

# Feature Development Re-establishing CIDA's Commitment to Bangladesh

# Bi-monthly Seminar on Housing at NSU

by Aasha Mehreen Amin

A loyal development partner of Bangladesh, Canada has disbursed over two billion dollars (Canadian) as grant, assisting such key sectors as railways, agriculture, population control, rural development, irrigation, flood control and energy. Established in 1968, CIDA (Canadian International Agency), for more than two decades, has been supporting a series of projects of the Bangladesh government which include reduction of poverty, better flood management, policy reforms and technological improvements in agriculture, strengthening of infrastructure and aiming at greater gender equity. Huguette Labelle, president of CIDA and a former Deputy Minister of Transport, on a recent visit to Dhaka, talks to the Daily Star on CIDA's future developmental goals in the world with special emphasis on Bangladesh.



Huguette Zebelle, president of CIDA



Beneficiaries of a CIDA project in Muktagacha, working on bamboo products.

The main thrust of CIDA's work, says Labelle, has been working on strengthening the capacity of social and economic institutions focussing on improving production capacity and empowerment of the rural poor, especially women. Health too, has received priority in CIDA's agenda, says the former WHO (World Health Organisation) expert and president of the Canadian Red Cross Society, mentioning the Agency's fertility and infant mortality reducing programmes. Crop diversity, railway improvement and rural electrification are other specific projects.

Labelle cited women and development, infrastructure, human rights and good governance, development private sector to create employment and environment as being the main agendas of CIDA's future programme.

Yet whatever the programme priority is the prime focus adds Labelle, is human development. "So even something like, say water accessibility will be related to human sustainability," she says. Creating projects that are "integrated," is also a primary concern for CIDA. "If the project," says the current chancellor of the University of Ottawa, "supports micro enterprise for the poor, we try to build in basic education, health and community management." Similarly she continues "if the project is on crop diversification we will try to build in nutrition, health, water and sanitation and education. We try to stretch the use of resources as much as possible."

This 'stretching' of resources is all too necessary in a

development assistance. The total volume will be reduced," says Labelle, "but we will still be able to maintain a high concentration on countries like Bangladesh which requires support and at the same time progressing in a very positive way, according to developmental indicators such as infant mortality rates and growth of micro industry".

But the burning question that has been the subject of much debate, is whether international assistance of this sort which is often tied up with poor conditions, actually

programmes are very much in the rural areas and reaching the people. In the area of health a number of donors, including CIDA, are working together to bring better health and family planning to the country.

Labelle also referred to CIDA's food aid efforts that includes bringing wheat to Bangladesh to assist in food availability. CIDA's rural maintenance programme for destitute women, she adds, has also reached its target group, employing 60,000 women. "We are quite satisfied," she says, "that the great bulk of what we do is for the poor and reaches the poor." But this is a very important question admits Labelle, that has been debated about and we must be very conscious that the resources don't get diverted.

Labelle, who holds a doctoral degree in Education, on her visit to Dhaka, met with government dignitaries including the Prime Minister, Ministers of Finance, Foreign Affairs, Textiles, Minister for Women Affairs and leader of the Opposition, Sheikh Hasina. Labelle says that she was very impressed by the various CIDA projects she visited including those in Manikganj and managed by Proshika. Among other projects, Labelle visited the rural electrification project in Manikganj, the textile industry and ICDDR (International Centre for Diarrhoeal Diseases and Research in Bangladesh).

"I was very taken by the energy of the people," says Canadian born Labelle, and the level of vibrancy in them; in that the country has a very strong raw material for its future."

THE Institute of Development and Environmental Studies is now holding regular bi-monthly seminar series. The first seminar was on 'Housing the Poor in South Africa' held in the main campus of North South University. Dr Junaid K Ahmad, Economist, South Africa Division, World Bank Headquarters, Washington DC, and founder-member of the Board of Governors of NSU gave the presentation. The President of NSU, Musleh-uddin Ahmad, Arun Banerjee, Chief, Infrastructure Unit, World Bank Resident Mission, invited guests, and NSU students attended the seminar. Dr Ahmad analyzed the problem of housing the poor in South Africa, suggested a policy framework for addressing the problem and discussed some implications for other countries including Bangladesh. The challenge of housing the poor in South Africa has emerged as the critical social and economic policy issue confronting the new government in post-apartheid South Africa. It will test the ability of the Mandela government to turn back the legacy of apartheid which saw blatant segregationist and racial policies deprive the majority of the South African of basic political and economic rights. The work discussed in the seminar was undertaken through a series of missions of the World Bank to South Africa the work programme and the missions were led by Dr Ahmad, a Bangladeshi who joined the Bank in 1991.

