

Wheat—a Less Risky Crop

WHEAT consumption has been growing yearly at a rate of over three per cent in Bangladesh. Wheat used to be considered an urban food. However, with the increasing number of village bakeries and the demand for wheat products as a 'fast' food from anyone as business persons to rickshawalas, wheat consumption will probably continue to increase. Many South Asian and Southeast Asian countries have experienced similar trends.

Over two million wheat growers in Bangladesh currently produce from 1.1 to 1.4 million metric tons. Since demand for wheat in Bangladesh is around 2.5 million metric tons, the remaining 1 to 1.4 million tons must be imported. Food and donors currently contribute close to one million metric tons with the remainder imported commercially at subsidized prices. Recent Paris Aid meeting discussions indicate that food aid will be lower in the future because of lower development assistance spending, stronger world wheat prices, and reduced availability (e.g. the failure of wheat crops in Australia, Ukraine). Wheat imports are unlikely this year considering that current wheat prices in Bangladesh are at par with world prices, making imports unprofitable.

by Craig A Meisner

recent years, area and production appear to have resumed an upward trend, with wheat being grown predominantly in more sandy and higher elevated plots (unsuitable for boro rice production). Recent studies (IFPRI-CIMMYT) have shown that wheat has a comparative advantage to boro rice in some areas, particularly, those with sandier soils and higher elevations.

Why is wheat an attractive crop, even if yields are lower than boro rice? The answer has to do with the riskiness of boro rice. A drought of huge proportions currently exists in Northern Bangladesh that is hampering the boro rice growers' ability to keep their boro fields irrigated. Part of the reason was the expansion of boro area around the command area of deep or shallow tubewells which were unable to keep up the water supply with the expanded demand during this drought. Secondly, the expansion of boro rice area included fields whose soil types were sandier, requiring greater water (and due to the leaching of nitrogen, more urea fertilizers).

Wheat requires very little water in comparison to boro rice. Three irrigations are recommended, but two are usually adequate. Those two are re-

quired usually by the end of December and early January. Additionally, with the failure of the GK project, wheat can be a welcome substitute crop, utilizing the water that is available by mid-January before the canals go dry for wheat to produce a 2-3 ton per hectare crop. Lastly, boro is sensitive to low fertilizer-use as was experienced this year by the lack of availability of urea in the market. In contrast, wheat requirements for urea are entirely within the first 35 days of its growth and required no further topdressing. Wheat has no major natural pests compared to boro rice which may require pesticides. By the end of March or early April, wheat is harvested, usually when most storms are just beginning. However, during boro season, there are storms from the end of April and to mid-

May that can cause damage to boro rice fields locally. Wheat yields have been stable over the years, with weather not contributing to any devastating production declines.

In contrast to this year's drought and its effects on boro rice, wheat farmers already have harvested a bumper crop while many growers are still not certain about their boro rice harvest. Wheat as a less risky crop should be encouraged by the government in the following ways:

- Consider purchasing locally produced rice/wheat to use in Food for Work projects.
- Ensure that Food for Work wheat does not enter the market at the same time as wheat harvest
- Strengthen the transfer of technology by giving a 'thrust' in wheat production by the Department of Agriculture Extension in cooperation with the Wheat Research Centre of BARI for the 1995/96 season
- Continue and even expand the support of the internationally renowned Bangladesh wheat scientists at the Wheat Research Centre of the Bangladesh Agriculture Research Institute (BARI)

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Growing wheat — a more practical crop

Production and area of wheat have grown tremendously in the past two decades in Bangladesh (Figure 1). While production and area growth stabilized during the 1980s, there were many reasons why there was no further expansion. Irrigation expanded greatly during the 80s, inducing many wheat growers to switch to boro rice once there were stable irrigation facilities. Yet, despite the conversion of land to boro rice, overall wheat area did not decrease as many fallow and marginal lands not previously cultivated during boro season were brought into wheat cultivation for the first time (Saunders, 1990, 1991; Meisner, 1992). Many new growers were inexperienced in wheat production, and yields did not continue to expand as before. However, in

