Bright Prospect for Rural Credit

by S Y Bakht back from Rangpur

Loans under the credit programme of the project are provided in three categories: seasonal agricultural loan, agricultural investment loan and non-agricultural investment loan. The repayment terms of the loans range from 18 months to five years.

THE existing rural savings base can provide a solid basis for a financial system at the village level and the poor there are bankable, concurred participants at a recent follow-up seminar on an innovative credit programme, launched last year in Kurigram district.

However, they pointed out that the existing credit delivery system of the commercial banks needs to be simplified and made more responsive in order to reach a larger number of people.

The national seminar on the Taka 50.12 crore Marginal and Small Farm Systems Crop Intensification Project (MSFSCIP), under which a credit programme by three commercial and one specialised bank was initiated in February 1992, was held on April 28 at the Parjatan Motel in Rangpur.

Participating government officials, bankers, donors and social workers at the day-long seminar agreed that the rural poor can successfully utilize the credit facilities of the formal banking system to substantially improve productivity and boost their income.

They emphasised the need for providing the rural poor with access to credit from the formal banking system as part of a national poverty alleviation effort.

Some discussants, including bankers, at the seminar pointed out that the interest rate, lowered from 16 to 15 per cent early this year, under the credit programme still remains quite high compared to that of other similar credit programmes for the rural poor, which is about nine per cent.

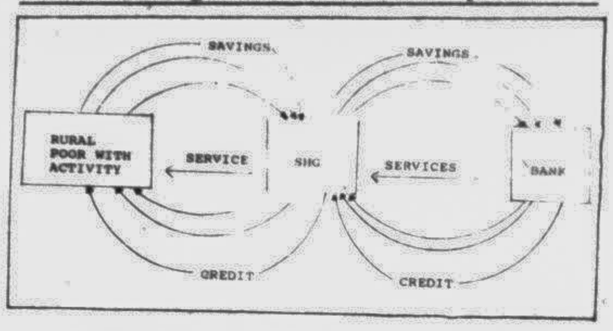
A total of 2,902 individual marginal farmers belonging to 462 self-help groups (SHGs) were provided with credit worth Taka 1.02 crore, out of a loan portfolio of Taka 14 crore under MSFSCIP, during the February'92 to March'93 period.

With a share of Taka 2.29 crore from the Government of Banladesh, Taka 32.74 crore from the International Fund for Agricultural Development (IFAD), as loan, and Taka 15.09 crore from the German Agency for Technical Cooperation (GTZ), as grant, the jointly-funded project covers all nine thana's of Kurigram district and is designed to reach 68,000 rural households of marginal and small farm families.

A marginal farm household, under the project, is defined as those owning or cultivating zero to 1.5 acres of arable land including sharecropped and rented area while small farmers are classified as those owning or cultivating 1.51 to 2.5 acres of arable land including sharecropped and rented areas.

The main components of MSFSCIP include group formation, training and development, adaptive research, agricultural extensions, management and training, civil works and marketing promotion.

The credit programme includes providing credit and credit management for rural income and employment generation activities through paddy processing, oil seed crushing, fish culture, sericulture, livestock rearing, apiculture, beaf fattening and goat rearing and other activities.



Augmenting cycles of financial flows in MSFSCIP

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The implementing agencies of the project include the Department of Agriculture Extension(DAE), as the lead agency, Bangladesh Agricultural Research Institute, Bangladesh Bank and the Department of Agricultural Marketing.

The four participating banks in the credit delivery programme are: Rajshahi Krishi Unnayan Bank(RAKUB); Sonali Bank; Agrani Bank and Janata Bank.

The Rangpur-Dinajpur Rural Service(RDRS), a non-government organisation, is helping to form and train SHGs of marginal farmers under the project while it is also helping to train small farmers groups selected and formed by DAE.

A Project Support Unit (PSU), based in Kurigram and funded by GTZ, plays a coordinating role in MSFSCIP.

A total of 1,725 small and marginal farmers' households have been orgainsed in groups of 10 to 20 family representatives under the project. Of which, 11,00 groups are from marginal farmers' households, including 517 female groups, and 625 small farmers' households.

