



Blue Gold Program intervention

Empowerment and poverty reduction through Labour Contracting Societies

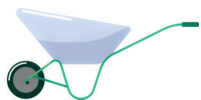
Context

An important income-generating intervention under the Blue Gold Program has been through employment opportunities with Labour Contracting Societies (LCS). 50% of all earthwork for water management infrastructure under BGP was planned to be completed by LCS.

Members of these societies are individuals from landless families. The groups are contracted for a defined length and volume of earthworks within a given specific timeframe. They are paid in three instalments so that they can use a part of the sum to invest in productive resources or assets such as housing, land, and cattle to generate additional income. Once they had completed their work, members can continue to earn incomes through fattening and selling the animal or its offspring. This is a long-term strategy to reduce poverty.

Participation of women in LCS groups, through the establishment of new social networks, and by investing LCS incomes on productive resources, may also empower them.

LCS operations



LCS work is usually restricted to a volume of land that can be covered in one construction season. LCS work can take two forms:

- Khal re-excavation
- Re-sectioning of embankments

LCS groups are formed in October and November. Members are then provided initial information, details of the work, and the contract. The BWDB then issues the work order in February or March so that work can start with the intention to finish before the start of monsoon in June.

The groups are paid in three instalments. The last 10% is paid one year after completion of work.

Income = total payments to the LCS group / [number of total days worked * number of days worked by each LCS member]

Impact of LCS

- LCS work provides members with temporary sources of income
- This income allows poor landless individuals to meet pressing financial needs: food and household expenses, children's education, debt repayment, investing in household assets, and paying for home repairs
- LCS members also invest in productive resources that continue to add to their income when the LCS work had ended. Two-thirds of 167 LCS women surveyed used part of their LCS incomes to invest in productive resources such as poultry, homestead vegetables, and/or livestock. Many of them also participated in homestead Farmer Field Schools (FFS) for homestead level production
- New skills developed by LCS workers allow them to engage in other paid earthworks by local governments or the private sector

LCS members:

- Poor and landless
- Member of WMGs
- 50 or more members per group

From 2013 to 2019, BGP engaged 485 LCS groups, with 31,437 members. 10,766 of these members (34%) were women.

2013 – 2014: BGP LCS entered into direct contracts with the Bangladesh Water Development Board (BWDB).

2014: Participatory Water Management Rules (PWMR) of 2014 introduced a formal role for Water Management Groups (WMGs). BWDB signed an agreement with WMGs, who in turn signed a second contract with LCS.

WMGs get a 5% service charge, reducing the contract value for LCS members.



Main challenges and lessons learnt

- Late work orders have often resulted in the LCS work not being completed by the monsoon. When the unfinished earthwork was damaged by heavy monsoon rains, workers had often needed to put in extra unpaid hours
- Some WMGs subcontracted the work to sardars (skilled foremen who may use machinery), taking away income sources from LCS members
- Late work orders also result in LCS work coinciding with the peak agricultural season. The work then conflicts with higher paid opportunities for harvests
- Disagreements might arise on how much work one has done, and the subsequent payment received
- Payment procedures are often slow
- There is no established mechanism to address grievances for LCS groups
- The lack of formal, streamlined information might mean that members are unaware of VAT, taxes, and the service charge to WMGs. The final amount received can disappoint them
- While some members are able to invest LCS income in productive resources, income often alleviates poverty only temporarily. Providing skills training to LCS members has proven to contribute to a longer-term solution

Women's empowerment through LCS



Women appreciate the opportunity to have access to income-generating opportunities through LCS. However, there are some problems:

- Harsh conditions
- Low social status
- Lack of basic facilities such as toilets
- They can often only devote half-days to LCS work, as they have domestic responsibilities to tend to

- Women's groups have to carry over work until after the monsoon more often than men's groups

Earning an income and having increased mobility and social networks can empower women. However, LCS work does not automatically enhance women's voices and leadership. This is also because male WMG members tend to take charge of managing female LCS groups.

Jialtola women's LCS group: a success story

Jialtola women's LCS has proved to be high-performing, with vocal female leadership. They re-excavated 200m of a khal in polder 26 in 2016. This was not an easy feat for the group. The men in the community were quick to remind them about their perceived lack of capabilities. The women stood firm, however, and completed the work before monsoon, per the work order.

The next hurdle came in receiving payments. While they were paid their first installment on time, the second and third installments required more effort. The women then not only ensured that their dues were met, but continued to improve their lives through this opportunity.

Most women used their LCS income on food, children's education, and to invest in productive resources. Many of these women had also participated in Farmer's Field School training, learning agricultural skills. This guided them on their investment decisions of productive resources, such as poultry and livestock.

Others in the group invested in income-generating activities, such as "rice hotels" (shanty restaurants), or tea stalls. Several of them are now in demand for their earthwork, and earn up to BDT 200 a day.

The LCS was a turning point for the women in the Jialtola group. As the LCS president now says: "We are now all busy."

LCS work in the future:

- In spite of the success of some LCS groups, continuation of LCS work is only effective in areas stricken by poverty, and under the condition that terms be improved. This includes more timely issuance of work orders so that LCS members can also engage in higher paid agricultural work
- The use of machinery by contractors at lower unit rates will replace manual earthworks by LCS
- Rural, poverty-stricken communities, especially women, will benefit from alternative sources of income. This can include turfing and minor repairs to embankments, tasks that can be completed outside peak agricultural seasons