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ABOUT 50 per cent of the people in Bangladesh live below the poverty line. The country's Fourth Five Year Plan (FFYP) reveals that 51 per cent of the rural population and 65 per cent of the urban population are poor. The proximate causes of poverty are increasing unemployment and under employment. The country's labour force is growing rapidly at an annual rate of 3.2 per cent. It is estimated that the total number of job-seekers in the country amount to nearly 15 million. Every year about one million new entrants are being added to the labour force. Therefore, the main problems facing the government of Bangladesh are (1) to reduce poverty and (2) to create employment opportunities. That is why poverty alleviation and employment generation are top priority matters on the development agenda of the government. The country's FFYP one of the three main objectives is the alleviation of poverty and employment generation through human resource development. The problems of poverty and unemployment in Bangladesh can be alleviated to some extent by setting up small scale industries (SSIs) as it has the large scope for generating employment opportunities, augmenting income of the people related to it and accelerating the process of industrialization.

Since the early seventies, Bangladesh has recognised the crucial role of SSIs in the process of industrialization. The first industrial policy of the country recognised the role of SSIs in accelerating the pace of industrial development. The industrial policy of 1986 stressed the importance of SSIs in the national economy and provided various facilities and incentives like subsidized industrial plots, reduction of duty on imported machinery, partial or full exemption of sales tax, concessional rate of interest and simplification of the credit delivery system. The Third Five Year Plans (TFYP) one of the most important objectives was to create new opportunities for productive employment particularly by dispersal of small industries and development of rural and cottage industries. The main emphasis of the FFYP is on poverty alleviation by elimination of unemployment specially for the rural people including women and the landless, and the promotion of sub contracting linkages between small and large

Role of Small-scale Industries in Economic Development

by Md Meftaur Rahman

Existing literature does not comprehensively examine the SSIs of Bangladesh. It is therefore difficult to make a proper estimate of SSIs impact on the economy of Bangladesh. However, it is true that SSIs constitute an important sub-sector of the economy. It has the potential to reduce income inequality, promote balanced regional growth through the dispersal of economic activities, make proper utilization of local resources, meet domestic demand, promote export, earn foreign exchange, ensure supply of basic needs to the people, and expedite the process of industrialization. It also plays a major role in the technological progress of the country and the process of

technology adoption, absorption and diffusion. The country's FFYP reveals that there are 32,000 small industries and 3,83,000 cottage industries (excluding handloom) in the country and it employs 5 million people

which accounts for 78 per cent of total industrial labour force. This sub-sector can create employment more cheaply than the large industries sub-sector. According to the FFYP, employment for one person can be generated by an average investment of Tk 50,000 in the SSIs and an average investment of Tk 4,000 only in the case of cottage industries. According to the Census of Manufacturing Industries of 1989, the total number of manufacturing industries was 23752 of which small indus-



Investing in cottage industry with government patronage: a step into the industrialization process

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tries accounted for 21050 which is 88.62 per cent of total establishments. The total number of persons engaged in the manufacturing sector is 1,175,313 of which the share of the small industries stood around 75 per cent. The FFYP reveals that in 1981-82 the share of small and cottage industries in employment was 82.2 per cent.

Though SSIs contribute significantly to the country's economy they have also a 'dark and shocking side.' The SSIs of Bangladesh are growing at a very slow rate. The growth rate of the SSIs was about 3 per cent in the year of 1991-92. A large number of industrial units have been closed or are not operational, causing stagnation in the entire industrial sector. The growth of this sector is being constrained by a number of factors. Some of the problems are: (a) inadequate finance and credit, (b) non-availability of raw materials, (c) lack of appropriate technology and problems of technology upgradation, (d) lack of marketing and inadequate service support, (e) inadequate and undeveloped infrastructure, (f) inefficient management, (g) lack of adequate training and (h) inadequate government support. Due to these problems SSIs continue to be 'sick and anaemic.'

Despite the persistence of problems, the SSIs remains an important sub-sector of our economy. What is needed is proper governmental patronage and support, commensurate with SSIs contribution to the economy, which will enable the SSIs to make full use of their potential capacity. Comprehensive activity-specific surveys should be conducted to improve the data set about the SSI. The availability of data set about the SSIs is an important pre-requisite in helping formulation of well coordinated and proper policies for this sector. Various government and non-governmental organizations can help in creating a comprehensive and strong data base on the SSIs.

