

Monitoring Results: the Labor Contracting Society approach



The Market Infrastructure Development Project in Charland Regions, popularly known as MIDPCR, is implemented by the Local Government Engineering Department (LGED) with financial assistance from IFAD, the Government of The Netherlands (GON) and the Government of Bangladesh (GOB). The project ran from February 2006 to June 2013. The cost of the project amounted to Tk 3124 million (US\$10 million). The MIDPCR is a service sector rural development project with four components. It targets 87,000 beneficiaries, including LCS members. The MIDPCR uses a holistic approach to conduct poverty alleviation activities in the southern char areas of five coastal districts. The approach is unique in the sense that it uses a local unit as the lead organisation to improve rural infrastructure, including access to road networks and development of primary markets. It involves other actors as well—the NGOs that supply and manage cash needed by primary producers; RED that establishes linkages with input and output market actors with producer groups and DAE that transfers agriculture-related technologies to targeted primary producers in the area. The project has been building markets and connecting roads in the coastal districts of Noakhali, Laxmipur, Barisal, Patuakhali and Bhola since 2007. Aside from this, the project has been strengthening

market institutions and supporting small producers by strengthening the value chains for selected agricultural products, making microfinance available through links with partner microfinance institutions and transfer of agricultural technologies.

The project aims to improve the well-being and reduce the poverty of primary producers, traders (both women and men), the landless, single women and their households. The specific objectives of the project are to (i) improve facilities and access of men and women to rural markets; (ii) increase employment wages of poor women; (iii) increase the production and sale of products in the market and (iv) enhance the movement of primary producers up the value chain.

The project has created a results-based monitoring and evaluation (M&E) framework that has allowed MIDPCR to use data relating to project results to support more effective project management. This results-based management (RBM) approach has increased the effectiveness of the project by using data collected from project M&E activities to allow the Project Management Unit (PMU) and MIDPCR to make timely management decisions and increase the likelihood of meeting outcomes, outputs and impact targets.

The Labor Contracting Society's approach

The Labor Contracting Society (LCS) exemplifies the use of groups of disadvantaged rural people, including ultra poor women, to undertake unskilled infrastructure work, most commonly earthworks, so that the benefits of employment accrue to the poor. The concept is to bypass the traditional mode of contracting. Women, particularly the poor, marginal, divorced or separated ones and female-headed households are prioritised in the formation or selection of LCS. LCS was first introduced by LGED in the 1980s to ensure fair wages and to develop the skills of group members. The LCS groups of MIDPCR differ from other labor-contracting systems. The group itself is treated as a contractor, although it has no capital and license like the other contractors. In MIDPCR, contractors are given full responsibility for procuring materials and providing the necessary labour. To facilitate this, contracts are awarded directly to the LCS at the LGED scheduled rates. The LCS groups are entitled to receive 10% of the profit from the construction work, in addition to wages. Although the work is not long term, they can be engaged in similar work after the project ends.

LCS outputs and benefits derived

The LCS groups were responsible for all market, road and ghat construction work, including structures and procured construction materials. A group is composed of about 10 to 15 members. The size of each group differs, depending on whether they are market shed groups or basic infrastructure groups. The project sub-assistant engineer and the community organiser assist the groups in procuring construction materials and supervising construction work. A total of 66 markets and 14 women market sections have been built by LCS members, along with 40 km of HBB roads, 2.5-km blocks, 9.5 km of RCC roads and two boat landing stations. As of June 2013, 2570 poor persons (315 men and 2,255 women) have been engaged in infrastructure work, creating 245,046 man-days of labour; Tk. 25.88 million and Tk. 19.1 million have been disbursed as wage and profit, respectively. Table 1 shows the LCS performance.

Table 1. Summary of LCS performance

Structure	Unit (no./km)	Project cost (million Tk)	LCS involved			Man-days	Wage received (million Tk)	Profit distributed (million Tk)
			M	F	Total			
Market	66	185.08	230	1,740	1,970	148,796	15.73	14.85
HBB road Block road RCC road Ghat	40 km 2.5 km 9.5 km 2	57.23	85	515	600	96,250	10.15	4.25
Total		242.31	315	2,255	2,570	245,046	25.88	19.1

Note: US\$ 1 = Bangladeshi Tk 77.76.