The seminar was informed that realisation of due installments on the Taka 1.02 crore loans provided by the 28 branches of participating banks stood at nearly 100 per cent.

However, discussants, noting the low level of disbursement of the credit component under the project, pointed out that only 462 out of the 1100 marginal farmer groups recieved loans while any of the targeted 625 small farmer groups was yet to receive loans under the programme.

The project was initiated in 1989 and is scheduled to end in December this year.

The seminar was participated by senior government officials from the Ministry of Finance, Ministry of Agriculture, Bangladesh Bank, the participating banks, IFAD, GTZ, RDRS and other local officials.

A credit expert at the MSFSCIP, Kurigram, M. Shafayet Hossain, informed that the small farmer groups formed by DAE are now undergoing a stabilisation process conducted by RDRS, for becoming eligible to get credit under the project and that at least 30 groups would be ready to receive credit by June 30 this year.

Pointing out to the initial success of the credit programme and the poor disbursement level so far, discussants at the seminar called for extending the project period by another three years upto June, 1996.

Noting that the project had a delayed start, MSFSCIP Project Director M Tariq Hasan of DAE said:" The project deserves to be extended for the next term of three years to accomplish the desired objectives and fulfill the aspirations of the poverty-stricken people of Kurigram".

Chaired by AKM Giasuddin Milki, the director of DAE and the national project director of MSFSCIP, the inaugural session of the seminar was addressed by Joint Secretary of the External Relations Divisions(ERD) AKM Reazur Rahman, as the chief guest, Mostafa Aminur Rashid, managing director of Agrani Bank, and Marcelin P. Rozario, deputy director of RDRS, while Juergen L. Dupius, of GTZ and the project coordinator, welcomed the participants.

Participants at the seminar listed the success factors of the credit programme under the project as: close cooperation among all partners in the programme; absence of external interference in credit operation; close supervision and monitoring of loans; change in the attitude of bank staff to work for the rural poor avoiding tangible collateral and minimization of transaction costs for banks due to the presence on the groups as intermediaries.

Under the credit programme, individual groups have an elected chairman, secretary and treasurer and are required to maintain an account, with one of the participating bank branches, of a minimum of Taka 1000 for a period of at least one year to be eligible for applying for loans.

The literacy and the knowledge of numeracy levels of individual members in a group in understanding the complex procedures in getting loans and the requirement for maintaining a minimum deposit by the rural poor to become eligibility were questioned by some discussants at the seminar.

Deputy Secretary of ERD, M Azizur Rahman, pointed out that problems in implementing the project have to be identified so that attempts can be made to solve them. If the problems of this pilot project remains unsolved, he added, it would be difficult to initiate similar programmes elsewhere, negotiations for which are currently being conducted with donors.

Discussants at the seminar identified the inhibiting factors relating to the implementation of the project as: inadequate manpower at the participating banks to cater to the target groups; insufficient training for group members for securing loans and maintaining accounts and a high interest rate on disbursed loans.

However, Shyamol Kumar Roy, RDRS thana manager for Ulipur, Kurigram, while presenting a paper at the seminar, noted that the RDRS training programme for the targeted groups also includes numeracy and literacy classes.

One banker suggested lowering the interest rate from the current 15 per cent to nine per cent, which, he added, was more of a standard for similar poverty alleviation credit programmes for the rural poor undertaken elsewhere in the country.

However, Deputy General Manager of the Agricultural Credit Department of Bangladesh Bank, Mahfuzur Rashid, ruled out lowering the interest rate on loans under the project.

He assured that loan disbursement would be expedited and that a maximum of 10 days at the local managerial level and another 20 days at the regional managerial level would be allowed to the banks for approval of a loan.

Speakers at the seminar agreed that there has been a substantial impact in improving productivity and income of group members availing the loans under the project.

Deputy General Manager of the Rural Credit Division of Sonali Bank, Md. Nasir Ullah, noted that mere attention to collaterals do not secure the bank's money but it is the personal relationship, proper endorsement of loans and timely follow-up that can be considered as the key factor for recovery of the bank's credit.