The experiences of countries like Japan, Korea, Taiwan show that small industry sub-sector can play a dynamic role in the industrialization process. It may be hoped that SSIs of Bangladesh will be able to play an important part in the country's economic development if necessary policy measures are taken with a strong commitment.

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Non-governmental Efforts in Sustainable Development

by Md Shafiqul Huq Chowdhury

ALL of us now talk about 'sustainable development'. Earlier it was 'development' which used to be talked about. And in such discussions a question used to be raised — development for whom or which class? Was it increasing the per capita income of the rich through industrial development or industrialisation under state ownership in view of equal distribution? Although the resolution of this question has not been finalized but when effective results cannot be achieved through cooperative or nationalization, the question of equal distribution does not arise. In most cases there remains little to be distributed. So, many have chosen the path of development through industrial development by the rich.

This system has been contravened by the non-governmental efforts. The Grameen Bank, 'ASA' (Association for Social Advancement) and some other non-governmental organisations of this country have proved that development is possible through 'Poverty Alleviation Programme' by organizing those at the lowest rung of the society, deprived of facilities, and with credit support creating productive or income generating opportunities for them.

Development is made to occur many a time many a way, but not always found to be sustainable. Because there is absence of such initiators as intent to work for sustainable development through a deeper judgement of people at all levels of society. Such development as come up the 'spoon feeding' way cannot be sustainable.

In keeping with its conviction to this perception ASA, through trials and errors and tests and successes over the last ten years, in its smaller purview, has been able to reach the goal of obtaining a 'Sustainable Development Model' by non-governmental efforts.

By this development process socio-economic development can be brought in through the poor as well as development of other economic groups in the society can be achieved. Moreover the work can proceed simultaneously through two systems.

It is better to adopt, primarily, non-profit non-governmental efforts for direct development of the poor and commercial basis for the rich. And then by gradually taking the non-governmental non-profit efforts on to the commercial basis, it is only possible to alleviate poverty extensively.

Before talking about 'ASA Sustainable Development Model' we must know about ASA's perceptions of Sustainable Development. That is, to organize the poor people and to increase their buying capacity and income so that they can improve their lifestyle and quality of life by purchasing food, cloth, dwelling and medicine and imparting education to their children and achieving other primary rights on their own.

Here it may be mentioned that 'ASA' effort is a bit different from many other efforts. 'ASA' believes in increasing people's ability to buy all necessary services, which is perhaps easy to do and is sustainable.

two programme models to reach this goal. One is social; such as development education, awareness education, protest against injustice, establishing right of the landless to Govt facilities and all this is done by forming small groups at village level.

The other is motivating the group members towards savings and providing loans for increasing their income. Because the poor people are deprived of the institutional advantage. And, deprived of the institutional credit they seek help from the money lender. So 'ASA' saves them from the extortion of the money lender and helps them to increase income and proper utilisation of

(3) The lion's share of ASA's capital comes from taking loan at reasonable interests and from the savings fund of the members at reasonable interest. The fund is operated accumulating small savings where dependence is much lesser on unrefundable donor's fund.

(4) Management and programme implementation are fully decentralized.

(5) Real participatory policy decision and implementation by the members and field workers.

(6) A transparent, easy and intelligible accounting system where no expert accountancy or even an accountant is needed. Respective field workers

such 60 groups or 1200 members. Four community organizers (C.O.) and a unit officer work at this office. For these five workers there is a local peon and a part-time local cook. In such a unit, credit programme begins from the 3rd or 4th month.

However, education programme (which is under social programme) starts from the first month. Similarly the weekly savings of Tk 5/- per head also starts from the beginning. In this way the credit programme ends in the 7th or 8th month. Within this time all the members would be under the credit (loan) tutelage. In the first year each member would receive a loan of Tk 2000/-. In this way a credit programme of Taka 24 lakh is

ence of the past few years it has been amply proved that, it is very easy to increase the members' annual income by up to 300% through smooth distribution of loan and ensuring its utilisation. Even a poorest member can step-out for self-reliance by keeping oneself sincerely integrated with the programme. For this also such programme/activity is called a 'Sustainable Development Model'.