A four-part series on the financial sector reform project is presently taking place. This is of special importance to

students studying finance. The first of this was held on February 23, 1995. Mr Forrest E Cookson, Chairperson of FSRP gave an overview of the FSRP. The second speaker was Mr Terry Bradigan, who gave a speech on nationalized commercial banks Mr Aminul Choudhury Haque will be the third speaker, on Saturday, March 25, at 3 pm and will speak on the origins of the FSRP. Mr James Piskos, the last speaker, will discuss bank supervision on April 6 at 3 pm.

Mr Forrest Cookson, national macroeconomist for the Financial Sector Reform Project (FSRP) Bangladesh Bank, spoke at North South University on February 23, 1995. He was the first speaker in a planned four part series at ideas on the Financial Sector Reform Project (for schedule details of the series, please see the back page.) FSRP is jointly sponsored by USAID and the World Bank. Mr Cookson gave an overview of the FSRP from its inception. He noted that Bangladesh has attempted a great deal of planning in allocation of investment spending. He said that government planning of investment spending assumed that the government officials not only had the capacity to determine in what sectors investments should take place but were able to carry out those projects efficiently and with a high degree of honesty.

He spoke about the role of credit controls, in keeping interest rates artificially low. This led to an inefficient allocation of investment funds and contributed to the lack of development in industry and infrastructure. He explained for student's benefit the role of monetary policy in a country like Bangladesh and the tools available to the Bangladesh Bank for influencing the money supply. He noted that open market operations, a key instrument for developed countries with was not available in Bangladesh since well-developed secondary financial markets do not exist. However, development of financial markets is now taking place at a rapid rate. Mr Cookson spoke

positively about the progress experienced by the FSRP.

Mr Cookson's speech was followed by a lively question and answer session in which both students and faculty participated. In response to a question about controls for the emerging stock market in Bangladesh, he expressed some reservations about the amount of controls, which should be placed on such a new market. He warned that excess controls could inhibit growth of this market. Students also inquired into further details about appropriate monetary policy for developed and developing countries. Mr Cookson also explained the links between financial sector reforms and other types of reforms, for example, the privatization of state owned enterprises (SOEs) that are currently taking place in the Bangladesh economy. He noted that without a well-developed financial sector other reforms would be difficult to implement and sustain.

Mr Terry Bradigan spoke on the nationalized commercial banks and the possibilities for reform and increased efficiency in the present system of banking. He explained the dynamics of the bank's balance sheet for the benefit of students. He then discussed the effect of various historical regulation and deregulation on income and expenses of banks. Income of banks obtained from interest on loans fell steadily, while expenses remained constant. This led to a severe crisis in the banks' financial position. Mr Bradigan discussed the possibilities for re-organization of the nationalized commercial banks.

A special discussion was also hosted by Mr James Novak. He gave a speech on capitalism as a value system and discussed issues relating to the free market and socialism on March 14, 1995. Mr Novak completed his BS degree in Economics from Boston College and his Master's in Economics and Mathematics from Notre Dame University. Mr Novak has been visiting Bangladesh since the early years of independence.

## Where Entrepreneurship Remembers the Needy

Most families in the South African village of Mooibank are subsistence farmers. But there is a lot of entrepreneurship and buying and selling. There is also a community welfare system in which people are ready to help their neighbours.

A lone sprinkler spits its drops of water on a corner of Mhlaliseni Nkosi's Potato Field. It makes little impact on the soil dry from the long winter.

But it is an experiment Nkosi hopes will flourish into a full-blown irrigation system, bringing with it the prosperity he dreams of.

"The rains are so late this year but I'm impatient to plant," he explains. "If I can get this to work, I wouldn't need to wait for rain."

He turns to Zakhele Sithole, who worked on farms owned by Germans as a young man, and asks him: "How do they connect the sprinklers into drows? With only one, the field dries out too quickly."

They talk, but hit what seems to be an insoluble problem. Because they have no electricity, the sprinkler is activated by the force of water flowing in the river. In the winter, the river is low and cannot sustain a full irrigation system. In the summer when the rivers are strong, there is no need to irrigate.

"That's why we want to build a dam over there," says Sithole, pointing to a place where the river drops into a natural basin before it enters the valley where Nkosi and 14 other families, live, near Louwsburg in Northern Natal.

The soils are rich here and because we get no frost we could plant tomatoes, potatoes and chillies right through the winter," says Sithole.