The project provided LCS members with knowledge on construction techniques and exposed them to social issues. This work gave them the opportunity to earn profit, acquire experience and gain esteem in society. Former LCS members have been issued identification cards which allow them or their family to sell their products toll-free in the markets they helped construct.

Out of the 2,570 women engaged in LCS construction work, 2,071 have undergone training on income-generating activities and microfinance. Of these trained women, 1,631 have formed groups. One hundred and sixty-five members received loans from partner MFIs (PRISM and PMUK) and posted 100% recovery rate (for 245 loans extended, amounting to Tk. 2.3 million). Considering uncertainties with regard to future LCS contracts, the provision of IGA loans to the group is considered a replacement for the loss of LCS wages and a mechanism for profit sharing. LCS groups are composed of destitute women. Most of them have undergone financial transformation as a result of the micro-loans obtained from group leaders and/or other entrepreneurial women. As the financial situation of these women improved, they started to borrow from partner MFIs.

The M&E team

The M&E team within the PMU, headed by an M&E specialist, is based at Dhaka headquarters. This team is mainly responsible for implementing the M&E system of the project. In each district, five field monitoring officers (FMOs) are deployed, equipped with motorcycles for collecting M&E data for transmission to PMU. The FMOs report to the M&E specialist but are under the authority of the LGED XEN in their district for administrative issues. The M&E specialist is responsible for project M&E activities, including managing the data collection process through the FMOs and implementing agencies, assisting the project director in preparing project reports and contracting outside organisations for special surveys and studies. Over the period of 5½ years, the M&E unit has had some notable successes. One was the implementation of the LCS approach. The MIDPCR LCS is now an established approach not only within LGED but also among external donors of Bangladesh. The successful implementation of the LCS approach in MIDPCR is hailed by parliament members, secretaries of different ministries, donors and other stakeholders in the country.

In the preparation and implementation of the LCS approach for sustainable infrastructure development, five key steps were emphasised by the M&E unit. They are summarised in Figure 1.

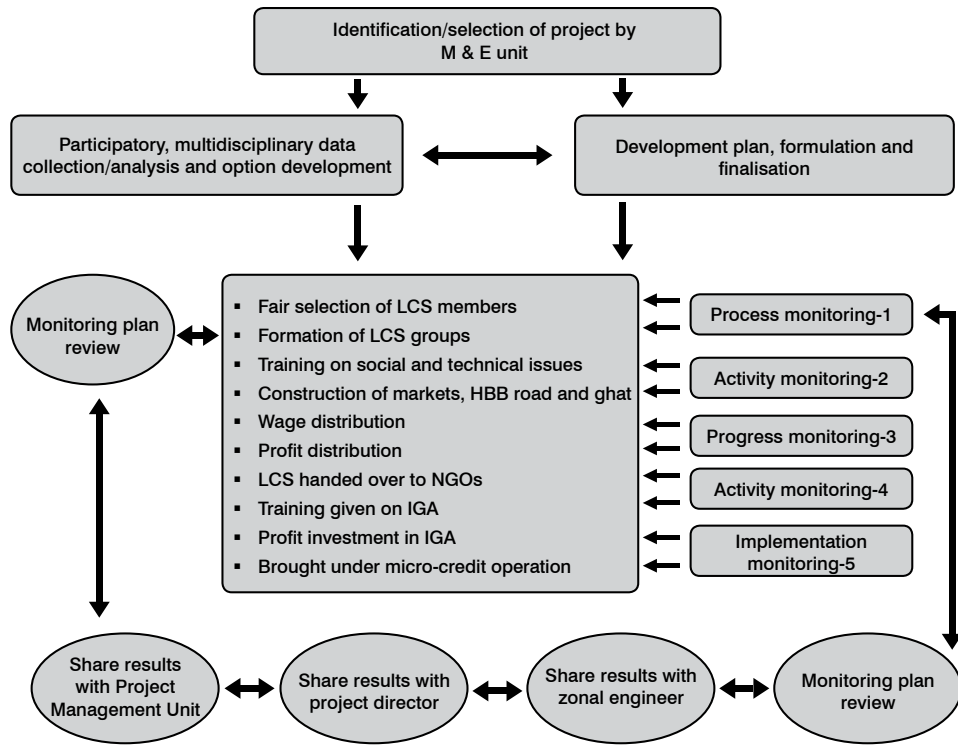


Figure 1. The M&E system used to monitor LCS activities.