From the experience in MSFSCIP and other similar credit programmes, he added, it is evident that the large mass of the rural poor can also participate in various income generating activities to change their fate and thus can contribute to the national economy by availing bank loans.

"So, the time has come for the bankers to serve the 'have-not' groups of the country, comprising more than 60 per cent of the population, for the interest of the institution as well as for the national economy," observed the Sonali Bank DGM.

Economic Tigers Post Impressive Gains in Easing Malnutrition

by Patrick McCormick from Rome

IMPRESSIVE economic growth in the Asia and Pacific region has led to a sharp drop in the absolute number and proportion of its under-nourished population.

In Asia and the Pacific, the percentage of the population who do not have enough to eat to manage light, productive work has halved in the last two decades. The region's progress in food production and distribution coupled with the lowest rate of population growth among all the developing regions has led to the improvement.

For a region which accounts for over half of the world's population, statistics on its nutritional status reflect its huge dimensions. Although the greatest absolute number of undernourished people continues to be found in Asia and the Pacific (68 per cent of the total in 1988-90) this region has led the world in reducing undernutrition.

The percentage of chronically undernourished declined from 40 per cent of total population in 1969-71 to 19 per cent in 1988-90. The absolute number of chronically undernourished declined from 751 million in 1969-71 to 528 million in 1988-90.

"The Asia and Pacific region has made impressive ground and is a world leader in the fight against undernutrition," says Edouard Saouma," director-general of the Food and Agriculture Organisation (FAO).

"The efforts being used to tackle the current problem of hunger and malnutrition must also address agricultural sustainability for future generations".

This is the general consensus of this year's World Food Day. Dedicated to the theme of "Food and Nutrition" it will be a forerunner to the first ever global Conference on Nutrition to be held in December in Rome, jointly organised by FAO and the World Health Organisation.

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Recent estimates on the numbers of undernourished include figures of China's huge but relatively well-fed population for the first time. While the overall picture is positive, there is still much work to be done.

Eventhough all the developing countries of the region have increased their per caput food production, the food available in many countries is still insufficient to meet all the population's needs.

Malnutrition and poverty in Asia and the Pacific, as in other developing regions, go hand-in-hand. Many families are unable to grow or buy sufficient food. There are significant numbers of landless who are the most nutritionally vulnerable group. Bangladesh, India and Pakistan have over 30 million landless rural households.

In addition, more than two-thirds of the poorest people in the region live in agricultural areas with low soil fertility, and adverse climatic and other natural conditions. Improving the nutritional status of the urban and rural populations at risk depends on alleviating poverty and upgrading the production, procession, quantity and quality of locally available food and its distribution.

With regard to micronutrient deficiency problems — the so-called hidden hunger — Vitamin A deficiency (VAD) is most commonly found in South and East Asia, notably in Bangladesh, India and Indonesia. Up to half a million cases of VAD-related eye damage occur each year in Asia.

The problem of anaemia is widespread in Asia with about half of the children and two-thirds of the pregnant women affected. At least 40 million people in Southeast Asia are estimated to suffer some mental and physical impairment due to iodine deficiency disorders. At risk from iodine deficiency disorders are some 300 million in China and 200 million in India.

Undernutrition will almost certainly result in ill-health, often of a serious nature such as partial blindness or a crippling disease, which in turn will reduce the resources and earning capacity of already poor households, thus increasing their social and economic problems.

To complete the vicious circle, malnutrition and poverty often force the poor to use unsustainable agricultural practices, in a desperate effort to obtain enough food. They end up destroying the environment on which they are dependent.

Like many other regions, Asia and the Pacific includes countries and population groups which are affluent and have diets comparable to those in industrialised countries. Chronic diet-related diseases are major causes of mortality in Japan, Australia and New Zealand and are becoming increasingly common in the developing countries where significant economic progress has been registered.

