

DEEDAR's Success in Cooperative Village Development

by Durga Prasad Paudyal

In many countries of the Asia-Pacific region cooperatives have been recognized as institutions primarily designed to improve the economic and social condition of the poor. But most of the existing cooperatives in the region have not been able to achieve self-reliance, partly due to socio-economic constraints and partly due to poor management.

There are, however, a handful of cooperatives which have been able to achieve the objective of alleviating rural poverty by securing the participation and whole-hearted involvement of the people in the process of decision-making. Deedar Cooperative Village Development Society (Deedar, in short) is one such society.

Deedar is located on the outskirts of Comilla, some 100 km south of Dhaka. The society covers two adjacent villages, Kashinathpur and Balarampur, which together have a population of 2,656 (1989). Majority of the inhabitants are small and marginal farmers having less than 1.5 acres of land holding and landless labourers.

The origin of the Deedar Cooperative Society goes back to 1960s. In those days, the socio-economic condition of the rural areas in Kotwali thana was characterized by low agricultural productivity, lack of employment opportunities, lack of capital, heavy indebtedness due to high rates of interests charged by money lenders, and ignorance and backwardness due to mass illiteracy. A feeling of helplessness was deeply rooted in the minds of the villagers that they could see no way of getting out of these distressing circumstances.

At the time Mr Mohammed Yeasin, a tea-and-grocery shop owner, was also frustrated with the widespread poverty around him. He also did not have any definite idea as to what he could do to solve these problems. But one day he met Dr Akther Hameed Khan, the then Director of the Bangladesh Academy for Rural Development (BARD), and discussed about these problems and requested his help. After listening to Mr Yeasin, Dr Khan said that if Yeasin was looking for some monetary help from BARD, then he would be disappointed. BARD did not have such a fund. Besides, such assistance could bring only temporary relief. For a permanent solution to their problem, Dr Khan advised that the villagers had to be assisted to become more productive in their respective occupations. They also needed to be encouraged to make

some savings out of their own earnings, and organized themselves into a cooperative society to help each other.

At the initiative of Mr Yeasin, a meeting was arranged to which Dr Khan was invited to explain his idea to all those interested. Dr Khan explained his two-tier cooperative model, namely: Primary Co-operative at the village level, another federated body at the higher i.e. thana.

Dr Khan's ideas initially convinced only nine persons.

Table 1: Accumulation of Capital in Deedar Cooperative Society (Senior Male and Female Members)

Year	No. of Members	Saving Deposited	Transferred into Share	Total Share (Cumulative)	Total Working Capital and Assets (Cumulative)
1960	56	4,773	400	400	4,773
1965	172	12,659	12,787	26,130	26,130
1970	243	7,066	8,179	129,670	241,094
1975	337	24,343	24,698	223,860	603,364
1980	887*	105,870	105,234	925,660*	2,247,436*
1985	1,300*	134,198	130,968	2,538,000*	6,508,690*
1989	1,673*	182,457	180,271	4,189,190*	10,000,000*

Note: *Included junior members also
Source: Deedar Cooperative Society

eight rickshaw pullers and Yeasin himself. They all began to save "one anna" (cost of a cup of tea) everyday. That was the beginning of the Kashinathpur-Balarampur Deedar Sramik Samabaya Samity (Deedar Workers' Cooperative Society) in October 1960s; starting with nine members and a saving deposit of "nine annas" (approximately 10 US cents), by foregoing a cup of tea by each member.

From such humble beginning, "Deedar" was nurtured carefully, and it has since then gradually progressed to a permanent organization under the sincere, energetic and dedicated leadership of one man — Mohammed Yeasin. He has contributed immensely not only to build up the confidence of the poor people in the initial stage, but also to expand the activities in numerous other talks of rural life at subsequent stages. The total members of that cooperative today are 1673 and the total working capital and assets are almost 10 million taka (about US \$350,000), generated mainly through regular thrift deposits of the members and through their own investment.

Deedar was a workers Cooperative Society at the beginning, consisting mainly of rickshawpullers. In 1968, however, its membership was thrown open to all farm families. In 1975 four small coop-

erative societies of the two villages, were merged and consolidated into one — Deedar Comprehensive Village Development Society. Since 1979, children, above eight years, have also been enrolled as associate members of the society. The idea behind involving children in cooperative activities is to foster cooperative spirit among the young group who will be the members of the society in future.

The management of the society is vested in a Managing

Committee (MC) composed of nine members: Chairman, Vice-Chairman and seven members. The are elected from seven voting zones, two of which are reserved for women representatives. The cooperative has also introduced the system of having three junior cooperators as observers in its MC to enable them to understand from an early age, the working principles of a cooperative.