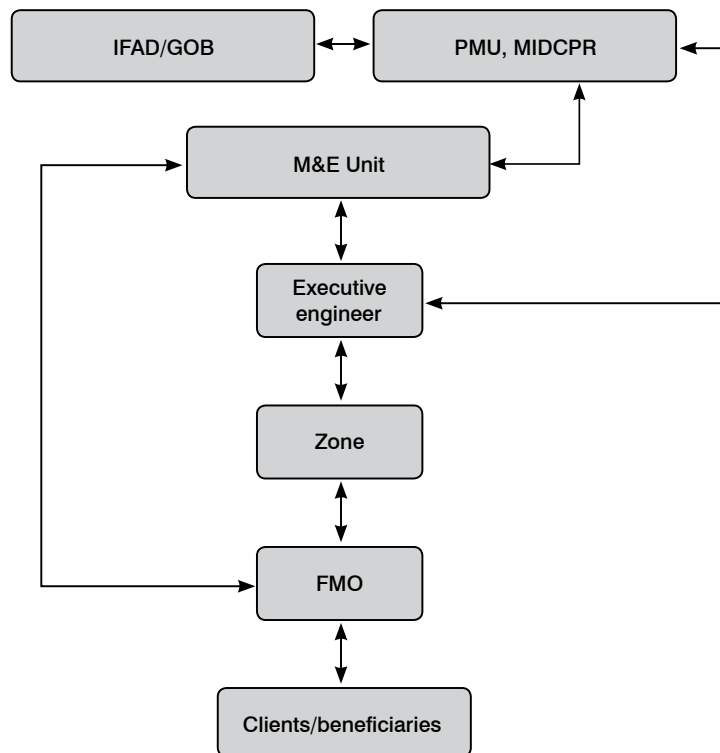


Figure 2. Flowchart of M&E reporting.

