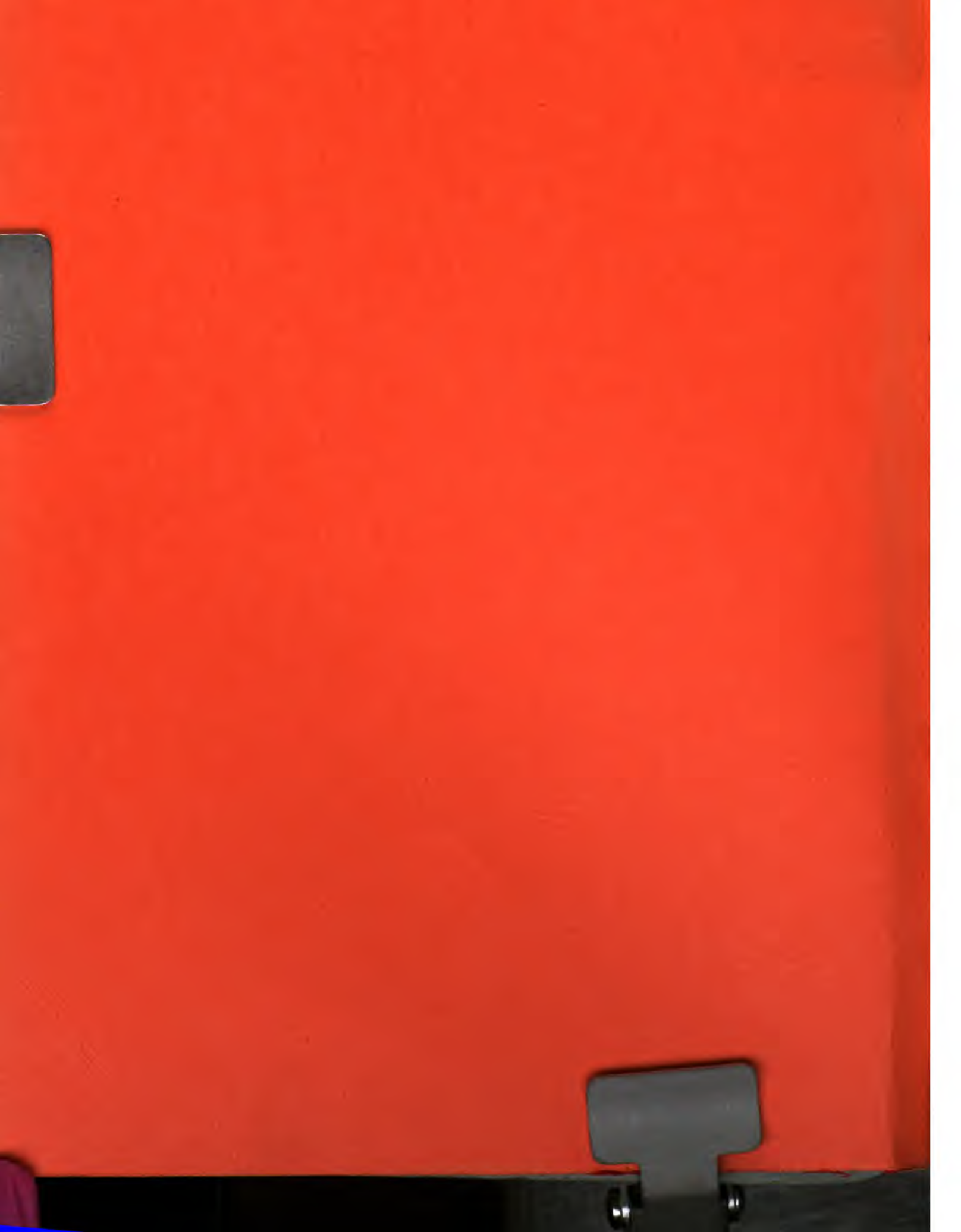


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PROJECT IDENTIFICATION SUMMARY

INTEGRATED PROJECT FOR RURAL DEVELOPMENT THROUGH FARMER'S
ORGANIZATION AND PLANNING

(PRELIMINARY VERSION)

GEORGETOWN, GUYANA
APRIL, 1980

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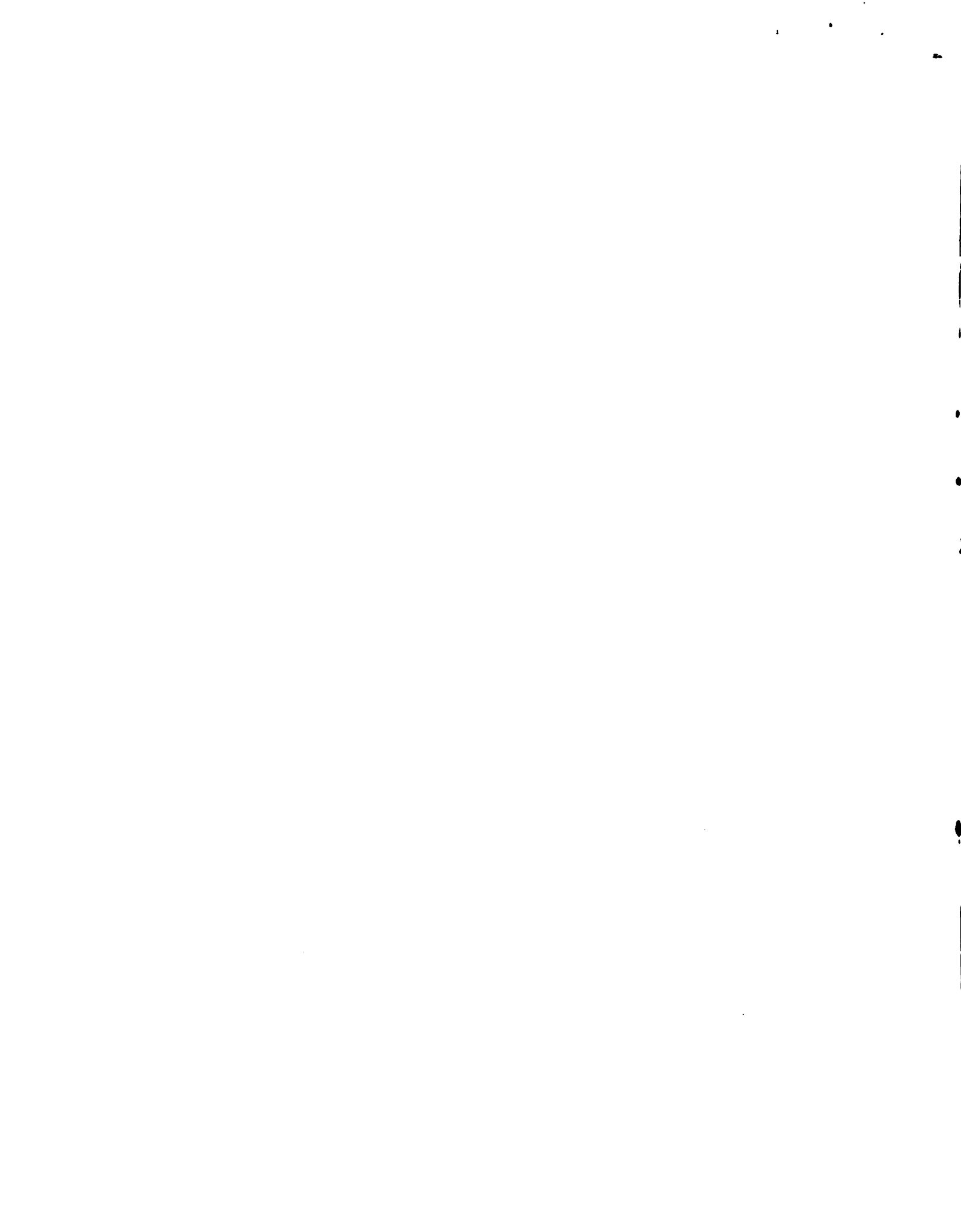
1. BACKGROUND

