer and pesticide | 38.5 |
| Harvesting, threshing and storing | 1218 |
| Total | 2352 |

The opportunity cost of labour for one man-day was Tk. 10. Thus the total cost of labour amounted to
Tk. 10 x 2,352
= Tk. 23,520.

By adding all costs represented in the above mentioned tables, we get total cost which is:
Tk. 52,842.13.

Table 4.2: Revenue.

| Output | Quantity | Rate per md. | Value |
|--------------|---------------|--------------|----------------------|
| Paddy | 388 md. | Tk. 82.40 | Tk. 31,971.20 |
| | 175 " | Tk. 65.00 | Tk. 11,375.00 |
| | 99 md. 35 sr. | Tk. 70.00 | Tk. 6,991.25 |
| Straw | 200 md. | Tk. 10.00 | Tk. 2,000.00 |
| Total | | | Tk. 52,337.45 |

Total output of paddy in 22 acres = 662 md. 35 sr.

Yield per acre = 30 md. (apprx.).

Table 4.3: Profitability.

| Gross cost | Interest on loan | Total cost | Revenue | Loss |
|------------|------------------|------------|-----------|------------|
| Tk. | Tk. | Tk. | Tk. | Tk. |
| 52,842.13 | 2,777.02 | 55,619.15 | 52,337.45 | (3,281.70) |

III

Plantation was too late. They could bring only 22 acres of land under cultivation. To minimise the loss, they grew jute on 1.5 acres of land. Actual cost in the form of remuneration to labour in the farming of jute was Tk. 948. They harvested 18 mds. of jute with a value of Tk. 1800 (Tk. 100 per md.). Thus a profit of Tk. 852 accrued from this diversification of activity. Adding respective values of both crops, we get following information.

Table 4.4: Profitability (including jute).

| Total cost | Total revenue | Loss |
|---------------|---------------|----------------|
| Tk. 56,567.15 | Tk. 54,137.45 | (Tk. 2,429.70) |

The social profitability in terms of other benefits resulting from the project is no less significant. The fallow land has become cultivable. The present market price of the land is Tk. 10,000 per acre and the economic rent (for one season) is Tk. 1,000 per acre. The rate was Tk. 1,500 and zero respectively prior to cultivation.

IV

The scheme failed to absorb the men-power fully. Employment in the scheme corresponded to 20% of the available labour-power.

Table 4.5: Employment of Labour.

| Number of workers | Duration of activity | available mandays | Mandays employed | % of employment. |
|-------------------|----------------------|-------------------|------------------|------------------|
| 65 | 180 days | 11,700 | 2,352 | 20 |

The degree of employment is very poor. Moreover, the figure contains an element of under-employment in it with respect to the volume of work. The people were visibly active but underutilized. Many were occupied on a full-time basis even though the services they rendered might actually require much less people. If available work would have been shared among them the disguise would disappear and underemployment would become

The original scheme of the group was planned for 40 acres of land. Actually, they had 37.67 acres at their disposal of which 22 acres were covered by plantation. The scheme had provision for the employment of 1848 mandays of labour which was empirically more or less realistic. Phases of operation preceding plantation (tilling of seed-bed and its preparation, ground preparation for plantation, etc.) were done for the total amount of land to be cultivated (as assumed) and rest of the phases following with plantation were done only for 22 acres. Considering in this context, a less number of mandays would have been involved if employed proportionately. But the actual employment amounted to 2,352 mandays of labour, containing an extra amount of labour with increased factor cost and zero social marginal productivity.

One aspect of the low level of employment owed to the poor land-man ratio. Per capita land endowment (operational) was only 0.34 acre.

V

The group hired a tractor for tilling which was very helpful to them in tilling an unlevelled fallow land. But the tractor remained out of order for critical three weeks which delayed plantation seriously. Plantation could be done for 22 acres only, though it was too late. Late plantation resulted in late harvesting which was at the brink of wastage due to monsoon water.

