

Structural Adjustment Participatory Review Initiative, Bangladesh

A Summary Report on the Regional Consultative Meeting held in Rajshahi on Wednesday, 25 October 2000

The second post-research Regional Consultative Meeting, aimed at validating findings of the research undertaken for Bangladesh SAPRI, took place on 25 October 2000 at the Caritas auditorium in Rajshahi, headquarters of one of the country's four greater administrative regions. The one-day-meet, intended to share the experiences of broad cross-section of civil society relating to problems with the adjustment, and issues to be selected for the Review, was organised by the regional chapter of the NGO apex body, ADAB, with the assistance of SAPRI Secretariat. Ninety-five participants, including delegates of 59 local organisations -- representing entities such as grassroots organisations, small-farmer associations, women's organisations, and professional groups as well as local NGOs working in the countryside -- attended the tripartite collaborative exercise. The forum recorded the voices of civil society on the impacts and implications of key adjustment issues.

A summary matrix of the regional consultative meeting held in Rajshahi is given below:

DATE & VENUE	LOCAL HOST ORGANISATION	AGENDA	PARTICIPATION BY CATEGORY	PARTICIPATION FROM DHAKA
October 25, 2000 Caritas Auditorium	ADAB, Rajshahi	<ul style="list-style-type: none"> • Welcome and introduction • Presentation on the findings of the Study on Consequences of Agricultural policy Reforms • Discussion 	Grassroots organisation - 65 Women Org. - 2 Teacher - 5 Professionals - 2 Media - 15 Govt. Representative - 5 Chamber - 1 <hr/> Total = 95	Mr. Mahbulul Karim Ms. Maleka Khan Dr. Atiur Rahman Dr. Debapriya Bhattacharya Dr. Zulfiqar Ali Mr. Tarek Chowdhury Mr. Rashed A M Titumir Ms. Sharmila Huq

Since the participants of the pre-study consultation in Rajshahi, dwelt more on agriculture, the present RCM listened to and deliberated on findings of the studies conducted related to consequences of agricultural policy reforms.

With the opening remarks of welcome and gratitude for participation, the chair, Mr. Afzal Hossain, chairperson of ADAB's regional chapter invited the Study Director, Dr. Debapriya Bhattacharya to initiate the discussion. Mr. Mahbulul Karim, Member-Secretary, Bangladesh SAPRI made introductory remarks on the background to the process of SAPRI exercise. Following Mr. Karim's remarks, Dr. Debapriya Bhattacharya briefed the participants about the scope and the process of implementation of the Initiative. He invited Dr. Atiur Rahman, Team Leader, participatory component to share the participants with the findings produced through participatory appraisal on the impacts

of agricultural policy reforms. In absence of Dr. K A S Murshid who prepared the study *Implications of Agricultural Policy Reforms on Rural Food Security and Poverty*, Mr. Rashed A. M. Titumir presented the findings. The findings of the study on *Impact of Policy Reforms on Crop Sector Profitability in Bangladesh*, prepared by Dr. Sajjad Zohir, was presented by Dr. Zulfiqar Ali.

Following presentations, Dr. Bhattacharya stressed on an open, effective and interactive participation and invited observations and comments from the floor.

Discussion

Below is the summary of issues raised during the process of consultation:

Acknowledging the widespread availability of the chemical fertiliser, the participants opined that the farmers had been confronting problems such as selling of adulterated/substandard fertiliser; higher and unstable price; marketing fertiliser in under-weighted bag; ignorance of farmers about the application of fertiliser, and fertiliser crisis. Adulteration of fertiliser was identified by them to be a relatively recent phenomenon which proliferated since the middle of the nineties. They are of the opinion that the government should intervene to deal with both adulteration and price-related problems.

Although availability of irrigation service has increased over time, the participants observed that the farmers had been facing a number of problems which include power failure; high electric charge; high diesel price; occasional unavailability of diesel; unavailability of spares; wastage of water due to earthen furrows/drains; etc. Besides, high irrigation charge was also a problem particularly faced by the poor farmers.

According to the participants, absence of regulatory authority in the wake of liberalisation of imports has led to the surge of import of substandard equipment, albeit at cheaper rates whose serviceable life is very short (say 5-6 years). Adulterated fuel and lubricants have been instrumental in causing damage to equipment affecting irrigation services. Using adulterated fuel and lubricant eats into the machine's life and irrigation pumps run into troubles repeatedly. They maintained that the shallow tube wells buyers had increasingly being subjected to fraudulent practices of unscrupulous traders. The poor farmers are buying substandard machines unknowingly because they cannot differentiate between a substandard and a standard one.

According to the participants, equipment owners, and large and medium farmers gained most from the private irrigation system. Equipment owners gained by earning a lot from selling irrigation water, and large and medium farmers benefited by cultivating their sizeable chunk of land. The participants said that the poor farmers and sharecroppers could not benefit because they could not invest in cultivation, they had to depend on rented-in land and had to borrow from moneylenders at an exorbitant interest rate.