1.1 The agricultural sector is the most important contributor to the economy and also the most important source of employment. In 1977 it contributed 27% to the GDP (See Table in the Annex). The development of the sectors is undergoing some very important changes with much emphasis being placed on its role as a major contributor to the overall economic and social development of the country.

The major economic and social objectives of the government are based on the attainment of self-sufficiency and to adequately "feed, house and clothe the Guyanese population".

The country, with a limited population (83,000 inhabitants) and a large endowment of natural resources (50 million acres with 4.3 million acres of good to moderate land), has a large potential for development. One of their major problems, though, relates to the effective occupation of the hinterland and the development of natural resources.

Presently, the economic situation is based on agriculture with an incipient manufacturing industry and therefore in order to attain higher levels of development, the economy must rely on the agricultural sector to generate income and employment that will sustain aggregate demand. The size of the country and its relations to the neighbouring Caribbean (historically and culturally related) points to the possibility of establishing Guyana as a major food producer and supplier to the rapidly increasing Caribbean population and therefore incentivating and fostering additional expansion of the agricultural sector.



Within this context, the Government of Guyana has assigned a major role to the Agricultural Sector in the achievement of the overall objectives of national independence and self-reliance. The most important elements of this role may be summarised as follows:-

- a. Increasing food production to satisfy internal demand and for export;
- b. Increasing production of selected export crops to obtain urgently needed foreign exchange;
- c. Employment generation with satisfactory income levels;
- d. Providing, through the expansion of a strong co-operative sector, a firm basis for a democratic society.

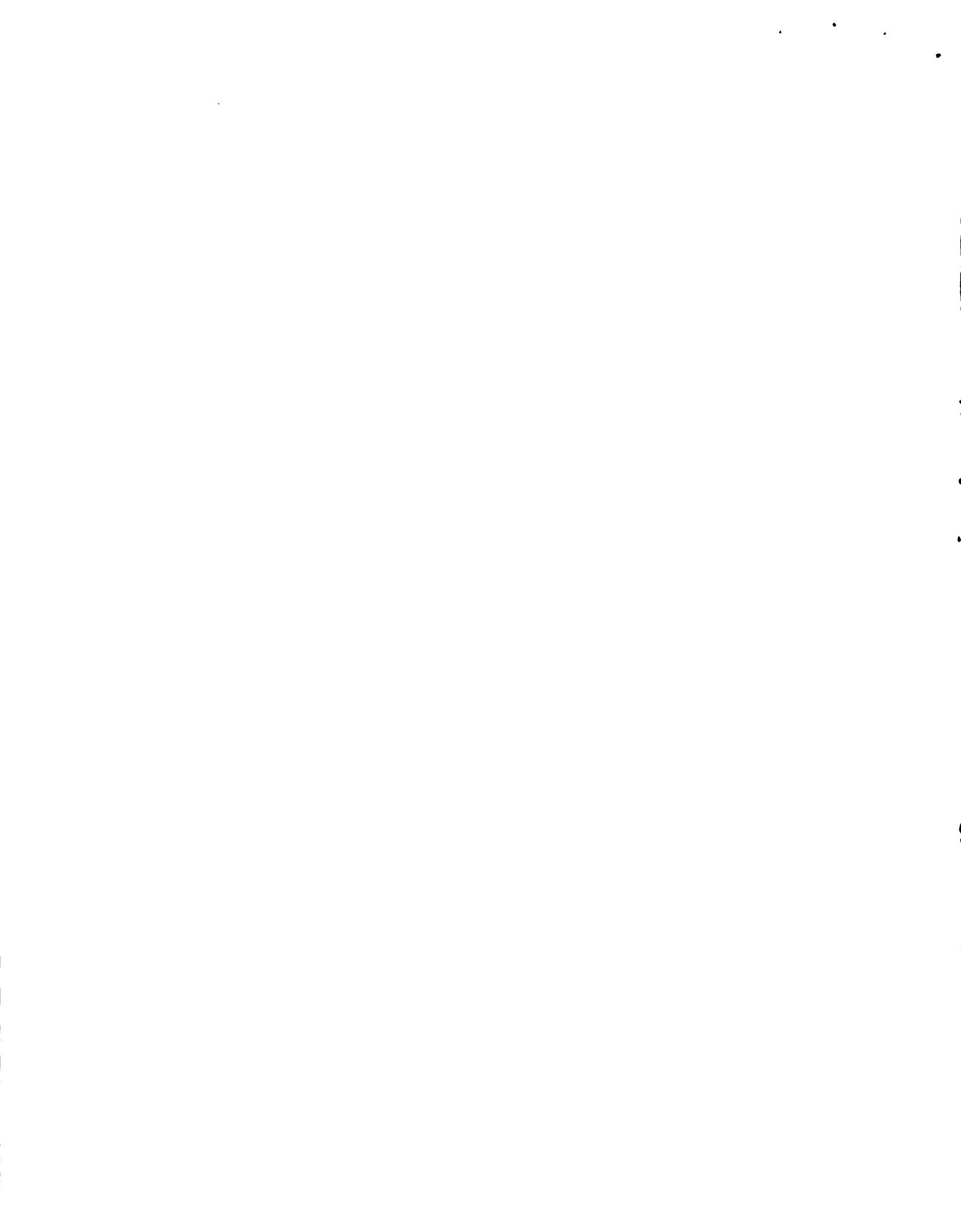
In order to promote agriculture within this context three types of instruments have been utilised by the Government:-

- a. Production services and incentives. These include credit, technical assistance, pricing policies, subsidies, agricultural extension and training, distribution of inputs, etc.
- b. Social services, such as education, health, housing, etc. aimed at the improvement of living conditions in the countryside.
- c. Direct state intervention in agricultural production, marketing, agroindustry, land development, etc.