The group also hired a power pump for irrigation. Their land was relatively higher and it was difficult some to lift

water manually with don. Possibly, they could use don with the huge reservoir of man-power at their disposal. Since, man can build pyramids and dams, change the course of river and the example of Techai in the recent past reveals that man can even transform a mountain into a cultivable land. However, this would necessitate a tremendous forward thrust in action coupled with ideological conviction which was lacking in the group.

It is important to note the indivisibility of certain inputs which do not come in small units. It is not possible to use half a power-pump or a fraction of a tractor. If such inputs are to be used, the scale of operation is to be sufficiently large to get the benefits of economies of scale. The group employed a 2-cusec power pump with a capacity to irrigate 45 acres of land. In the scheme, there was the provision to cultivate 40 acres of land. Actually, 22 acres were cultivated. The shrinkage in the amount of land led to the under-utilisation of the capacity of the power pump resulting in a higher factor cost.

VI

According to the scheme document, transplantation would require 400 mandays of labour to cover 40 acres of land (10 mandays per acre), whereas it took 834.5 mandays to transplant only 18.78 acres (44.44 mandays per acre). This long delayed action, along with the impending danger that they might not be able to finish transplantation in due time, led them to think otherwise. The leadership of the group visualised that collective mode of action failed to stimulate one to work with one's whole heart. The members

of the group were urged to transplant. 14 acre each individual. Material incentive in the form of 20 seers of paddy (to be paid after the harvest) was assured to each individual who would work accordingly. Only 23 persons out of 65 members volunteered and they transplanted 3.22 acres of land within two days involving 46 mandays in total (14.29 mandays per acre). Material incentive squared with competitive enthusiasm played a determining role to accomplish this.

Now, it is permissible to draw the analogy that individual mode of activity is more efficient and economically viable than the collective mode of activity, particularly in agriculture. This is a view which may be widely accepted. Holders of this view may relate their conclusion with such experiences, empirically proved inefficient. They may find a happy hunting ground in collectivisation by exploiting its negative results.

The planners of the scheme might have assumed a favourable 'system' as a constant factor. They apprehended that the scheme would work successfully provided the system would exist as ceteris paribus. It is just such a system, a set of conditions, that concern us in the present study, for in our view it is equally legitimate to argue and to demonstrate that collectivisation in itself is not inefficient. The success could not be achieved for certain reasons, that the set of conditions assumed earlier did not work accordingly.

It was evident from the reality that collective farming failed to produce the required ferment among the members of the group. Literally speaking, they were involved in collective farming. What it dealt with was relatively a large scale of operation; what it omitted was the psychological adaptation

to the ideology of the 'new system' of activity.

Transformation from one system to another involves the most difficult and profound problem in the historical perspective. Building of a small island of a collectivised community undermining its traditional matrix is undoubtedly utopian. It is explicit that the transition from an old system to a new one is a unique historical process during which human nature undergoes radical transformation. For we should be under no illusion that human nature and level of consciousness specific to collectivisation can exist in anything but name in the absence of the kind of human material which alone can give them sense and meaning.

An old system does not wither away nor a new system is established automatically. The peasantry can be motivated and educated only gradually. They can be stimulated only by successful practical examples. The coincidence of the changing of a system and of human nature can be conceived and rationally understood only through 'practice'. Besides, there is the need for continued reflection on what did happen and what could have happened, the lessons to be learned from the past and the errors which might be avoided in similar circumstances. And finally, the peasantry have to undergo years of experience and struggle not only to change the system but to change themselves.

VII

The amount of revenue subtracting all non-labour costs went to the members of the group as their share. The position is shown in the following table.

Table 4.6: Share of Labour from Revenue.

| Total cost (non-labour) | Total revenue | Share of labour |
|------------------------------|------------------|--------------------|
| Tk. 32,099.15 | Tk. 52,337.45 | Tk. 20,238.30 |

The table excludes respective figures of jute.