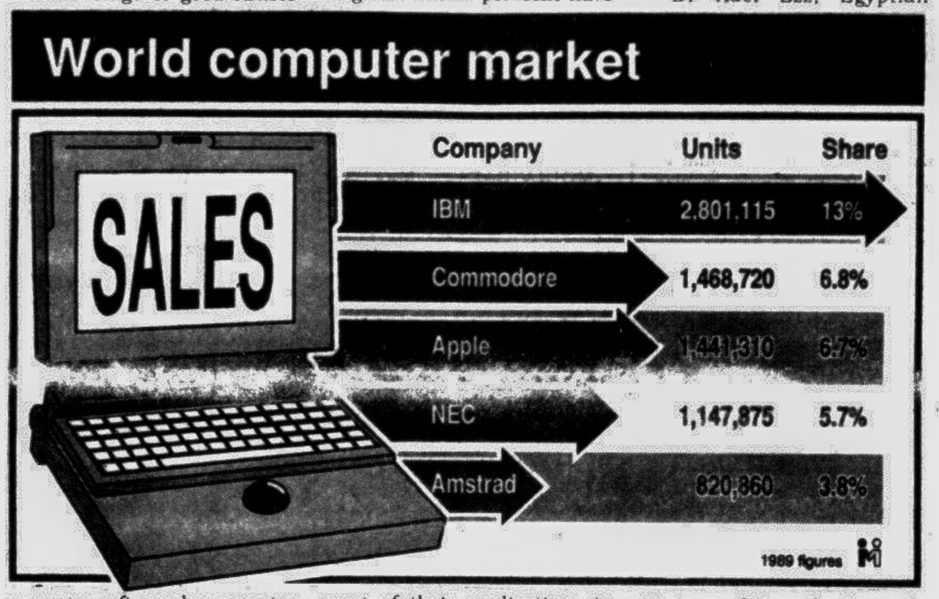
"Asia and the Pacific today is the fastest growing region in the world; by example it can show the rest of the world that growth with equity and access to good food by all is a working proposition," says Mr Saouma.

— Depthnews Asia

Computers are Getting Tongue-tied over Arabic

THE use of computers in the Arab world is steadily increasing among services, academic institutes and businesses. Normally, this sort of thing is seen as a sign of progress. But here, progress has produced an unforeseen result.

A shortage of good Arabic computer software has meant a decrease in the use of Arabic among businesses because most computer users choose to work in English, or at least in the Roman script.



A survey by RAC Research and Marketing Consultants shows that 67 per cent of the 60,000 companies in greater Cairo use computer applications in both Arabic and English. Twelve per cent have most of their applications in English, while 11.6 per cent have all their applications in English.

Only 4.6 per cent of companies receive most of their typed applications in Arabic and only 4.4 per cent completely in Arabic. The lowest use of Arabic is among private and investment sector companies.

Dr Adel Ezz, Egyptian Minister of State for Scientific Research, has sought to raise awareness of this issue. At an international symposium on Arabic Computational Linguistics in Cairo, Ezz urged Arab computer scientists to intensify their efforts to design computer programmes that speak Arabic. Some computer scientists question the value of doing that.

According to Goneid, one of the major problems is lack of uniform standards among producers of Arabic software.

He explains : "The problem of interacting computer with a natural language can be solved by coding. In the case of Arabic, once you can attach different codes to the different shapes of the alphabet, then you render the computer capable of understanding the language."

This normally easy process is complicated in the Arab world, where there are 10 to 15 systems for coding Arabic among computer makers. The Roman alphabet, in contrast, has one standard adhered to by all makers.

If computers cannot analyse syntax, makers cannot [illegible] software. If computers do not understand the roots of Arabic words, they cannot store the language properly in their memories.

International Business Machines Corp (IBM) is one of the private companies conducting research into these problems. This leads to another problem: scientific research requires huge capital — money justified only it there is enough demand for this research from Arab businesses.

Once it gets to market, Arabic computer software faces a further problem: keeping up with newer versions of software constantly being released in the West. Goneid says: "We cannot cope with the pace in the West. As soon as an Arabised version of a certain software is out, a newer version is already out in the West."

Tony Saleh, Director of the American Research Centre in Egypt, thinks a better solution would be for makers to concentrate their efforts on the computer operating system — the nerve centre of the computer. He says it would make more sense for them to design Arabic operating systems, so that a computer really thinks in Arabic, rather than designing Arabic software application programmes, such as word processors and spreadsheets, which rely on an English language operating system.