The three basic production elements of the agricultural sector of Guyana, as envisaged by the Government, are independent farmers, the state itself (through State-managed farms and agriculturally related enterprises) and co-operatives.

2.2 THE PROBLEM

During the last decade, the overall performance of the agricultural sector has not been significant to the role assigned to it in the building of a new society. Various political, economic and institutional reasons, both internal and external, have been advanced to explain its shortcomings.



Agricultural production~~s~~ have been showing a declining and erratic trend in some of the most important export crops. The ten-year trend in sugar has been to decline some 3.76 thousand tons per year. That of rice has been to increase 6.24 tons per year, and coconut productions declined by 454 thousand nuts per year. In general the relative importance of the agricultural sector has slowly increased, stressing the dependency of the economy on the evolution of the sector.

Some of the very constraints to the development of the sector are to be found in the application~~s~~ of some of the instruments (services) managed by the state and in the performance of the three types of production enterprises.

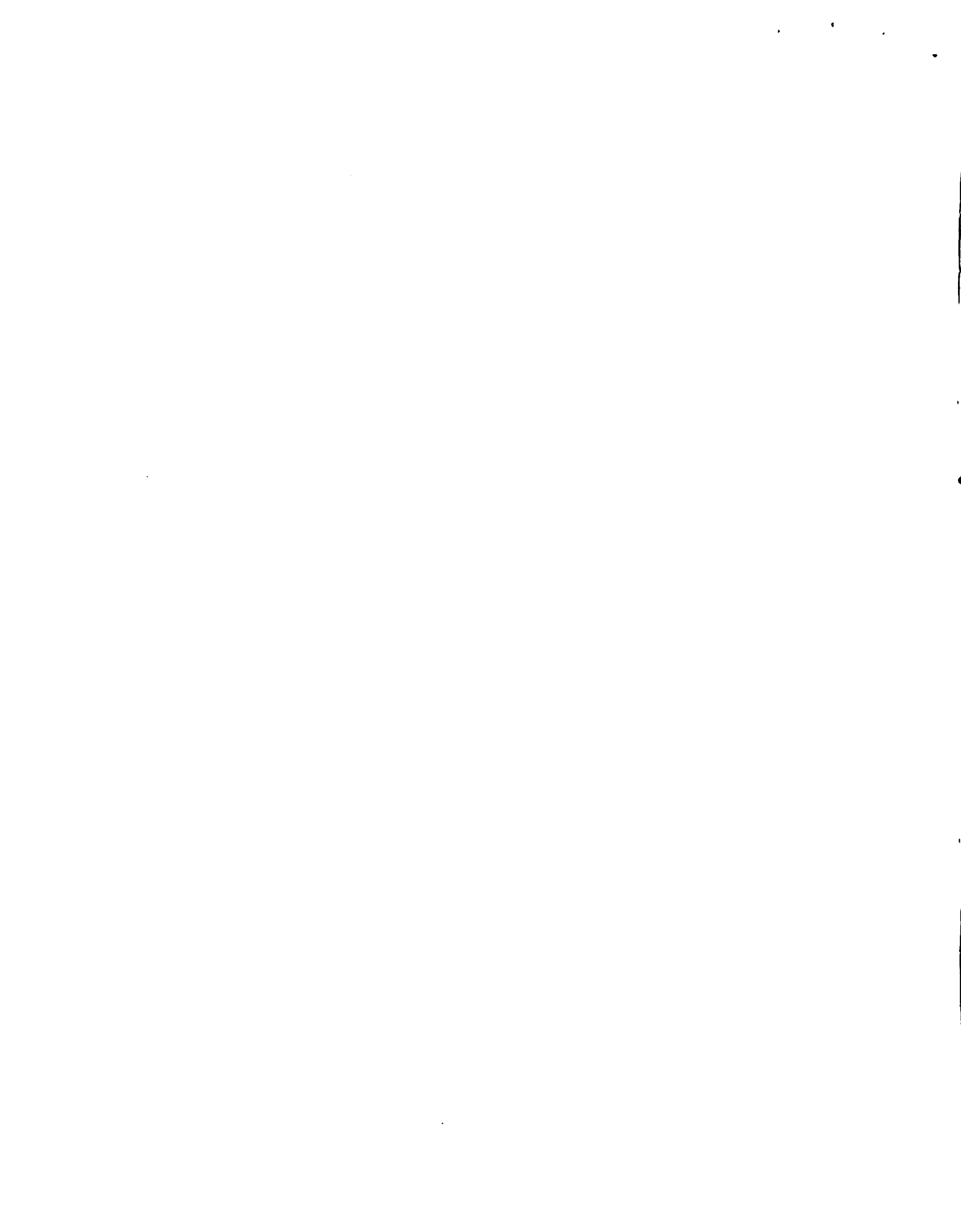
Among others, the following have been important constraints in the organisation and delivery of services (particularly production services) and incentives.

- a. limited financial resources to cover recurring operating expenditures and investments;
- b. human resources that may be 'spread too thin' for effective delivery of services and effective programme and project implementation;
- c. low efficiency in the utilisation of resources at the local level; and
- d. limited organisational and managerial development in agencies responsible for programming and implementation.

2.2 The major constraints for an improved performance by the three types of producers in Guyana may be summarised as follows:^{1/}

- a. For individual farmers
 - i. limited access to services;
 - ii. uncertainty as to sustained availability of services;
 - iii. marketing constraints, price fluctuations;
 - iv. deficiencies in provision of inputs (seed, agrochemicals, etc.)