The ambition is shared by many of the men. "Just one break, irrigation, and then we're made. We'll be able to sell our vegetables to the towns and markets," says Sithole's cousin, Joseph.

This dream is still to be realised, but there is already a buzz of commercial activity in the community, even if it is on a low scale. Nkosi like many others, has a small seedling bed of tobacco plants near his kraal (village). It is ringed with rocks and covered with bits of wire and bamboo twigs to protect it from the chickens.

them in his mechanically-operated mealie grinder. He sells the powder all year round for 50c for two tablespoon scoops to a slow but steady community clientele who drop in once or twice a week to buy a few rands worth.

Many other families in this essentially subsistence-based agricultural community sell more basic commodities. Some will sell mealies when their crop exceeds their family's requirements. Their customers range from these families whose crop did not last the year, to those needing seed, or those who just want a few mealies on the cob to roast over a fire.

Another Sithole family grows beans each year and uses money from the sales of their excess to buy sweet potatoes or onions from a neighbour.

However, home-grown produce is only one aspect of the hive of financial transactions taking place.

Bustiswe Zwane is an expert

essential part of any young woman's trousseau.

Her mother-in-law has a wide knowledge of traditional skills, producing hand-woven trays used during ancestral rituals and grass 'socks' for sieving beer, while her mother is one of the few women left in the community who knows how to make the clay pots in which beer is served.

But opportunities still exist for those who do not possess these skills. Teenage girls sell biscuits at school or on pension pay-day for 10c each. From these small beginnings, Monica Nkosi and Lena Sikhosana have built their businesses into shops they run from their homes. There they sell tinned meat, sugar, oil, soap, candles and many other commercial products, often making profits of up to 25 per cent on each item.

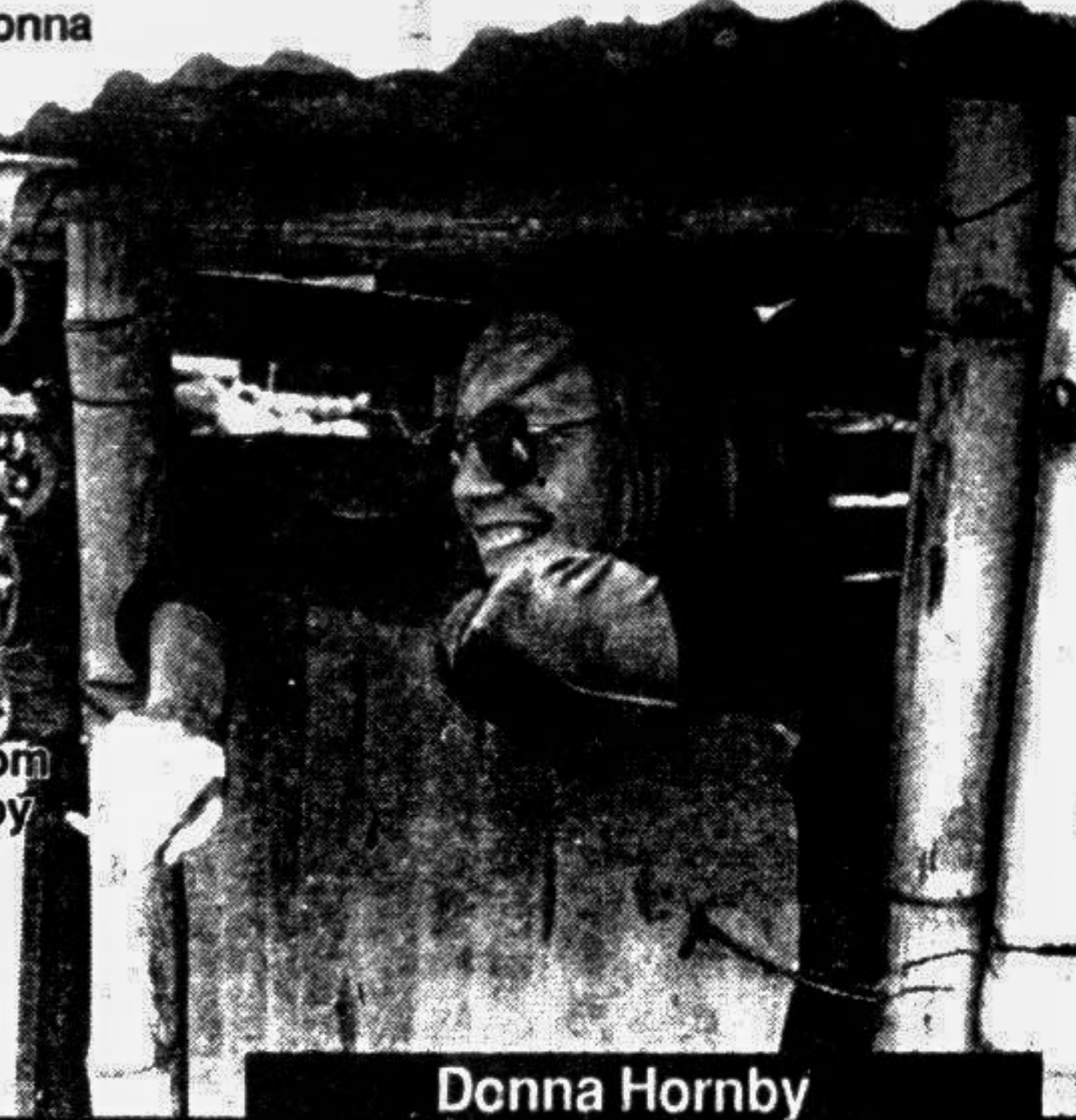
Their husbands are both employed and have *bakkies* (light delivery vans), so on pay-day there head off to bigger towns and the bulk suppliers,