That way, says Saleh, makers would not have to be writing new software programmes every few months running beyond their financial means.

Makers will also have to become more familiar with copyright laws. Tony Saleh says makers often lose huge profits because they do get their software copyrighted properly.

Possibly the biggest challenge will be to get more businesses to use Arabic software. Saleh says consumers might catch on more quickly to the idea of Arabic software if it were more affordable.

"If prices went down so that more people could afford to buy the software, maybe more people would be using it," says Saleh.

Meanwhile, Goneid, of the American University, believes that national and regional polices on the issue of computers and the Arabic language are needed.

Gemini

Why Third World Poultry Breeds Should Be Conserved

by Francis Mwanza

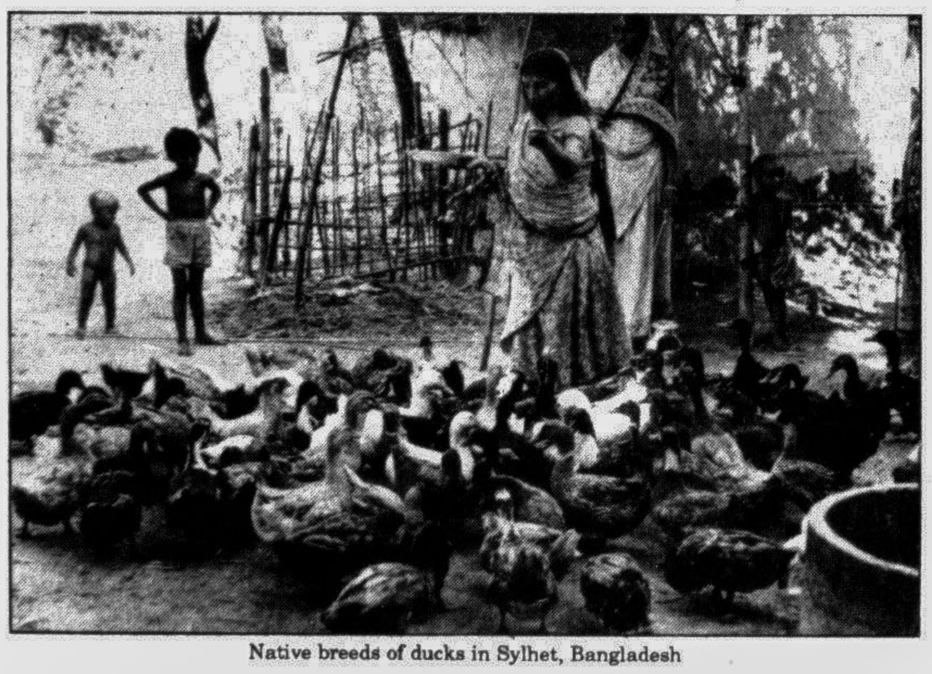
WHILE the efforts of environmentalists focus on saving such endangered wild species as the white rhino, African elephant or rosé periwinkle, and those of the world's agriculture ministries concentrate on the genetic heritage of domestic sheep, pig and cattle breeds, a much more immediate threat to the resource base of developing countries is all but being ignored: the indigenous poultry breeds on which Africa and Asia have depended for centuries are being lost.

Some native breeds of chickens and ducks have already joined the dodo in extinction, and many others are endangered. In Southeast Asia, for example, the Cochin chicken, Brahma, and Lang Shan breeds — which experts say contributed significantly to the development of modern American commercial breeds — are virtually extinct. In Africa, where until recently 90% of poultry products came from indigenous birds, genetic erosion due to the importation of exotic industrial breeds is accelerating.

'Because of industrial monopoly, and because the genetic base for industrial poultry appears to be very narrow, the need for conservation is greater in poultry species than it is in domestic animals', warns R D Crawford of the University of Saskatchewan in Canada. Yet poultry breeds, Crawford points out, continue to receive only minor attention in the growing literature on the conservation of animal genetic resources.