^{1/} The team conducted an in-depth survey among farmers, officers connected to the agricultural sector and relevant personalities on the major constraints to the rural development of Guyana of which this is a summary. The final project write up will expand on



v. limited organisation and low bargaining capacity (dependency on hucksters).

b. For state farms and state enterprises

- i. limited financial resources
- ii. low management capability
- iii. low production efficiency (yields, costs, etc.)
- iv. incomplete perception on the part of management of its role within the agricultural sector.

c. For the co-operative sector

- i. insufficient training: of co-op members to manage the cooperatives and : of staff providing the assistance to them;
- ii. non-specific services (same as for individual farmers) and technology and also insufficiency of present services;
- iii. narrow range of organisational models;
- iv. limited scope of associative efforts (emphasis on service co-operatives, limited emphasis on production co-operatives);
- v. initial failure of many enterprises.

3. SOME ASSUMPTIONS

In ~~the~~ projecting possible support, three basic assumptions have been made:

- a. That the level of increase which may be expected in the financial resources provided by the public sector for agriculture and rural development will not be significant.
- b. That a strong process of farmers' organisation at the local level may lead to significant improvements in the efficiency of services programming and delivery.
- c. That through farmers' organisation - particularly new kinds of self-managed associative enterprises - additional resources may be generated for local investments and for increasing the availability of services.



4. PROJECT CONCEPT

4.1 Based on these assumptions, the project intends to assist the Government of Guyana to increase the impact and usefulness of services at the local level, and to improve the performance of agricultural producers (cooperatives, independent farmers and state enterprises).

*will include
as follows*
*General
objectives*

4.2 Improvement of services (quality and quantity) is understood to mean adjusting the types of services, their characteristics, the method by which they are delivered, the timing of their delivery, etc., to actual needs, as identified by the different types of agricultural enterprises. While the availability of these services is determined by the amount of resources earmarked for them at the local level, their use may be maximised by making them responsive to specific needs and by increasing the efficiency of their delivery at the farm level.

4.3 Improving the performance of agricultural producers is a complex concept, which involves at least three different elements: monetary and non-monetary income (including social services and amenities), productivity, and response to major productive targets set forth by the government, in accordance with national priorities (export promotion, self-sufficiency in food, etc, for example).

4.4 While it is accepted that the performance of agricultural producers is affected by the availability and usefulness of services geared to production, it is also accepted that other factors, such as the availability of social services and amenities, have a direct impact on the welfare of people working in agriculture (as independent farmers, cooperative members, or workers in a state enterprise). In addition to this, the degree to which people are able to associate in order to increase their participation in community decision-making, their income, their productivity and their access to services, will directly influence overall performance

4.5 Thus, the project will also seek the formulation of broad proposals for the integrated development of the regions in which it operates, with the full participation of the people living in them. This is a key element to the project, insofar as it represents an attempt to initiate a planning process originated and executed by the farmers, cooperative members and agricultural workers themselves.

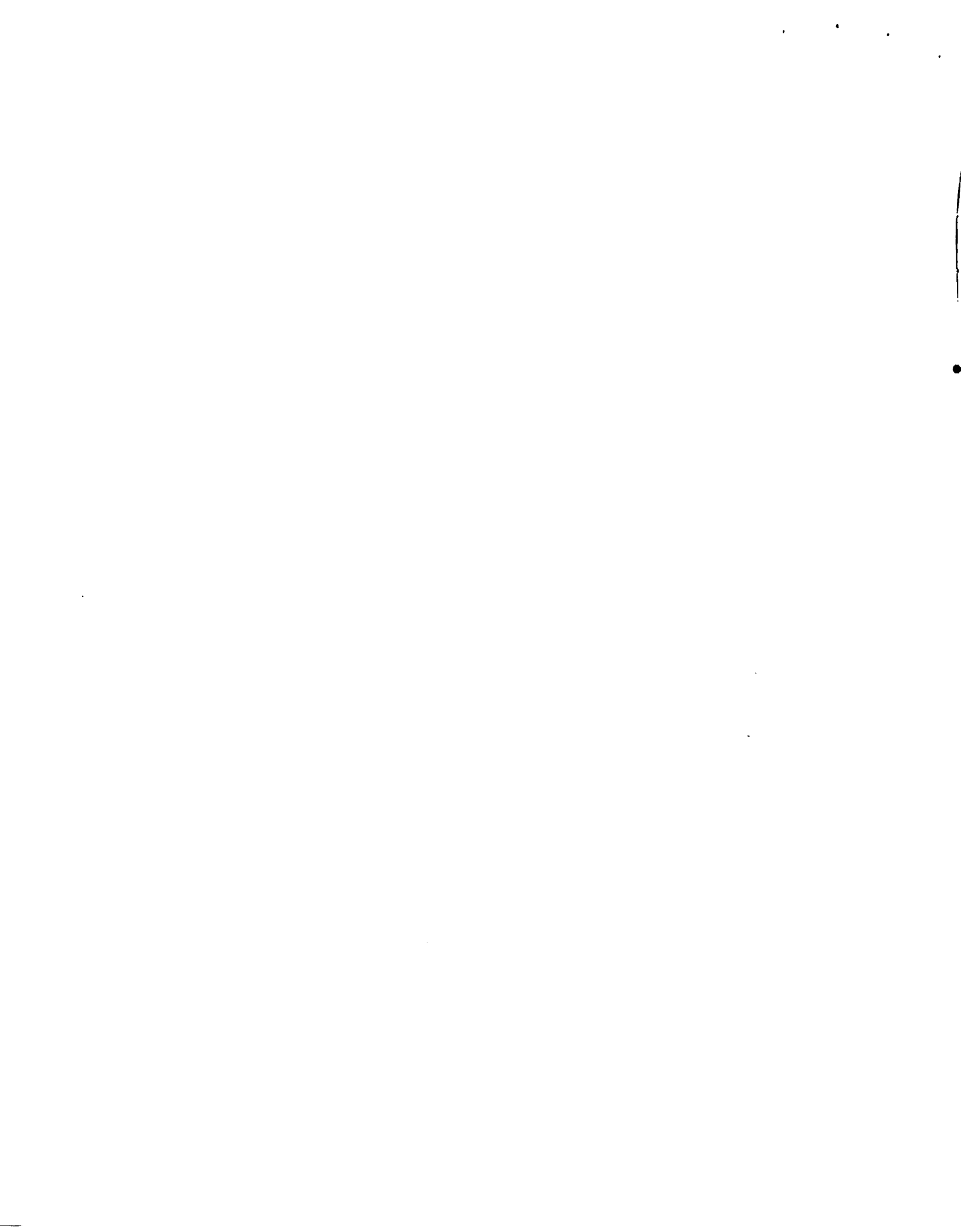
5. PROJECT STRATEGY

5.1 The project is organised in two phases. Phase one, with an estimated duration of three to four years, involves the selection of at least two areas for concentrated action. Successful models and experiences will be developed in detail for possible replication elsewhere during phase two.

