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PERFORMANCE OF SELECTED BRDB COOPERATIVES*

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ABSTRACT

During the experimental stage, Comilla type cooperatives showed spectacular success and then gradually faded and faced lot of criticism when this system of cooperative was expanded throughout the country by IRDP (now BRDB). In this note performance of selected BRDB cooperatives in Comilla, Noakhali and Kushtia districts have been measured in respect of some criteria e.g., method of organisation and management, impact of the cooperatives on agricultural production and on socioeconomic condition of members. Results indicate that the overall performance is low and that performance level gradually decreased as the distance of the selected societies increased from Comilla.

I. INTRODUCTION

Comilla type cooperatives have occupied an important place in the literature on cooperatives, rural institutions and rural development. This type of cooperatives was experimented during the 1960s first in Comilla Kotwali Thana¹, then in other thanas in Comilla district and elsewhere in the country under the supervision of the Comilla Academy and its leader Mr. Akhter Hameed Khan. Unlike Union Multipurpose Cooperatives, the Comilla approach introduced a two tier cooperative with primary societies at the village level and federation of primary societies at the thana level.

During the experimental phase, superiority of the Comilla type over traditional cooperatives was widely publicised both within, and outside the country. In 1971, Comilla type cooperatives were accepted as a model for replication throughout the country in a

* Derived from the first author's Masters thesis.

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1. In 1983 the thane has been renamed as Upazila. However, the former name has been retained in this paper because most of the data reported here is related to pre-1983 period.

phased manner under the banner of Intergrated Rural Development Programme (IRDP) (though the structure of Union Multipurpose cooperative remained and still remain). Accordingly 430 out of about 450 thanas have been brought under IRDP by 1982 when the organisation was renamed as Bangladesh Rural Development Board (BRDB) (GOB 1982). During this phase the IRDP had faced strong criticism mostly on the following lines :

1. While mostly small farmers participated in and benefited from Comilla cooperatives during the experimental phase, IRDP cooperatives have been taken over by rich farmers and rural elites (Abdullah *et al.* 1976, 247-249).
2. While Comilla experiment emphasised the growth of self reliance among groups of members through saving and capital formation, IRDP became largely an agency for distribution of foreign funded credit (Blair 1974, p. 22).
3. The rate of success achieved in Comilla during the experimental phase gradually reduced as the IRDP was extended to wider areas because the close supervision of the Comilla Academy and the personality of Akhter Hameed Khan could not be replicated outside Comilla (Abdullah *et al.* 1976, p. 225). Even in Comilla, the significant difference between cooperative and non-cooperative farmers in terms of technology adoption became insignificant after the mid seventies (Malek 1976 ; Ahmed 1975 ; Alam 1976 ; Blair 1974).

In this paper, performance of selected BRDB cooperatives has been analysed with a view to verify the above and a number of other hypotheses. Method of measuring performance and source of data are presented in section II. Summary of findings is presented in section III.

II. METHODOLOGY

Source of Data

Three thanas—Kotwali in Comilla, Ramgonj in Noakhali and Gangni in Kushtia were selected purposively for this study. The geographical spread was taken to see the level of performance of societies located at different distance from Comilla.

Three primary societies from each of the above thanas were selected at random. From each society, the manager and five randomly selected ordinary members were interviewed to obtain information about the society and the characteristics of the members. Some of the selected members turned out to be Members of the Managing Committee. Records and books of accounts of the selected societies were also examined. The survey was conducted in 1981.

Method of Measuring Performance

BRDB cooperatives are organised with a view to achieve specific objectives and there are specified ways of organising and managing such societies. Performance has been measured in respect of the following criteria :

- (a) Method of organising the primary society
- (b) Method of management of the society
- (c) Impact of the cooperative on agricultural production
- (d) Impact on socioeconomic condition of members.

Each criterion has a number of subcriteria or elements. With respect to each criterion, performance has been measured by the degree or level of compliance between 'what was expected to be achieved' and 'what has actually been achieved'. Some of the elements are ordinal or qualitative in nature while others are cardinal in nature. Both these forms of values have been converted into three levels of performance giving a score of 0 for low achievement, 1 for medium achievement and 2 for higher achievement. The sub-criteria or elements considered for this study are discussed below.

Organisation of Society

1. **Motivation of the members about cooperative.** Members participating in a cooperative are expected to be motivated i.e., aware and convinced about the objectives, principles and methods of cooperative organisation. Actually, unmotivated (0), partially motivated (1) and well motivated (2) members might be found.
2. **Member characteristics.** Members are expected to be honest, punctual and regular in performing cooperative activities. Actually members having low (0), medium (1) and high (2) level character might be found in a society.
3. **Member relationship.** Members are expected to support each other and have cordial personal and business relationships. Actually bad (0), good (1) and excellent (2) member relationship might be found in various societies.
4. **Membership criteria and rights.** Societies are expected to follow the principles of open membership, democratic control, limited return on capital, and sharing benefits according to participation. Actually, some societies might never follow these principles (0), others might follow them partially (1), still others could follow them fully (2).

Management of Cooperatives

1. **Election of managing committee and holding of weekly meetings.** Members are supposed to elect a managing committee to manage the activities of the society and the committee is supposed to hold regular weekly meetings to discuss problems and programmes of the society. Actually there may not be any elected managing committee (0), election irregularly held (1) or regularly held (2). Weekly meeting may be never held (0), irregularly held (1) or regularly held (2).