Deedar gives the highest importance to weekly general meeting (WGM) which are organized with strict discipline. Resolutions passed by the MC meetings are also brought before WGM because no decision of MC is valid without the endorsement of the WGM. In practice WGM has at times reversed or altered the decisions of a MC (Roy JK 1983). The following three WGMs are arranged for three different groups:

- a) For male members at 2030 hrs every Friday
- b) For female members at 1500 hrs every Thursday
- c) For Junior Members 1000 hrs every Friday

Separate WGM for women has been arranged from late 1978 because it was inconvenient for them to join the male WGM of Friday night. From 1979 onwards a separate WGM for children has also been arranged in order to train them to undertake future responsibility for the society.

The society adheres strictly to the practice that each member must deposit the prescribed amount of saving in his/her account, which is collected in weekly meeting. The minimum weekly savings rates are fixed as follows: for adult male Tk 5, adult female Tk 4, and children Tk 3 per week. The accumulation of capital in Deedar over the last 30 years is summarized in Table 1.

summarizes the main services Deedar provides to the members.

Welfare Services

Deedar has also developed, since the early 1970s, a development fund in order to provide various development and welfare services for its members. Twenty five per cent of its profits are set aside for such activities. From this fund the society runs a tuition-fee primary school and a high school; arranges skill development training for school drop-outs and unemployed youths; arranges family planning programmes; provides medical insurance to its members; provides old-age allowance; maintains TV and VCR of the society; and provides corrugated tin sheets to selected poor families every year to build roofs of their houses.

Deedar is one of the many village cooperative societies, organized under the two-tier cooperative model in the early 1960s. The main objective of this two tier model of cooperatives was to help the small farmers by increasing their productivity through an improved credit system which not only provided loans but also promoted the formation of equity capital through regular savings. In contrast to many other cooperative societies, Deedar is one of those few, which have been able to achieve sustained growth over

Table 1:

Moreover, in order to mobilize the savings of the members to supplement its capital requirement, the society provides banking services, which are open to the public from 6 am to 8 pm, seven days a week.

The following Table No. 2

Type	Specific Activities	process	Punitive Action
1. Loan Services	Loan provided for genuine productive and useful activities to those members whose previous records are satisfactory	One fourth of his/her share deposit without guarantors to get loan.	20% interest charged from the time of loan disbursement if borrowers fail to repay the loan within the stipulated time.
2. Productive service	Water provided through deep tubewell round the year. Seed and fertilizer provided on time at a reasonable price. A number of non-agricultural projects to generate employment	Water charged according to irrigated land per season. Deedar has dealership for fertilizer. Brick field generates seasonal employment. Embroidery generates employment for women.	Members cannot harvest without paying water charge. If water not properly distributed then the matter discussed in WGM.
3. Market services	To protect farmers from low market prices during harvesting season short-term loan is provided. The society owns 28 shops and a consumer store.	Members are entitled to borrow amount equal to two-third of their marketable surplus at interest rate 3% per month. Must have two guarantors to get loan.	Additional 1% interest charged if member fails to repay within three months.

a period of three decades. Some of the major achievements of Deedar are:

Self-Reliance

Initially, as prescribed in the two-tier model, Deedar deposited its weekly savings in the Thana Central Cooperative Association (UCCA). Within a year, when a reasonable amount of capital was accumulated, the society invested its savings through buying two second-hand rickshaws for a cheap price. From 1963 on-

atives which were mostly dominated by the rural rich, Deedar has remained exclusively under the control of the poor.

As all the services such as irrigation water, inputs etc. are provided fairly to all the members according to their requirement, there was no necessity for the rich members to seek control of the Cooperative Society. Moreover, the types of employment generated by Deedar such as truck driving, brick making, rick-

sector offered excellent prospects for increasing agricultural production, which could sustain its own progress. In early 1970s, BARD, promoted the idea of Total Village Development Programme (TVDP) to improve the socio-economic condition of all the villagers. Accordingly the four cooperative societies working in the two villages were amalgamated to form one Deedar Comprehensive Village Development Society.

Deedar has modified certain principles laid down in the Comilla Model to accommodate the interests of its members. For example, Deedar deviated from the original principle that the primary cooperative would deposit its savings with TCCA. Moreover, according to the cooperative rules, a member is entitled to get credit from the society up to ten times his/her own saving deposit. However, in order to prevent willful default, Deedar developed a procedure that a loan would be given to a member only up to one-fourth of the value of his/her own share of capital. The loan, however, would be interest-free if he/she repays on time. There are many such examples wherein the society has shown willingness to modify its policies, if they do not suit its members.

Past studies of Deedar have shown leadership as the major, if not the only, factor for its success.