5.2 During phase one, expected project outputs are the following:

- a. A concentrated, co-ordinated capability for programming and delivering of services and production incentives, organised and functioning at the local level.
- b. Appropriate operating linkages between local capability and central agencies established and functioning.
- c. Service cooperatives and other types of association among independent farmers established and operating.
- d. A minimum of one new production cooperative^{*/} established and stabilized.

^{*/} Production cooperative is understood as a modern, self-managed associative or community enterprise, operating with levels of productive and economic efficiency comparable to those of an independent farm producing under similar physical conditions and supported by similar services. Annex describes this type of cooperative.



- e. Improved management practices introduced in an existing state enterprise
- f. A detailed proposal for integrated development of the region prepared by farmers through established organisations.
- g. Operative linkages established between the three types of enterprises.

5.3 During phase two of the project - not yet fully developed it is expected that major project outputs will include the implementation of the integrated proposals for rural development in the original regions, as well as replication of successful local-level strategies in a number of additional areas. Duration of the second phase will depend on projected expansion.

6. PROJECT OPERATION AND SCOPE

6.1 The project is expected to operate in the areas that have been selected, in support of a national programme organised on the basis of existing resources deployed (in the same areas, both in terms of personnel and operating costs).

6.2 This project will support and complement national efforts with technical teams located in the areas. These teams will include a minimum of international personnel, and a maximum of local professional hired with the resources of the project. While coordination of these efforts (such as mobilisation of staff among the areas from specific support, etc), will probably be carried out from Georgetown, the greatest part of the project will be organised and implemented in the project areas..

6.3 The main instrument utilised by the project (described in more detail in Annexes) will be:

- a. Training of farmers;
- b. Training of staff from agencies present in the area;
- c. Organisation, management and planning workshops for farmers and staff;
- d. Direct farm-level technical assistance;
- e. Farming systems research and farm level application of results;
- f. Short-term technical support for feasibility studies and project preparation.



7. PROJECT LOCALIZATION

7.1 Geographical location

Three sites have been initially identified for project implementation. These are Upper Berbice (Ebini), Parika and Bartica. Annex 1 provides basic statistical information about these areas. At the request of the Ministry of Agriculture, project areas should coincide with the areas selected for the Food Crops Production and Marketing Project.

7.2 Institutional responsibilities

The Ministry of Agriculture is the national institution with primary responsibility for executing the national programme. IICA's project will be the responsibility of the IICA Office in Guyana.

8. POTENTIAL BENEFICIARIES

Potential beneficiaries of the project are, for each area, as described in Annex 1:

- a. Independent farmers
- b. Farmers established in the new cooperatives
- c. State farms, and workers of the State enterprises.

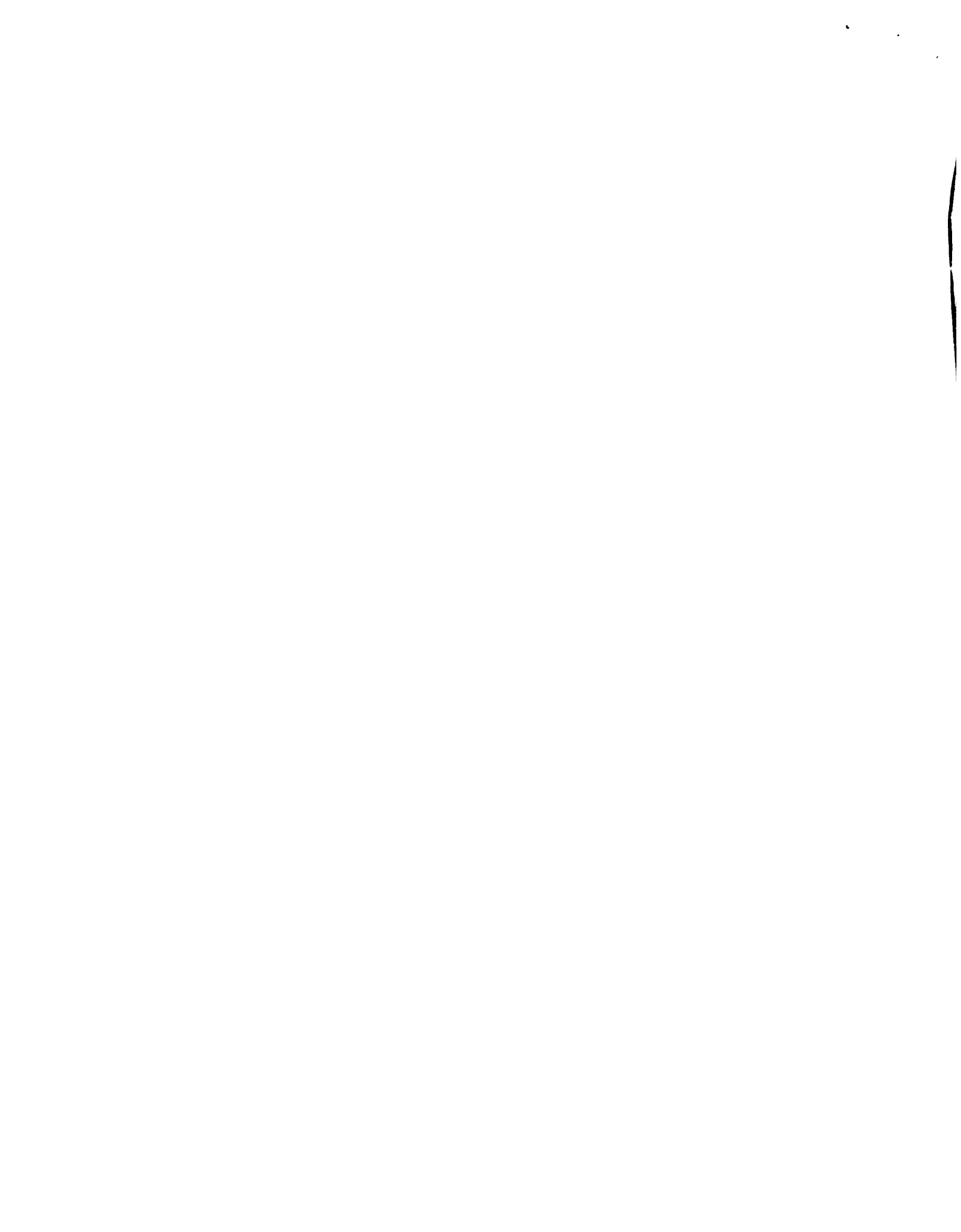
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10. DURATION

Estimated duration for the first phase is 36 to 48 months. No estimates are available for phase two at the present time.