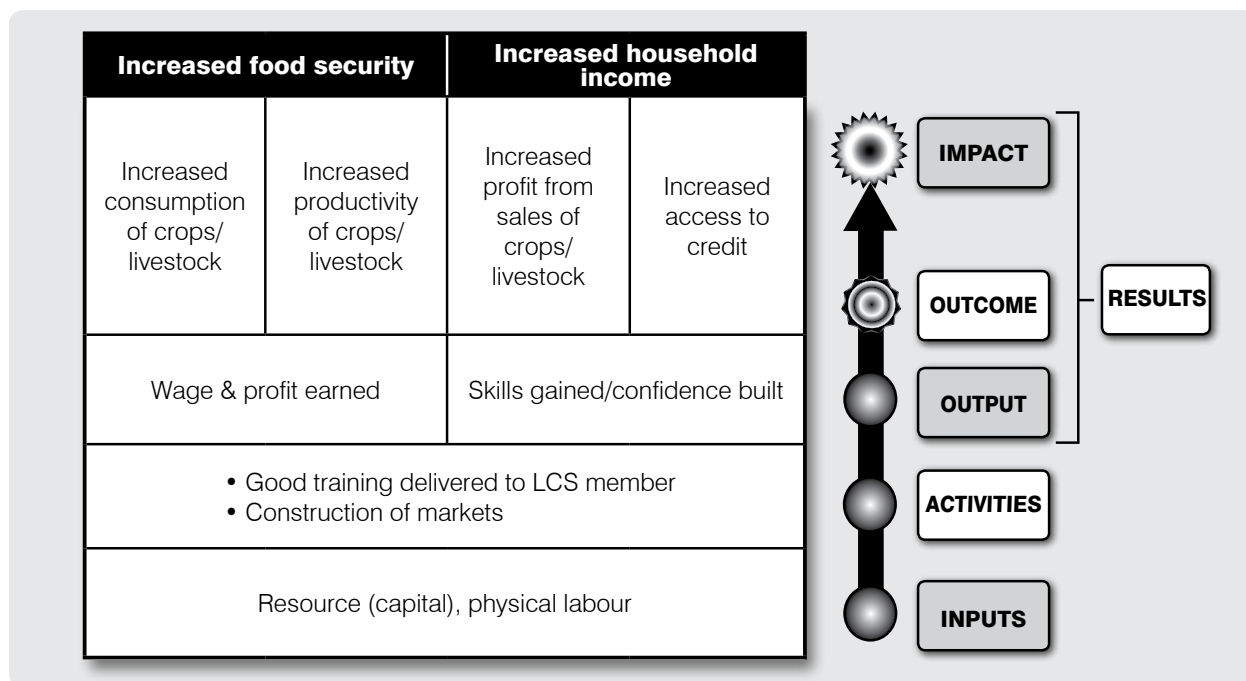


Figure 3. The LCS results chain.

Impact on LCS members

The M&E unit has undertaken an evaluation study to assess the LCS approach used in 2010 on the basis of a previous baseline study. The results of the impact assessment are given in Table 2.

Table 2. Impact findings

	2008	2010	% change
Average monthly income (Tk)	3918	4642	+18.48
Average monthly Expenditure (Tk)	3738	4034	+7.92
Ownership of house (numbers of houses)	109	115	+ 5.50
Ownership of assets (numbers of assets)	271	317	+7.92
Ownership of livestock (numbers of heads)	834	1174	+40.77

1. Health and hygiene

In total, 119 respondents reported that they own/have access to toilets made of jupri or slab latrines. Different types of ownership were observed (shared, common or self-owned). Two households out of 119 did not have any type of latrine, not even a kacha. During the two survey periods, the change in terms of ownership of latrine or use was found significant (12.64%). The use of latrines was not satisfactory. None of the LCS members used sanitary latrines.

Table 3. Access to sanitation facilities

Type of toilet used	Type of ownership	2008	2010	% change
		Frequency	Frequency	
Open space	-	2	0	100
Toilets made of Jupri	Shared	20	22	10.0
	Common	1	1	0
	Owned	0	0	0
Slab latrines	Shared	67	76	13.43
	Common	1	0	0
	Owned	28	20	-28.57
Water-sealed latrine	Shared	0	0	0
	Common	0	0	0
	Owned	0	0	0
Total number owned		87	98	12.64
Total number shared		2	1	-50.00
Total number in common use		28	20	-28.57

2. Drinking water

Respondents reported that they either used drinking water from their own source or from other sources such as tubewells. Access to safe water and its use by the people, including the LCS, have been established in the study areas. Within a short span of time, no difference in ownership and use of drinking water was noted among the LCS women.

Table 4. Access to drinking water

Source of drinking water	Type of ownership	2008	2010	% change
		Frequency	Frequency	
Shallow tubewell	Owned	4	4	0
	Shared	27	27	0
Deep tubewell	Owned	0	0	0
	Shared	87	87	0
River water	-	1	1	0
Total number owned		4	4	0
Total number shared		114	114	0

With incomes earned as a result of MIDPCR interventions, some small IGA may be possible but these will not be the sole source of income for the family. Members still have to seek other employment to supplement their income. A few of the members have debts. Because they have used up their earnings to pay their debts and to cover day-to-day expenses, there is nothing left to invest in IGA.

3. Change in community position

During the impact survey, the LCSs were asked to compare their present situation in the community against their past situation prior to engaging in construction work. Their present situation significantly improved (Table 5). This demonstrates the significant impact of the project on the way the LCS are perceived by the community.