reach the target recipients, namely the poor. In the case of CIDA, assures Labelle, it does: "When we look at CIDA's projects, we are quite confident that the assistance is reaching the poor; we have funded major projects of support to the rural poor through micro enterprise, training and support. The crop diversification pro-

## Views from the village

### 'Now the buck has more land than us'

- Millions of Black South Africans have lost their land during the years of White rule, through government edict and commercial pressure
- For many, as reporter Donna Hornby found when she went to stay in the village of Mooibank on a special assignment for Gemini News Service, no land means poverty: it can even make the difference between life and death
- In a second despatch from the rural frontline, Hornby reports on the strong entrepreneurial drive among those fortunate enough to have retained their access to land



Donna Hornby



Zakhele Sithole: 'We want to build a dam'

weaver, an old skill among Zulu women which is rapidly disappearing. She makes grass mats on a roughly-constructed wooden loom from reeds she harvests at the river, and sells them for R6 or R12, depending on their size. The mats are used for sleeping, sitting and wall-hangings and are an

bringing back commodities many members of the community could not otherwise have access to.

With these commercial activities come other unexpected benefits. Nkosi remembers when she started her shop: "I've never been to school so I didn't know how to

read or count. But when I opened my shop I had to be able to give people the right amount of change. So I got my children to teach me. Now I can even write my name and I'm hoping one day to be able to go to the adult schools I've heard they have in Newcastle. My husband also wants me to learn English."

These skills, she believes, will aid her in her future ambitions: "You see, these shops here have become very expensive now. I want to be able to go to Durban and Jo'burg to buy many things like clothes and material as well as food. But if I go there I don't want the other people to think I'm a fool because I'm not educated."

Almost as common as sales are signs of a community welfare system. A wife might smuggle a packet of mealie-meal behind her husband's back to a woman visitor whose husband has been retrenched, and whose family no longer has cattle or ploughing fields. Men will lend another family cows to milk if their cattle have died or been impounded so that "the children have some *maas* (sour milk) to eat."

Families borrow food or "buy" mats for wedding and engagement rituals on the understanding that the loan will eventually be repaid: it is — but usually by returning the favour and less often with hard cash.

The entrepreneurial spirit, no matter how strong, seldom overrides the needs of the desperate. The community motto is a simple one: "We all have troubles at times. If I help a battling family now, perhaps they will help me when I need it."

## A Life-and-Death Struggle for Land

Private property versus ancestral graves; business against subsistence farming: the battle over land in South Africa can be a matter of life and death. And tensions are heightened because divisions are usually along colour lines.

P HILANGANI Sithole and scores of others living on the rural outskirts of the small South African trading town of Louwsburg once met most of their needs from the land they lived on. Now they have lost their land to White farmers and big companies — and they are angry.

"The people are burning. They're very angry now. We've had enough," says Sithole. "We don't eat any more. I want my children to go to school but the money is finished. Before, we used to sell cows to pay for education. But now our cattle are gone. There's nothing left."

Before they were pushed off the land, Sithole's husband and sons would pull out the plough after the first rains of the year, attach it to the cattle, and prepare the deep red soils for planting maize, beans and potatoes. The children would milk the cows in the morning before going to school, while their older siblings ground last year's harvest into mealie meal to make *phuthu* (porridge) and rice.