By effective application and extension of the model with sincere efforts the expenses of primary education, health and nutrition, safe water, sanitation and housing etc. can be paid off gradually from the income of credit programme or increased income. There remains no more the need of free service for other programmes. If effective and extensive credit programme is envisaged for productive and income generating purposes then that has to be through successful associations/organisations, otherwise the new efforts will be nipped in the bud while the successful ones may also be threatened. If a decision in this matter is taken through a national consensus, a new horizon would be opened for implementation of Sustainable Development Model which would pull up the innumerable poor, hungry, ailing, shelterless and illiterate people to the rank of self-reliant human beings.

This ASA model has helped about three lakh women, up to December last year, towards self-reliance in 83 thanas by 2000 workers of 270 unit offices with cyclic credit programme. Every member can sign name and majority of the members can read. They also have access to many an information necessary for life and living.

Many non-governmental organizations of Bangladesh and development workers from different countries of Asia have acquired a lot of experience about this development model through field observation. Contracts are likely to be executed with the New York based voluntary organisation, 'Save the Children, US' for extension of this 'Sustainable Development Model' in countries of South Asia, Africa and the Middle East. Let this development model usher in hope among the deprived of the world.

African Aquaculture Projects Beckon Bangladeshi Investors

by Juan L Mercado

BDANGLESHI entrepreneurs will find it increasingly commercially attractive to invest in aquaculture projects in Africa, using low cost labour there and increasingly sophisticated Asian technology and capital from this region.

The Food and Agriculture Organization (FAO) outlines this prospect in a 1995 special report: 'The State of World Fisheries and Aquaculture.'

During the remainder of the 1990s, the absolute gap between the average salary of people in Africa and those in Asia will continue to grow,' the UN agency notes. Africa's lag in aquaculture, as well as untapped natural resources, can pay off for investors willing to take the long view.

Asia today accounts for 84 per cent of world aquaculture production. China alone contributes 60 per cent of Asia's production. And this constitutes about half of the total world production. India is the second (17.4 per cent), followed by Japan (6 per cent).

FAO Regional Representative A Z M Obaidullah Khan points out that, in southeast Asia, fisheries including aquaculture, expanded along with other sectors. Per caput fish consumption has grown during the last decades. Fish processing industries also developed. Thailand, in fact, is now the world leader in exports of fish and fish products.

But fish consumption in Africa has lagged at approximately 8 kg per caput, com-

pared to 70 kg in Japan. It fluctuated at this level during the two last decades.

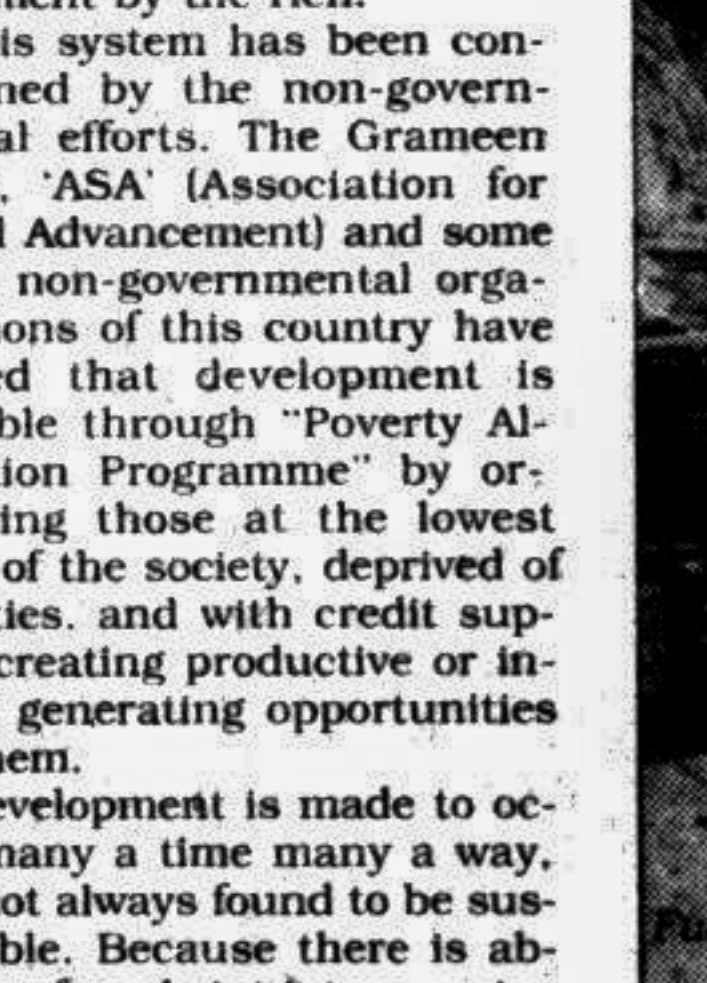
FAO noted that industrial vessels, operated by African enterprises are relatively few. Aquaculture — basically pond farming of tilapia — is still insignificant. But it has started to grow since the mid-1980s. Earnings from exports of fishery products exceed expenditures on imports.