11. PRESENT STATUS

The preliminary version of the Project Identification Summary has been discussed with several high ranking staff members of the Ministry of Agriculture, and preliminary approval has been extended by the Minister.

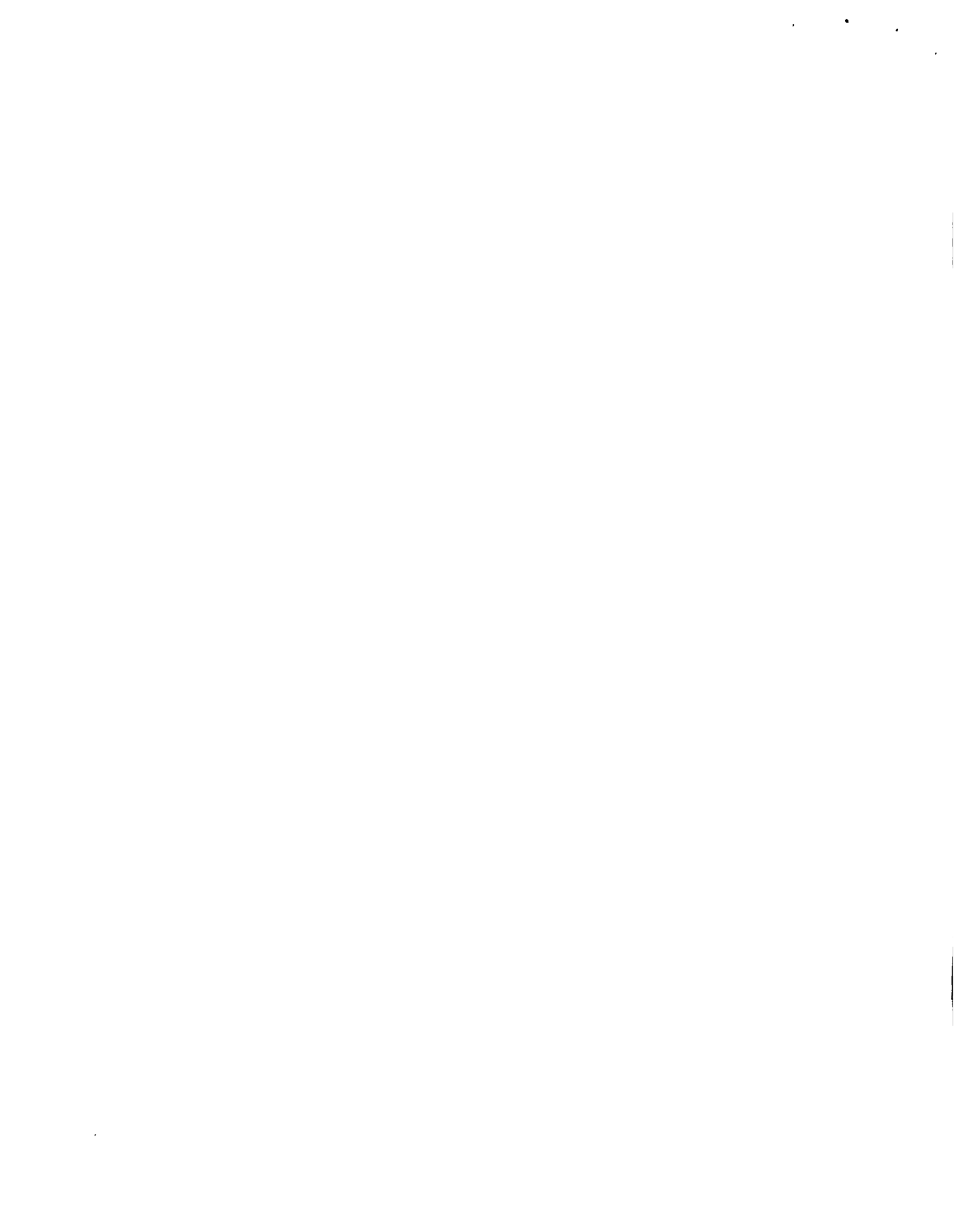
11.1 Initial contacts have also been made with representatives of the Dutch DTH and the IDB as potential donors. The former request that the project be presented to DTH (The Hague) for consideration after the present evaluation results of the IICA/PRACA/GOBHOL Project are officially forwarded to IICA and DTH at the beginning of June, 1980. Initial interest was shown.

11.2 The IICA Office in Guyana is considering this project for possible FSB and quota funding.

12. ONE ADDITIONAL NOTE

Different types of enterprise organisation generate diverse patterns of social relations of production. These, in turn, are the basis for the political and economic organisation of society. Changes in the latter require that similar transformations be introduced in the former.

It is felt that the development of new types of social organisation of production, involving the establishment of modern, self-managed associative (cooperative) enterprises, would be consistent with the political and economic objectives set forth by the government of Guyana. It is also felt that a major organisation effort of this nature would also facilitate increased participation of local-level organisations and institutions in development planning and in the implementation of development programmes and projects.