'There are several technical publications pertaining directly to poultry, a few inventories have been prepared and some genetic stocks are currently held in conserve. But much more activity is needed to protect the rapidly dwindling poultry genetic resources throughout the world,' he insists.

The problem is more critical in developing countries, whose people depend heavily on poultry as a food source and where conditions favourable to commercial breeds are less common — making conservation of the characteristics of better-adapted local birds crucial.



Native breeds of ducks in Sylhet, Bangladesh

Little Action

There are probably 700 million birds in Africa, but there is little action at present to preserve poultry strains and little, if any, in prospect for the future.The same is true for other developing regions. Even in the handful of countries — Canada, France, Hungary, Iceland, Poland, Romania, Spain, Sweden and the Soviet Union — where some poultry stocks are being conserved now, the future is uncertain.

'Unfortunately,' Crawford says, 'these conserves do not all have much long-term security. For instance, the very large and important collection of chicken stocks held at Parafild Poultry Research centre in Australia has been dispersed.'

With the great majority of the so-called economically important commercial poultry stocks now in the hands of just a few multinational corporations, economic concerns override conservation efforts. While scientific circles recognise the genetic potential of native breeds and strains as a reservoir of genomes and major genes with effects on adaptability, such birds are neglected due to 'limited commercial value'.

Governments are also increasingly opting out of breeding research and flock development because of high costs, and gene conservation by cryogenic means is not yet practicable. Other factors accelerating the loss of poultry genetic resources include:

- lack of information or inventories of the potential value of native breeds;
- accumulation of genetic drift;
- reduction of fertility due to mating system problems and inbreeding depression;
- the effects of natural selection;
- loss of genetic variation within and between native breeds;
- breeder selection pressure based only on morphological characteristics, such as selecting for bright or white feather colour.

An alarmed World Poultry Science Association has urged the Food and Agriculture Organisation (FAO) to vigorously pursue the preservation of poultry genetic resources, bringing to the attention of member governments the urgent need to establish national gene pools. It also called on the FAO to promote research into cryogenic or other means of germplasm preservation as an alternative to maintain live birds, as well as to coordinate information on the current state of poultry genetic stocks and provide support to private individuals and institutions in a position to maintain key stocks in adequate numbers.

But a lack of manpower and financial resources blocks progress. There are other obstacles as well.

Exotic vs Native

Many African countries have little appreciation of their own chickens, preferring exotics because they believe what comes from Europe or America is 'better'.

'Since the commercial exotic strains of chickens were introduced into our country some three of four decades ago,' says G E Sydney Williams of the University of Ghana, 'the indigenous chickens, whether in the rural areas or urban or pri-urban settings, seem to have been forgotten and not much attention is paid to them.

'There have been isolated attempts to look at them though, to find their potential, but these have been very minimal.'

The laissez-faire attitude toward so-called scavenger flocks leads to indiscriminate crossing, which threatens the genetic potential of native breeds. Important genes are being diluted or even lost.

Yet evidence abounds that exotics are not always best. Native breeds and strains get neither vaccination nor treatment against outbreaks of such diseases as Newcastle, but nevertheless show high resistance. Unvaccinated exotic breeds are often wiped out.

Native breeds are adapted to harsh environmental stresses like heat and humidity; imported exotics are not. They are not, for example, endowed with the naked neck and frizzling that enable African native breeds to dissipate heat.

Longer legs let native breeds go further into scrub to search for food, and their lower body-weight means they need less of it. Exotics need well-balanced feeds to survive and produce, and are poorly adapted for scratching in bushland.

More important, where native breeds have the ability to use a high-fibre diet and thus reduce competition with humans for scarce cereal gain, exotics often need foodstuffs of a quality that could be fed directly to humans.

Egyptian scientists, taking a different approach, achieved a striking improvement in egg production recently from simple cross-breeding between two local strains raised in natural near-tropical conditions of Upper Egypt.

The success in Egypt shows the way toward stemming the genetic erosion of poultry. It is important to reformulate the approach toward genetics, health, nutrition, management and economic and social aspects of poultry. There is also an urgent need for basic research on the whole range of indigenous poultry in Africa, including development of particular genes for better adaptation. — Third World Network Features