In Africa, past efforts (usually promoted by development aid agencies) to establish a viable rural aquaculture — mostly of tilapia in ponds — have 'frequently failed,' FAO noted. Efforts by export-oriented aquaculture enterprises to start culture of marine shrimps have also met with difficulties.

FAO estimates Africa will see a rapid growth in demand. This will be driven by two major factors: 3 per cent population growth and 5-7 per cent of urbanization growth. Fish prices will increase in real terms. Marine capture fisheries (with the exception of those for small pelagics off the West Coast of Africa) are unlikely to increase landings significantly.

Aquaculture is expanding rapidly. But it is starting from too low a level of production to have an impact before the end of the century, Mr Khan said. Overemployment and overcapitalization, artisanal and industrial sectors are competing for access to the same fishing grounds.

— Depth News



Fishermen tending to their ponds in a village group



Fishermen tending to their ponds in a village group

able. People will buy education, medicine and other necessities themselves where the middle class need not give any subsidy or offer donation. Because now they have the capacity to buy their needs from the market. And this increment of buying capacity is possible only through effective implementation of credit programme.

They will increase their income by utilising the credit or loan and then buy their necessities gradually with the profit margin thus accrued. No Govt fund, donor's grant or subsidy is required as such, while there would prevail a transparency in Govt administration on refundable loan. For, in grant and subsidy there always prevails a sort of lethargy, corruption, procrastination and dependence. 'ASA Development Model' aims at freedom from all this.

The main objective of 'ASA' model development is the socio-economic development of the family by the depressed and deprived women remaining at the lower strata of the society. ASA has adopted

the increased savings thereof so that they do not have to depend on the loan money of 'ASA' for good.

'ASA' worked at the field level for the last five years and with its success has been able to get this 'Sustainable Development Model'. Adopting this model the poor people can reduce gradually their dependence on external fund by proper utilisation of their own fund. The specialities of this 'Sustainable Development Model' are:

(1) It's a bottom-up process. Economic benefits climb-up from the base. It can be called trickle-up or climb-up approach, wherefrom the poor are benefited directly and also other sectors of the economy are helped indirectly. ASA climb-up approach stands reverse of the usual trickle-down approach.

(2) All expenses of ASA Development Model such as education, awareness, loan interest, other relevant papers etc are met from own income. You need not have to depend on donors for management or operational expenses.



Fishermen tending to their ponds in a village group



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themselves are capable to maintain it smoothly in their own domain. However, the regular monitoring system is required to be very strong and competent and 'ASA' has achieved it.

(7) There is a system of life insurance for the members. If no accident occurs, a fixed amount of money is accumulated in their savings after every five years.

(8) One kind of loan one year — this helps in income generation.

(9) Most of the members that is about 99.50% are women.

(10) Social development and economic development are integrated.

(11) The rate of loan realization is about 100% and that of self-reliance 102.50 %.

(12) To build up small institutional infrastructure for the poor women at village level.

Maintaining the above specialities 'ASA' forms a group with 20 poor women. A community organizer works with such 15 groups or 300 members. A unit office is established at the union level with

implemented in that unit. In the second year almost all the members would get a loan of Tk 3000/- each. About 20 per cent of the members may even get more than that. But this depends on the utilization and repayment of loan and increase in income. This way the imaculate users would stage by stage get some more loans each year.

Within the 8th month of the first year the 'ASA' unit is able to meet its expenses from its own income. In this way, from the 10th or 11th month the unit becomes capable of meeting not only its own expenses from the income but also all other related expenses including that of the central office. Thus it is called 'Sustainable Development Model'. As such, after project implementations for 6/7 years and refunding the fund taken under credit programme, the development programme can be sustained.

From the practical experi-

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Rendered into English by Onirwan Shahu