Siguda Ngobo is also bitter. "We battle with these Whites. We all want some land to feed

ourselves. We will work in their factories but they should not fill their stomachs and leave us hungry," he says.

Ngobo has lived in this area all his life. "When we were boys, only (General Louis) Botha and another farmer called Naude had cars — the ones which were cranked up before they'd go. The others rode horses or travelled in wagons pulled by oxen. Those were the days when we still walked to Vryheid, about 68 kilometres away."

"We lived very well then," says 54-year-old Zakhele Sithole. "Everything we ate came from the ground — sorghum, *madumbis* (a tuber), beans. Ha, so many things I can't count them all. The young women would guard the fields protecting them from birds. We would plough in our *bheshtis* (iron skins). That was when shirts cost 10 cents, and the money we had went far because we bought so little."

But since then, much has changed. "Now the *noamazane* (buck) has more land than us," says Jeremiah Nkosi, his hand sweeping across the horizon in the direction of the Itala game

reserve. "People's homes were once all over that hill."

The White farmers in the area have intensified their farming activities and moved away from labour tenancy contracts. The shift has been accompanied by evictions as subsistence farmers are forced to make way for commercial crop and livestock production.

In addition, Mondli, the giant paper-making company, came into the area in 1990 and has planted hundreds of hectares of gum and pine trees, replacing the grass used for grazing and thatch.

For the illiterate men and women who are displaced, the changes are more than just the end of an era.

Twelve years ago, Skeyl Hlengethwa was given notice to leave a nearby farm. "The farmer told me he doesn't want my sons to work here any more and that I must go. So I asked him: 'Now that I am old and you are telling me to go, where do you expect me to go?'"

He said my children must find other homes and I must go and live with them."

But Hlengethwa will not leave the area where "my father, and grandfather and

rid of our cattle. I asked him what I would eat then since it is food from my cattle that I eat. He said there would be *low-cost* money coming, and we wouldn't need cattle and fields because we could buy food. So I got rid of my cattle — 59 of them — and my 14 goats and 35 sheep. Then he closed my fields and I could not plough."

Less than a year later I received a letter telling me to leave because I had been evicted. I asked him where I should go since the woman who bore my great-grandfather gave birth here. He said: 'Go. Follow the others who have already gone.' So I went. But the money never came and my cattle are all dead now." His 22-member family live on his old-age pension of R360 a month.

Cattle and ploughing fields are not a romantic attachment for such people. They are often the difference between survival and death.

"After Mondli came and told us to get rid of our cattle, we had no milk to give to the children," says Alimoh Sithole. Zakhele's wife and mother of nine children. "Then they started to get sick. One day I saw the baby had swollen up as though she were full of water. And the skin on her face was loose — it peeled off if I rubbed it. So I took her to the doctor and he said it was *kwashiorkor*, severe malnutrition caused by protein deficiency. He told me to feed her milk and eggs and meat. But where could I get it from? The cattle and the chickens were all gone."

The prospects for employment are not good either. Wages on neighbouring farms vary from an 80 kg bag of meal and the right to graze a few cattle, to about R150 a month. When the coal mines in Vryheid closed down a few years ago, hundreds of people were left without work.

The solution, they believe, is to get their land back. And the precedent has been set. Earlier this year, Mondli ceded 260 hectares of land to 15 families living in the valley. They will "pay" for the land when the first plantations within their boundaries are harvested.

"We want our own place too, like this community — a big place, where we can have cattle and plough," says Mhleikiseni Zwane.

But this is precisely what White farmers in the area fear. "We don't own our farms any more," said one. "We can't evict families who refuse to provide labour. If we try, they burn our farms."

And, as if to prove his point, huge fires burned through the plantations during the evenings of my last week there, casting a red glow over the valley.

DONNA HORNBY is a reporter with the Natal Witness.



Skeyl Hlengethwa: 'Never have I had a rest'

great grandfather were born. He says he, too, will die here.

"I started working here as a boy for Louis Botha until he sold the farm. Then I worked for the farmer's father until he died. And then I worked for the farmer until he got married and had children and his children have grown up and married. Never have I had a rest. But now he says I must go. Where to? Can you tell me?"

Hlengethwa believes he has earned the right to live here: "I have never been paid a cent in my life by any one of these farmers. I worked for free in order to run my cattle and to build my home here. That's why I won't leave."

There are many similar stories. Old Phithi Sithole recalls the arrival of Mondli. "Steve (the previous manager) called us together and told us to get