Table 4.7: Per Capita Daily Share of Labour.

| Total share of labour | Mandays employed | Share per manday |
|--------------------------|---------------------|---------------------|
| Tk. 20,238.30 | 2352 | Tk. 8.60 |

The principle of distribution among the members of the group was 'to each according to work'. It took 1218 mandays of labour in harvesting, threshing and storing. Each manday was remunerated by three seers of paddy. One day's absence from harvesting was followed by a penalty of six seers of paddy and that from threshing by three seers which was subsequently deducted from their respective shares. During different phases of operation, labour was remunerated by the amount varying from Tk. 3 to Tk. 10 per manday which was paid from the fund kept for 'food support' during that period.

Due to delay in transplantation, 15.67 acres of land remained unused. To supplement the loss, they grew jute on 1.5 acres. More acreage of land could not be brought under the cultivation of jute due to their inexperience in this
 ----- 426 mandays of labour were involved in the

harvesting of jute and each manday was remunerated by four seers of paddy. In total, 99 maunds and 35 seers of paddy were distributed among the members of the group according to above mentioned criteria.

Though the scheme suffered losses in terms of monetary returns, they, however, managed to save 16.79% of their income. The saving-position is depicted in the following table.

Table 4.8: Distribution of Income between Consumption and Saving.

| Income | Consumption | % of consumption | Saving | % of saving |
|--------------|--------------|------------------|-------------|-------------|
| Tk.22,038.34 | Tk.18,338.43 | 83.21 | Tk.3,699.91 | 16.79 |

The table includes respective figures of jute.

The form of saving is shown in the next table.

Table 4.9: Form of Saving.

| Form of saving | Qty. saved | Rate per md. | Value in Tk. |
|----------------|--------------|--------------|--------------|
| Seed | 20 md.25 sr. | Tk.82.40 | Tk.1,699.91 |
| straw | 200 md. | Tk.10.00 | Tk.2,000.00 |
| Total | | | Tk.3,699.91 |

The group decided to use bullock and plough instead of tilling machines in future and hence, the straw was stored to feed the bullock.

VIII

Unemployment can be viewed as contributory to saving reserve, to that extent that they can be set to work without increasing consumption, the volume of saving and investment can be increased. Practically, this may not be feasible, since, employment opportunity is more or less available during the winter-spring peak agricultural period in Sulla; and secondly, increase in income without an increase in consumption may work as a disincentive. However propensity to consume may be barred from rising significantly, thereby keeping the major portion of income as saving. This necessitates austerity in initial stages and it may be widely acceptable if such austerity is shared.

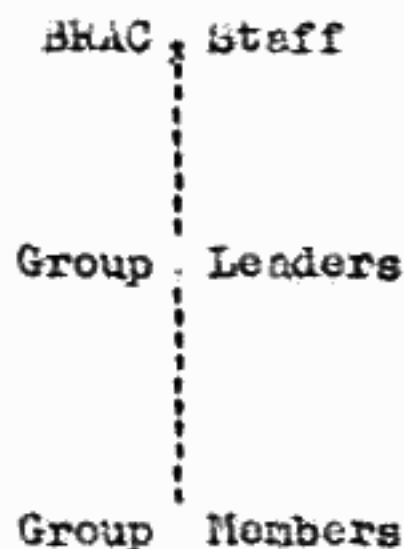
The scheme of the group contained a provision for food support during the period of activity. Situation revealed that the amount^{of}/food support could be cut short without affecting productivity significantly.

The Anandapur group had to incur some 'unproductive' expenses which would not usually come into cost calculations. They were to pay Tk. 1,900 as bribe to get the possession of the khas land and Tk. 3,500 to hire a tractor. These expenses were done from the fund kept for food support. The amount of actual food support, thus, diminished considerably.

IX

The Anandapur group seems to have developed a group of leaders in the process. It is usual that among many, few are able to embody qualities of leadership sooner and better. Unless homogeneity of interest is disturbed, there is no harm in it. Otherwise it may take a perverse turn and a privileged stratum may emerge within the group separated by power, status and privilege.

