

029 **Socio-economic Development of Rural Poor through Target Group**
Approach: ASARRD Project
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a) Researcher's Identity

1. M. Fazlul Haq
Associate Instructor
M.A. (Economics), Dhaka University

b) Objectives

- i. To study the effectiveness of the project approach ;
- ii. To find out the improvement in income and employment status of the target group; and
- iii. To give some recommendation for further improvement of the project.

c) Executive summary

Due to the operation of Action Research Project (ARP) in this village, the following changes have been observed in the lives of most of the group members:

1. Income Raised

Bangladesh Institute of Development studies (BIDS) in 1979 evaluated the project and found that income of the group members have increased upto 300% from the profitable activities undertaken with loan money. For comparing the change in income 15 respondents; 5 small farmers and 10 farmers and 10 landless labourers are selected randomly from among the target families of the village. The data available from the benchmark survey made in 1977 for the same respondents are used. These respondents are reinterviewed in June 1979. It was found that average gross income had increased 55% in case of small farmers and 45% increase in landless labourers. 20% inflation (50% in 2.5 years) per year had been deducted in calculating the gross income of the respondents. The following table will help to clear the idea:

| Category of households | Bench-mark survey year January 1977 | | June 1979 | |
|------------------------|--|---------------------|---------------------|----------------------|
| | No. of Members | Annual Income (Tk.) | Annual Income (Tk.) | 0/0 Change in income |
| Small farmers | 5 | 10,500.00 | 16,275.00 | 55 |
| Landless labourers | 10 | 16,500.00 | 24,000.00 | 45 |

Gross income of Small farmer increased from Tk. 10,500 to 16,275 because of (a) increased yield per acre, (b) increased cropping intensity due to easy availability of credit, (c) more income from other activities such as plough cattle, milchcow and beef fattening whereas gross income of landless labourers increased from Tk. 16,500 to 24,000 due to the increased rate of wages, because of increased demand of labour from the small farmers who were not in a position to use hired labour earlier and because of shortage of supply of labour due to full time involvement in rickshaw pulling and other petty businesses. Although the labour shortage in peak period is partially met up by the labourers from the neighbouring villages, It was observed that on an average the wage rate was higher in this village than the neighbouring villages.

Cost-return of different completed activities under the project revealed that in all the activities' returns are always positive. This indicated that the activities were profitable which directly contributed to raise the income of the group members. The group members invested a total amount of Tk. 7,34,890 within 2.5 years (from January 1977 to June 1979) and gross return was Tk. 10,40,780 leaving a net return of Tk. 3,05,890.

This statement is confirmed by the findings of BIDS evaluation which stated, "Bogra Sub-Project is being able to get the greatest (monetary) benefit out of this project".

2. Increased Employment

Action Research Project has generated a new employment opportunity among the small farmers and landless labourers of the village. It is known that at least 4-6 months of a year, most of the rural people face partial and, in some cases total unemployment situation when there has been no agricultural work like sowing and reaping.

These months are February, March, April, May, September and October. Due to the activities of Action Research Project, the group members are now totally employed in these lean months of the year because of involvement in some off-farm activities like beef fattening, rickshaw pulling and petty business.. Moreover extra demand for labour has been created due to higher

cropping intensity and intensive cultivation of crops. Out of 295 families there are 140 landless labourers. Most of these labourers were partially unemployed before launching the Action Research Project. Now, out of 140 landless families, 28 purchased 28 rickshaws from the loan money which employed 56 landless families of the village. It is noted that rickshaws are plied by two persons alternatively, one person in morning shift and another persons in evening shift. Similarly, due to the shortage of funds, the pottery group could not make their pots and run their business throughout the year. Now they are getting sufficient amount of credit and can continue their business throughout the year. This clearly indicates an elimination of underemployment situation among the group members. In case of paddy processing activity, it is found that most of the group members constantly earning some profit from the processing of paddy. These people were poor and initially these poor people were engaged in begging and in some other non-economic activities. Timely credit with proper supervision has widened a new horizon to these poor people and they engaged themselves in paddy processing throughout the year. This activity directly created some opportunity of employment.

3. Group Discipline

Group discipline has matured due to the involvement of the members in the project activities. The group members meet weekly to find out the real solutions to problems. After serious discussion on the issue, they decide to act accordingly. This shows that the group as a whole has the ability to take action according to its own decision. Moreover there is always group pressure acting towards the proper utilization and smooth repayment of loan money.

4. Change of Attitude

Before the introduction of the project, the income level of the group members was low, and they could not be considered as having a better life. Now their income has increased substantially, they are going for better food, better housing and better clothing. They are hoping to lead a solvent life in the future. Some group members built themselves tin roof houses. Most of the group members are sending their children to primary school which would not be possible if the project would not have been in operation in this village. All these indicate a move towards better standard of living.

c) Observations and Recommendations

The findings of the Action Research Project on small scale farmers and landless labourers are as follows:

- 1) Organization of rural poor into small multi-functional groups is possible;
- 2) These groups can form the basis for broad organization of the rural poor. Here, the broad organization is association;
- 3) It is possible to channel development inputs to the rural poor through these groups.
- 4) Credit, which enables the rural poor to gain control over other inputs can help them to increase their income substantially;
- 5) Group discipline and profitability of an economic activity can substitute the tangible collateral security for judging credit worthiness of the rural poor;
- 6) Though amount of savings will be small, habit of savings can be developed among the rural poor.
- 7) The poor are more particular in repaying loans than the comparatively rich farmers;
- 8) Through groups and associations the poor can take small but useful programmes for education, social work and population control;
- 9) The rural power structure can be cajoled to cooperate with or at least remain neutral to the special programmes for the development of the rural poor.