D R A F T

ASSOCIATIVE FARMERS' ENTERPRISES FOR PRODUCTION

The IV Inter-American Meeting of Executives of Agrarian Reform which was held in Panama from May 14 to May 20, 1972 put through a final declaration which, in relation to the associative form of farmers' enterprise, said:

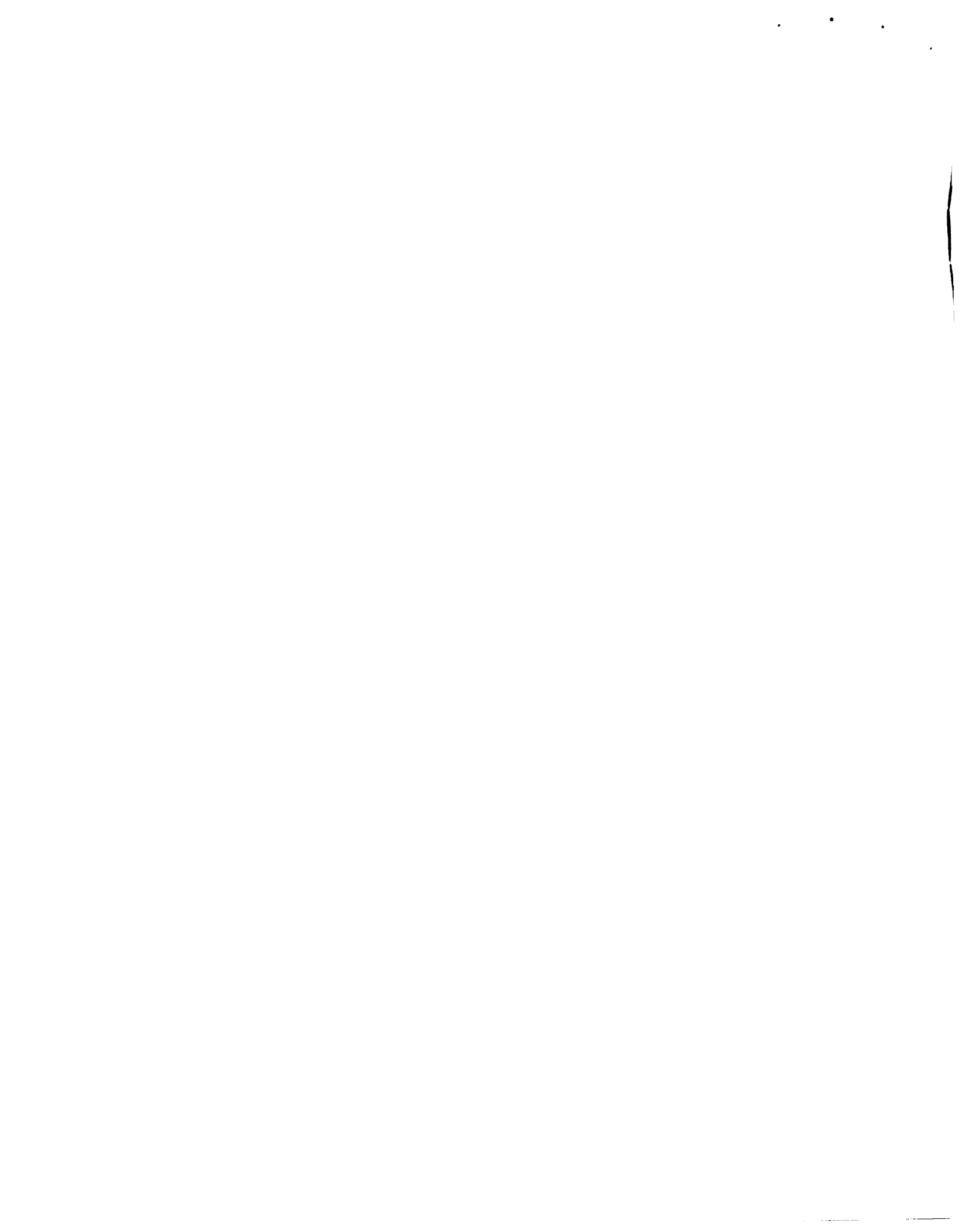
"These associative or community forms (of enterprises) are the most adequate to ensure the freedom and dignity of the farmers, to involve them in the process of national decisions and to incentivate the creation of an authentic national culture."¹

Some of the characteristics of these associative forms of enterprises are described below in summary form from the same document.

1. They are formed by farmers ("campesinos") and by this is meant persons of limited resources deriving their subsistence from the rural sector. These enterprises should therefore have a class connotation that makes them different from other organisations of agricultural producers of average and more than average economic resources.

2. Its "enterprise" character would be given by an efficient combination of productive factors and the rational utilisation of the natural resources with the purpose of producing an economic benefit. In this entrepreneurial activity, the increase of constant capital should not imply the elimination of labour sources but rather a progressive capitalisation aimed at creating new job opportunities.

1. The translation from Spanish is ours.



3. The "community" character would be based on the property or common use of all the elements that comprise the farm; in the redistribution of utilities and functions of given labour (trabajo aportado) and in the social capitalisation of part of the generated economic surpluses in such a way as to use them not only for the benefit of the member but also for the development of the farmers' sector.

4. It is also essential that these associations make allowances for the training of members about the internal and external aspects of the farm; that they explicitly contain efficient mechanisms that warrant the effective participation of all members in the planning and management of the entrepreneurial activities and that prevent any form of exploitation from one farmer over others.

Having made explicit these general characteristics of farmers' organisations, it is worthwhile to point out that there are other associative forms of organisations that do not get to be community enterprises but that can be considered a pre-community form and may signify a transition into a new rural structure.

The declaration then goes on to point out that:

"It is recommended, therefore, this type of organisation as a means to incentivate development, taking into account the following economic, social and political considerations.

- Economic Considerations

- a. To allow for the advantages given through economies of scale.
- b. To facilitate : 1) the adoption of new technology;
: 2) the implementation of national production targets;
3) the delivering of technical assistance services;

/...



- 4) the rational utilisation of resources;
- 5) the adequate marketing of the produce;
- 6) the generation of new labour sources;
- 7) the reduction of the cost of delivering state services.

- Social and Political Considerations

- a. It allows for the organised participation of farmers in the process of general development of the country and in the processes of national, regional and local planning..
- b. It supports quality and human solidarity.
- c. It facilitates the change in the mental attitude that incentivates development and acts also as a pressure mechanism to accelerate the process of change.
- d. It allows for a more effective integration in the developmental process of the marginated farmers, strengthening its political organisation.
- e. It incentivates the elimination of the dependency relation when developing its self-management (autogestión) mechanism."

EXPERIMENTAL LABORATORY¹ (ORGANISATION, MANAGEMENT AND PLANNING WORKSHOPS)

"Experimental Laboratories are a practical and real exercise designed to develop an intense working experience with an organised social

1. The principal concepts expressed here have been taken from the work of Perez, Ma. Eugenia y Camacho, Ma. Antonieta in "El Laboratorio Experimental de Santos de Morais; consideraciones sobre algunos aspectos metodológicos y teóricos". Proceedings of the seminar on Analysis and Evaluation of Experimental Laboratories. PRACA-IICA, San José, Costa Rica, December 12 - 16, 1977.



group in which, through the participation of the members, it is attempting to shape an organisation. The expected fundamental result at the end of this experience is the introduction or strengthening of a given level of 'organisational conscience' in the participants. The 'organisational conscience' of the members is understood as being in a state to see their problems, identify their causes and realise the need to set forward planned action to allow the social group to transform their own destiny."