Table 5. Evaluation of own position

		2008		2010	
		Frequency	Percentage	Frequency	Percentage
Valid	Good	0	0.0	18	15.13
	Satisfactory	26	21.85	85	71.43
	Poor	74	62.18	0	0
	Subtotal	100	84.03	103	86.55
	No answer	19	15.97	16	13.45
Total		119	100.00	119	186.56

4. Change in family position

The family situation changed after construction work has started, which means that LCS members now get more respect and their opinions are more valued. They are more involved in discussions and decisionmaking. Respondents indicated that, initially, half of them had poor position in the family. But after getting involved in construction work, their position in the family has improved from poor (80%) and satisfactory (20%) to satisfactory (82%) and good (18%), respectively. 'Poor' was not given as an answer. This means that the LCS members' position in the family increased with improvement in family incomes.

5. Confidence building

About 6% of the LCS members indicated they had more confidence in managing their livelihood activities. They indicated that the experience they got from construction work could be utilised in other similar programmes of government or NGOs. In addition, 45% of the respondents who invested their profits in different IGA activities felt confident about their livelihood decisions. With time, confidence was significantly enhanced (Table 6).

Table 6. Confidence building

		2008		2010	
		Frequency	Percentage	Frequency	Percentage
Valid	Better	0	0	6	5.04
	Somewhat better	8	6.72	43	36.13
	Not better	76	63.87	46	38.66
	Subtotal	84	70.59	95	79.83
	No answer	35	29.41	24	20.17
Total		119	100.0	119	178.83

6. Financial situation

The respondents were asked to evaluate and compare their financial position as a result of being involved in the project. Before involvement in construction work, 99% of the LCS members considered themselves 'poor' and 'very poor'. After the project, they earned wages and profits which they invested in different IGAs. Some of the IGAs effectively raised their incomes. With these income-earning opportunities, they became better off than before.

The respondents (54%) said that the financial situation became somewhat better. The 'not better' responses had been reduced from 71% to 34% (Table 7).

Table 7. Financial Situation

		2008		2010	
		Frequency	Percentage	Frequency	Percentage
Valid	Better	0	0	8	6.72
	Somewhat better	9	7.56	56	47.06
	Not better	85	71.43	40	33.61
	Subtotal	94	78.99	104	87.39
	No answer	25	21.01	15	12.61
Total		119	100.0		119

Conclusion

The project has made comprehensive efforts to address the special needs and interests of women, bringing them into the mainstream of national development. The formation of the LCS and the attempts to engage them in the construction of market infrastructure can make a difference in the lives of ultra poor or low-income families. It appears from the M&E surveys that the disadvantaged and distressed women benefited from the LCS programme. They helped their families increase their income and assets, improve health and education, and elevate their social status.

The existing LCS programme of MIDPCR is a proven method for building market infrastructure, which, in turn, helps poor women acquire assets, improve housing conditions and buy land and livestock. This is the result of intensive monitoring of LCS activities by the M&E unit, along with the project director, team leader, zonal engineer and LGED staff. The success of the LCS approach may be attributed to vigorous and continuous monitoring of all its activities, including selection, formation, training, construction, wage and profit distribution, etc. There is a dedicated department for monitoring the entire project activities. The indicators for the different types of monitoring have been kept simple and few to make the system manageable, sustainable and user-friendly. A series of meetings were held with PMU to jointly develop an assessment or scoring system that would be realistic, practical and understood by all stakeholders. The LCS approach is now a model approach that is replicated in two other projects of LGED.

Lessons learned

Because of the close monitoring of LCS involvement in the project, it has been shown that groups of women supervised by LGED can undertake more than just earthwork. Members of LCS are drawn from extremely poor households so the additional income has a big impact on family welfare. The PMU is better than Upazila LGED offices in carrying out the formation and management of LCS because the former follows democratic practices.

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Acronyms and abbreviations

DAE	Department of Agriculture Extension
FAD	International Fund for Agricultural Development
IGA	income-generating activity
GON	Government of The Netherlands
GOB	Government of The Bangladesh
HBB	herring bond bricks
LCS	Labor Contracting Society
LGED	Local Government Engineering Department
MMC	Market Management Committee
MIDPCR	Market Infrastructure Development Project in Charland Region

M&E	monitoring and evaluation
NGO	non-government organisation
RCC	reinforced cement concrete
RED	Rural Enterprise Development
Tk	Bangladeshi Taka
VDC	village development community

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