2. **Attendance in meetings.** Both ordinary and committee members are supposed to attend appropriate meetings regularly and participate actively for making the society successful. In reality, on average, below 33 percent (0), 33-66 percent (1) and over 66 percent (2) attendance of members were observed in different societies.

3. **Maintenance of books and accounts.** Each society is supposed to maintain proper books of accounts and records of activities. In reality, some societies were found to keep less than 33 percent of the required books of accounts and records (0), some societies kept 33-66 percent of such records (1), others kept over 66 percent of the required records.

4. **Supervision and audit of accounts.** The accounts of the society are supposed to be regularly audited by its own members, by the auditor of Thana Central Cooperative Association or by the official of the Cooperative Department. In reality, accounts of some societies were practically never audited properly (0), accounts of some societies were irregularly audited (1) and those of others regularly audited (2).

5. **Membership training.** Members of the managing committee were supposed to receive training from TCCA and train ordinary members about the principles of organization and management of the society and about production activities of the society, e.g., proper application of fertilizer. Some societies reported receiving no training at all for members (0), others got inadequate (1) and some got adequate (2) training. In case of training of ordinary members by trained managing committee members, attendance was reported to be below 25 percent (0), 25-50 percent (1) and over 50 percent (2). Effectiveness of such training in improving membership quality was poor (0), good (1) and excellent (2) in various societies.

6. **Availability and repayment of credit.** Timely and adequate amount of credit from TCCA and other agencies was expected to be available to members, if needed. In reality credit availability was untimely and inadequate (0), untimely but adequate (1) and both timely and adequate (2) for various societies. Regular and timely repayment was expected for smooth running of the cooperative business. In reality, level of repayment was poor (0), good (1) and excellent (2) in various societies.

7. **Distribution of patronage refund.** Rule of patronage refund is specified by the by-law of each society. Such refund is supposed to be regularly distributed. It was reported that some societies never paid any patronage refund (0), some societies paid it partially (1), while others paid adequately and regularly (2).

Impact of the Societies on Technology, Production and Socioeconomic Condition of the Members

1. **Impact on agricultural technology and production.** In the field of agricultural improvement, members were expected to adopt new varieties of seeds, use fertilizers, insecticides, pesticides, improved method of cultivation in crop production, fish culture, poultry and dairy development and development in horticulture. Based on the level of adoption, each society was given a score from 0 to 2 for each of the above component.

2. **Impact on Socioeconomic conditions of members.** Cooperatives were expected to increase income of the members, productivity of land, employment and help to establish small and cottage industries in rural areas. The society was also expected to change the outlook of members in terms of family planning, technology adoption etc. Based on the level of reported achievements, each society was given a score of 0 to 2 for each element.

Scores for components or sub-criteria were added up to get composite score for measuring the performance with respect to a major criteria. e.g., organisation of the society. One limitation of the study should however be mentioned. Performance of the cooperatives in this study has been measured by assigning different scores to the elements of a set of criteria. Composite score value of the criteria for judging performance could be different if score points other than that adopted in this study were used, e.g., values of 1, 2 and 3 could be taken in place of 0, 1, 2. This would not alter the relative position of the societies. The other limitation is that very small number of societies have been studied to permit broad generalisation.

III. SUMMARY OF FINDINGS

By 1981, BRDB cooperatives were formed in all the selected villages in Comilla Kotwali Thana as compared to 80 percent of the selected villages in Ramgonj and 95 percent in Gangu Thana. On the otherhand, only 34 percent of the families in Comilla Kotwali Thana became members of cooperative compared to 26 percent families in Ramgonj and 15 percent in Gangu. This is a very poor performance particularly for Comilla where this type of cooperative has been in practice for 20 years. It is most likely that cooperative membership in Comilla has decreased. Membership in the 9 selected societies varied from 23 to 95 and totalled 472. Seventy eight percent of the ordinary members and 98 percent of the managing committee members were literate. Given the national

literacy rate of about 25 percent, above figures indicate that rural elites have taken over these societies. Unfortunately, land data was not collected but literacy rate of members might be taken as a good indication of the fact that members were relatively large land holders. A number of studies in Comilla have reported larger land holding of members compared to non-members (see for example, Blair 1974, p. 28 ; Ali 1976, p. 22).

Performance of the selected societies in respect of four major criteria are shown in Table 1. A number of generalisations can be made from the table.

1. The degree of success achieved by the societies is very low : about one third of the achievable level of performance.
2. Comilla societies achieved the highest level of performance followed by Noakhali and Kushtia societies. This reconfirms earlier findings that the rate of success has gradually decreased as the distance of the selected societies increased from Comilla, the place where this type of societies was first experimented.

TABLE 1 PERFORMANCE OF SELECTED BRDP COOPERATIVES

Performance criteria	Maximum attainable score by each society	Proportion of maximum score secured (%)			
		Comilla	Noakhali	Kushtia	All districts
Method of organisation	118	56	48	19	41
Method of management	54	62	65	39	55
Impact on agricultural technology and production	80	31	23	17	24
Impact on socio-economic condition of members	170	41	29	12	28
Overall performance	422	46	38	18	34

Source : Compiled from (Azad 1983).

3. Degree of success in methods of organisation and management of the societies appear to be higher compared to the impact of the societies on agricultural technology, agricultural production and socioeconomic condition of the members. This is probably a reflection of the fact that BRDB's success in the formation of cooperative groups has not been matched by its ability to get those groups perform their functions adequately and properly.

Since BRDB cooperatives have virtually invaded the whole country, results of this small survey and other studies indicate that more attention should be given to raise the overall performance of these societies, particularly those away from Comilla.

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