... ..

"The Experimental Laboratory" is therefore given as an innovative learning methodology (metodologia pedagogica) that incentivates the dialogue, opens up the critical and reflexive participation (of the members) and then generates in the members new ways of working and organising. By doing this, it is attempting to involve the larger sectors of our population in the economic transformation that the society demands..."

"On the other hand, this learning methodology allows for self-imposed participation of persons belonging to any social sector; in other words, it is a process that does not require from the participants the accumulation of given levels of knowledge, and above all, of those transmitted by the institutional educational systems." ²

The utilisation of the methodology of experimental laboratories in setting up the actual organisation, planning and management of an enterprise requires, to be effective, the joint participation with some rights and obligations of the farmers and of the technicians from the different agencies of the government that promotes the development of the area.

2. The translation from Spanish is ours.

IMPROVED MANAGEMENT PRACTICES INTRODUCED IN AN EXISTING STATE ENTERPRISE

These practices will involve workers' participation in the management and utilities of the enterprise. The object of this is to obtain better yields and lower production costs.

The instruments to be utilised to obtain these objectives are:-

- Economic and spiritual incentives for the workers in the implementation of the productive activities of the enterprise.
 - Improvement of the administrative management systems.
 - Workers' participation in the organisation and distribution of the work as well as in taking decisions regarding ways of increasing productive efficiency and improving social welfare.
 - Stimulate the creativity of the workers to simplify working tasks, lower costs and increase yields.
 - Implement entrepreneurial management workshops with workers, technicians and administrators.
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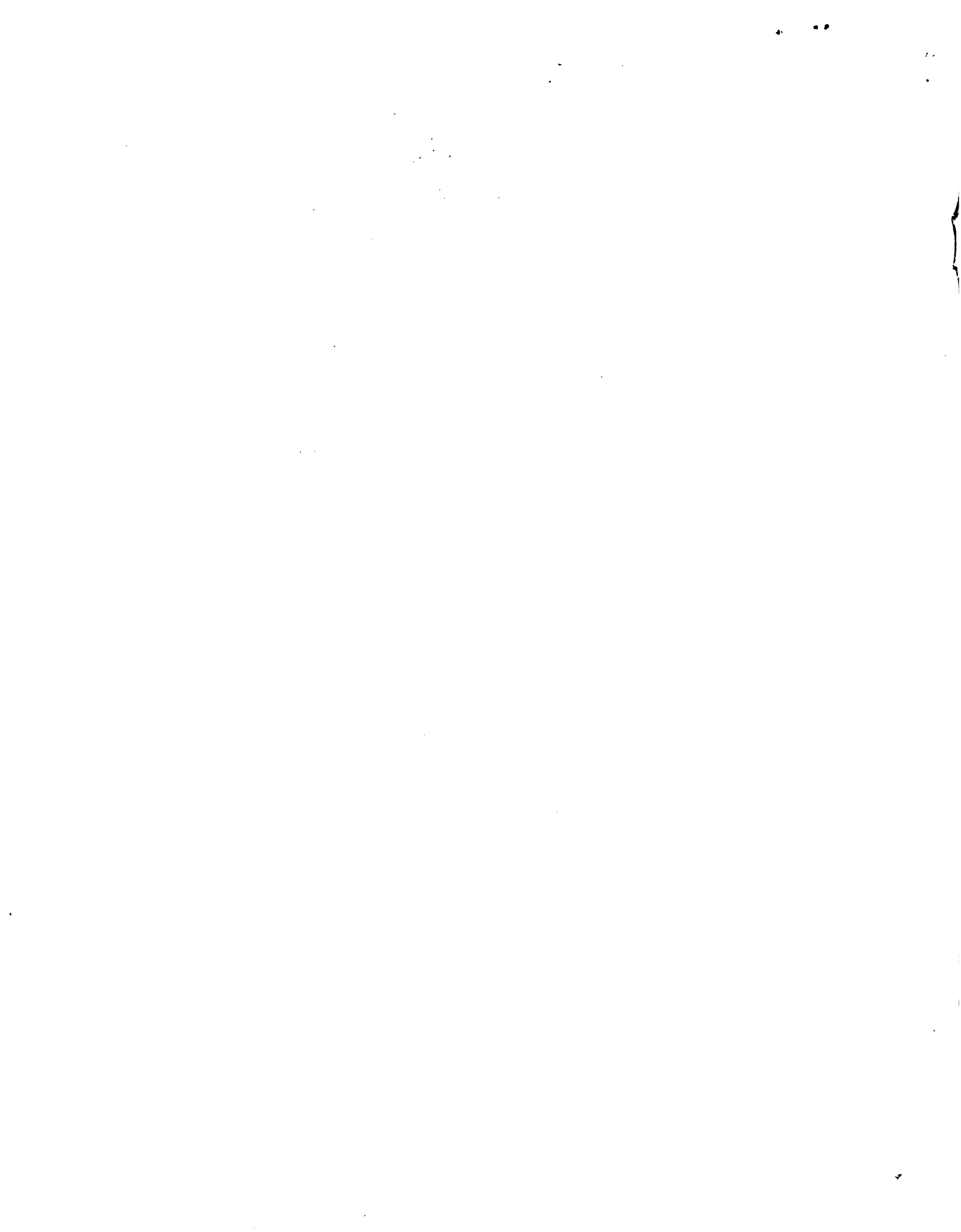
AGRICULTURAL COOPERATIVES OF MULTIPLE SERVICES

These are organizations of economic character, formed by farmers acting as individual managers in order to exploit the soil but they do it as a group (association) Service activities such as buying raw materials, commercialization of production, transportation, agroindustry, obtaining credit, acquisition and use of machinery, etc.

These cooperatives are the most common in the cooperative movement of agriculturists and can reach all or only some of the services that we mentioned before. In general they are known simply as Agricultural Cooperatives.

When the agriculturists organize themselves in a cooperative in order to obtain only one of the services, they take the specific name of the activity in which they are engaged. For example: Cooperative of agricultural commercialization, cooperative of mechanization, etc.

Some times the multiple services cooperatives, go beyond providing services for production and they provide also personal services like saving and credit, purchase and distribution of personal consumer goods, etc.





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