The Comilla experiment was based on the principle that comprehensive village development must be initiated at the grassroots level, which could utilize the local resources and skills, while the government should supplement with the necessary physical infrastructure and technical backstopping, to encourage the local initiatives. The success of Deedar, shows that had all the components of Comilla Model been made functional as prescribed by Model, allowing requisite time for their growth, many more Deedars would have emerged by now.

The experiences of Deedar have demonstrated that there should be conformity between development objectives and strategy. If a comprehensive village development model is to be more than just a bunch of development objectives, then a serious commitment at the national level is needed for the reformation and reorientation of the entire administrative system, which can create a viable environment in the rural areas.

Social Benefits

Deedar has provided various types of social services for the well-being of its members. Some of the social indicators are compared with the national figures in Table 3. It shows that Deedar is far ahead of the national average in terms of the well-being of the members.

Leadership

The dedicated and energetic leadership of Mr Mohammad Yeasin over the past three decades in Deedar has given the needed confidence and stability for the sustained growth of Deedar. Because of his personal integrity, eagerness to learn and tireless efforts to apply knowledge, a system has emerged in which members actively participate in decision making, implementation, monitoring and evaluation of all activities.

His dedicated leadership has been recognized both nationally and internationally. He has received national awards for cooperative leadership and in 1988, he received the Ramon Magsaysay Award in recognition of his services for the promotion of self-sustained rural upliftment.

Its success in mobilizing savings to expand its activities in the non-farm sector led to a realization that the agriculture

Table 3: Social Indicators

Items	Period	Deedar	National
1. Literacy (per cent)	1886-87	54.6	23.8
2. Infant Mortality rate (per thousand)	1982-87	99	125
3. Child Mortality rate (per thousand)	1982-87	18	22
4. Hand Tube-wells for drinking water (number)	1987	116	
5. Low-Cost Water Sealed Toilets (per cent)	1987	87.5	3
6. Adoption of Family Planning Methods (per cent)	1986-87	44	25

wards, the society borrowed funds from UCCA and later on, from a commercial bank to invest in different agricultural and non-agricultural projects. All the loans were repaid on time. Deedar has by now established an image of being a reliable client and can borrow funds from banks according to its own requirements.

Unlike other village cooper-

Industrial Harvests Command Growing Acreage

THE market for renewable resources is entering a veritable boom era, with farming a prime beneficiary.

Agricultural production for industrial processing already covers farmlands totalling 165,000 hectares (407,700 acres) in the western federal states of Germany. This figure represents 2.3 per cent of all German farmlands, Ignaz Kiechle, Federal Minister of Food, Agriculture, and Forestry, recently noted in Bonn.

Of these, some 110,000 hectares are devoted to producing starch-containing plants and 45,000 to rapeseed.

When imports are included, agricultural produce for industrial purposes — primarily in the chemical industry — provides about 1.8 million metric tons of raw material. This figure represents about 10 per cent of the total requirements.

German and other EC-country farms produce nearly all of

the industrial demand for sugar and starches, while nearly 70 per cent of all industrially used vegetable oils and fats are imported.

Kiechle declared that "renewable resources offer promising perspectives primarily because of their ecological advantages" in the chemical industries. He cited fully biodegradable raw materials and sheeting materials. The first products have already reached consumers.

Kiechle said: "Some experts predict demand for starches can reach several hundred thousand metric tons. While, for the present, efforts will concentrate on opening special markets, the advantages of degradability or of composting properties can be turned to advantage for the environment in many fields."

Kiechle predicted new sales opportunities for vegetable oils through the development of new hydraulic oils, lubricants, and metal-treatment solutions.

The market for lubricants, in particular, looks very promising, with experts forecasting sales of between 125,000 and 190,000 metric tons, or between 10 and 15 per cent of lubricant demand in western Germany in the not-too-distant future.

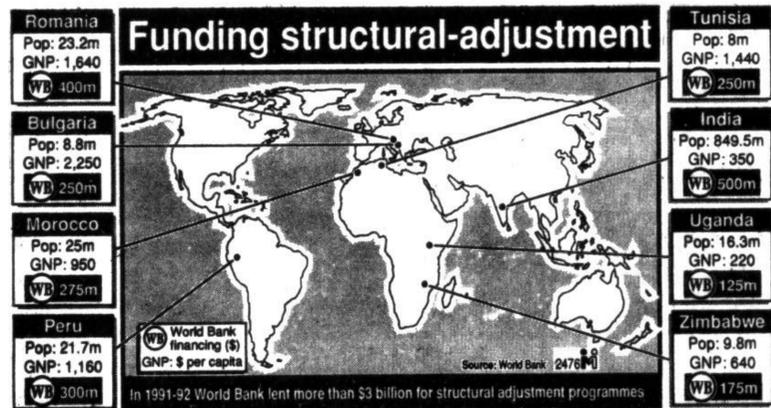
So far, there's little inclination to devote farmland to produce resources for energy generation. Though potential demand can be seen as enormous, missing market viability has inhibited largescale effort: high prices can't compete with available fuels.