Where there is a lack of proper leadership or where there is the danger of deviation in leadership, BKAC's field staff are to engage themselves in adequate supervision and follow-up, so that the fruits of the scheme can be reaped by the people concerned. In initial stages, the structure of leadership and management represents a three-tier system as follows.



For the smooth execution of any scheme, optimum co-ordination and co-operation are necessary among them. Anandapur group, followed this considerably.

When a work is to be done collectively, division of work is helpful. In case of the Anandapur group, specific duties were assigned to members of the group, such as application of fertilizer and pesticide, preparation of seed-bed, etc. An attendance register was maintained properly. Also they kept records of disbursement of food support in cash from time to time. Such a newly formed group also made provisions for penalty for those who would escape from responsibilities in crucial stages of activity like harvesting and threshing which was worth appreciating.

The managing committee of the group was composed of a Director, a Cashier and a Field Manager. They all were accountable to members of the group. General meetings were held at least twice a week where the committee submitted all books of accounts. The field manager was always engaged in the field work and the other two members of the committee did so occasionally. All activities were strictly supervised by the BRAC staff. Such strictness in the form of direct control gave birth to some positive results. The entire amount of the debt was repaid in due time; amount of saving from income was considerable, though not adequate; chaos and confusion peculiar to such large groups was to a minimum; none dared to misappropriate the fund of the scheme and so and so forth. But over-centralisation of management by the BRAC staff had also its negative impacts. Dependency on BRAC may be perpetuated; management and leadership potentialities of the members of the group may not develop spontaneously; intellectual gap between the group and the BRAC staff may lead to

bureaucratism and so on. Continuation of such state of things in the subsequent period is undesirable.

However, the absence of such strict supervision in initial stages may result in utter failure, as revealed in many cases. Hence, supervision and control of this sort may be necessary as interim arrangements. It is hoped that the members of the group will be capable to equip themselves with all skills of management and administration through years of experience.

A P P R I S A L

Collective mode of activity is the corner-stone of BRAC's economic support programme in Sulla. To accomplish this, it is imperative to destroy centuries-old concept of private ownership and individualism and to establish the culture of collectivism among the people with whom BRAC has been working. Ideas, customs, habits, political views, legal concepts, views on art and so on are all ideological forms in the society which generally go under the name 'culture' which necessitates a fundamental transformation to keep step with the changing mode of activity. Otherwise it will obstruct the forces from developing and give rise to haphazardness in activity and anarchy in production, causing the community to go back to the old days overwhelming with unemployment, poverty and hunger.

Suffice it to say that the collective mode of activity would be followed by increased income and employment and thereby increased economic power. Experience showed that two groups suffered net losses and the other two could not manage to have sufficient investible surplus, though there were some valid reasons behind it. Empirically it is observed that no less profit is earned through individual household activities. Profit which would have accrued to individual private actions, should now accrue to collective actions on a higher scale, exploiting all the economies of scale typical to large-scale production. But the situation was reverse in practice. Such a negative demonstration may led to difficulties in mobilising the rural poor on the road to collectization amidst the disruptive propaganda of the rural elite.

II

Initially the programme was initiated with high expectation. BRAC staff were happy because of the impulses they saw generated among the people during 'group meetings' and 'workshops'. But there is a large gap between expectations and events. Ideology and consciousness lag far behind the new system of collectization. Pious exhortation of the uplift of the disadvantaged only adds to the increasing stock of our high ideology, but fades out in reality.

Now, we reach the heart of the problem. The road to development, in the true sense of the term, does not move in a linear fashion. It is too long and zigzag which cannot be accomplished over-night unless a miracle happens. Since, development is not a product of such miracle, but the result of deliberate efforts of the committed people, the success can be achieved only through a protracted struggle.

Development, in a macro frame-work, implies a transitional period during which all factors, impeding or leading to development, come into contradiction and interaction. Transitions are never simple or brief processes. On the contrary, they typically occupy and even define whole historical epochs during which the socio-cultural milieu of the society undergoes radical transformation. One need not succumb to pessimism by experiencing failures in initial stages, since, results may be renewed upwards gradually as the movement for development gathers momentum.