The participants opined that availability of pesticides increased over time at the local level and the farmers did not face any supply-side problems. However, the price of pesticides recorded an upward trend and there has been more fluctuation in its price level in recent past. The participants observed that the quality of pesticides had deteriorated over time and could not kill pest and predators as effectively as before. Pesticides were also subjected to adulteration and fake practices, they added. The increased use of pesticides have been causing various environmental problems such as the decline in

fertility of the soil; loss of biodiversity (e.g extinction of frogs, snakes, certain fish species etc); increased mortality of fish.

As regards rural finance, the participants said that the lending procedure of the banks had remained unchanged over time and the poor had to face formidable difficulties in accessing bank loan. Informal moneylenders who extend credit at an exorbitant rate of interest overwhelmingly dominate the rural finance.

Dwelling on the public procurement system, the participants said that although the procurement price announced by the concerned public sector authority was always higher than the market price in the harvesting month, the farmers could not sell their produces at the procurement centre despite their intention. The poor farmers sold their produces as either they mortgaged the harvest to village money lenders or sell it to intermediaries. They also complained about corrupt practices of officials of procurement centres.

Labour demand was found to have been adversely affected by the mechanisation process. Wage employment was gradually being displaced by the increased mechanisation of agriculture in the villages. The labour required for operating various activities relating to the major crops such as *aman*, *boro*, potato, oilseeds and wheat declined over time. Besides, machines are also being used in other operations such as carrying, threshing etc. which considerably curtailed the labour requirement for a range of post-harvest operations in the village.

The tenancy market underwent significant changes, said participants, adding that fixed-tenancy system had emerged as a predominant form of tenancy in the nonirrigated areas. Share-tenancy and other forms of tenancy such as mid-term tenancy have diminished. Land transacted under share tenancy considerably declined over time in the village, although the number of owner-cum-tenant farmers increased over time. The participants informed that rent for the land under the fixed-tenancy per unit of land had increased. They also informed that land renting necessitated cash payment in advance which put small and marginal farmers at a sheer disadvantage in this village.

On the contrary in the irrigated areas, there has been an increased supply of land rented in under share-tenancy over time in the village. According to the participants, the share-tenancy provides for one fourth for the landowner, one-fourth for the provider of irrigation service and the other half of the produce for the tenant farmer.

Landlessness and land concentration, according to the participants, have set in motion at faster pace. The participants said that distressed sale of land had increased while concentration of land in the few had been growing at a faster rate. Poverty-related factors such as unemployment/hunger; obligation for credit repayment; repairing houses, etc compelled the poor households to sell their land. They have been selling land for meeting a number of social obligations such as marriage.

According to the participants, the ecological balance has been deteriorating over time in respect of all the three fundamental components of the agro-ecology, namely the soil, water and biodiversity. The present production process played a crucial role in accelerating the degradation process in the study villages. The soil has gradually becoming hardened and saline due to the excessive use of groundwater. The fertility of the soil declined due to the excessive use of chemical fertilisers and pesticides. The use of the adulterated inputs exacerbated the problem. Less use of organic fertiliser and the increase in the cropping intensity contributed to the drop in the soil fertility in the

villages. The soil was also subjected to erosion over time because of the above-mentioned factors causing degradation of the soil.

The participants said that the water table has been waning in the dry season every year due to the excessive use of irrigation. The groundwater, according to the participants, has been contaminated by arsenic and its quality has degraded in respect of salinity and iron content. The open water bodies has been subjected to pollution due to the run-off effects of chemical fertilisers and pesticides.

The biodiversity of the villages has been impacted adversely. As the local water bodies got polluted, fishes got diseased. Use of adulterated pesticides and fertilisers, according to participants, have been causing damage and loss of fish resources.

The present cropping pattern and crop mix gave rise to a system towards monoculture. Many other crops, such as *aus*, jute, pulses, oilseeds, etc are either not cultivated or cultivated at a meagre proportion.

The participants questioned the findings relating to profitability and opined that one could prima facie find agriculture profitable, but intermediaries had been eating out profit. Presenting a estimate of cost of production and price of produce said that cost of production for one bigha (33 decimal) paddy is around Taka 1400: Taka 640 for irrigation (Taka 80 per hour); Taka 400 for fertiliser (Taka 200 per maund); Taka 200 for labour and Taka 150 for ploughing. If the production is good, a bigha may yield 25 maunds or otherwise it will be around 18 maunds. ???????

Recommendations

The participants recommended the followings:

- ◆ There is need for strong and effective government intervention of the state, especially in setting up of a strong and effective regulatory body to oversee the standards and quality of agricultural input.
- ◆ For averting the process of polarisation, there is need for reforms in land administration, distribution amangement of agricultural input and teneural system including with a view to achieving redistributive agricultural reform.
- ◆ There is need for setting up of institutional structure to record voice of the people regarding design and implementation of policies relating to agriculture.
- ◆ The soil testing system needs to reformed in a way so that it could meet the growing need and have resources enabling the system to advise the farmers what soil to used for what plantation.
- ◆ The teneural system requires thorough reform for establishing rights of share-croppers.
- ◆ Like other sector, minimum wages are to be there for agricultural labourers.
- ◆ The local government has to be strengthened so that it could oversee distribution and sale of agricultural input and protect environmental balance.
- ◆ Agricultural extension service has to reformed to transform it as a service organisation providing information and training to the farmers.
- ◆ A system of agricultural insurance has to be initiated to protect the farmers from climatic vulnerability.