The technology is there, and it is quite advanced: ethyl alcohol is combined with carbureted fuels (petrol/gasoline) and rapeseed oil is usable as a substitute for diesel oil.

The Federal Republic of Germany plans to continue the research and development of renewable energy sources and to promote pilot projects in this sector. — (IN-Press)

Third World Counts the Cost of Economic Reform

by Kevin J Kelley



much of the Third World. Countries that implement the Fund's plans are generally faring better than those that do not, IMF officials say. About 75 nations, including some in eastern Europe, are now following the Fund's formulas.

In challenging the wisdom of this path to recovery, the critics meeting in Washington started from the premise that the banks are to blame for instigating the debt crisis.

Martin Khor of the Malaysia based Third World Network argued that developing nations had been pushed into massive borrowing by Western corporations and lending agencies eager to make what appeared to be potentially profitable investments.

When offered seemingly favourable repayment terms and outright payoffs, officials in many countries took on unsustainable debt burdens, Khor said. And often, he added, these loans were for enormous projects, like hydroelectric power plants, that proved to be environmentally damaging and of little social value.

Despite prodding from the media, participants in the September 21 forum were comparatively reluctant to

criticise Third World governments. The IMF, which is controlled by the world's richest nations, was generally castigated in much stronger terms than were the leaders of the poorer countries.

Peggy Antrobus of Barbados, a researcher at the University of the West Indies, maintained for example, that government are acting in a human and responsible manner when they subsidise the prices of essential goods. The IMF exacerbates the misery of poor people in the Third World when it presses government to end these subsidies, she argued.

Speakers at the forum insisted that living conditions in their countries are actually deteriorating — not improving, as the Fund claims — primarily as a result of the IMF's restructuring initiatives.

These programmes are based almost exclusively on economic considerations, with little thought given to their social impact, said Atherton Martin, director of the Development Institute of Dominica.

In order to promote sustained growth in the Third World, Martin declared, emphasis must be placed on

"enhancement of the human conditions" through investments in housing, health care and job training.

He argued that the Fund's approach is self-contradictory because the ensuing cutbacks in government services have the effect of lowering workers' productivity. Several speakers reported that nutritional intake is declining in countries where the adjustment formula is being applied.

As a means of boosting a nation's foreign-exchange earnings, the IMF programmes establish incentives for growing crops that will be exported.

Traditional farming, which is geared to feeding local populations, is often supplanted by the technology-dependent export crops. In addition to aggravating food shortages, this switch-over can have negative consequences for the environment, speakers noted.

One reporter observed that this export-driven strategy may encourage cultivation of narcotics, which fetch high prices in First World markets. Humberto Campodonico of Peru agreed that such an outcome is occurring in his country. He said that credit restric-

tions resulting from the IMF programme had further fostered coca cultivation because farmers were having difficulty obtaining loans for seeds fertilizers and pesticides.

Martin Khor pointed out that the emphasis on producing commodities for export has led to an oversupply of certain items. This, in turn, has helped push commodity prices down to what the World Bank acknowledges to be the lowest levels so far recorded. Unable to sell their exports at a reasonable price, Khor explained, Third World nations are only sinking deeper into poverty.

Lenora Briones of the Philippines cited the case of her own country, which is sometimes hailed as successful example of IMF-style restructuring.

How can such a claim be made, Briones, asked, when half of the Philippines, 60 million people are living in extreme poverty? "We have destroyed our forests" in order to export timber and to clear land for export crops, she said.

"And now we are exporting human beings," she added. "Thousands of Philippine women are working as prostitutes in Japan, servants in the US and chambermaids in Europe," she angrily declared.

Even if the IMF reforms do manage to spark economic recovery, Briones said, the gains will be used to pay foreign debts rather than to ease the plight of the impoverished.

She acknowledged that management reforms are often essential in Third World countries, but she suggested that the required changes take place from within, instead of being imposed by an outside agent.

Later, in an interview, Joseph Tshuma of Zimbabwe said that structural adjustment had proved "very devastating" in his drought-plagued country. Tshuma, who works with the Rural Association for Progress, added that Zimbabwe's government shares some of the blame for the country's difficulties.

— Gemint News.



The technology for substituting rapeseed oil for diesel oil is quite advanced. Pilot projects — for instance, with farm tractors — are being funded. — Photo: IN-Press