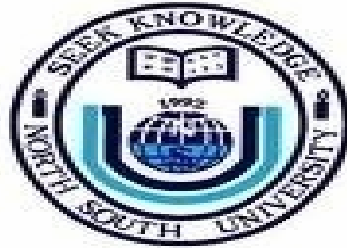


***OPEN MARKET SALE – A SUPPLY SIDE DYNAMICS OF TWO  
THANAS IN DHAKA***

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*Dedicated .....*

*To my parents who encouraged me  
to walk on the path of knowledge*

## ABSTRACT

Since independence of Bangladesh in 1971, the government of Bangladesh is offering emergency relief to the citizens during natural and artificial disasters to alleviate chronic food insecurity. The government organized it in such a way so that, it can target the poor households and can also to stabilize the price of food market. In this connection, the instrument like Open Market sale (OMS) had been commenced by the government in early 1980s, but the recent seasonal Open Market Sale (OMS) which is a subsidized rice scheme with some added objective was first introduced in April 2008. It started particularly when the cost of food in Bangladesh began to rise sharply as a result of global price hike. In recent years, devastating cyclones and floods, the dramatic increase in food prices in 2008 and the global recession have all impacted upon economic growth in Bangladesh. It resulted in a deterioration of food security and the nutritional situation in the country. According to World Food Programme (WFP), the number of people who consume less than the minimum daily recommended amount of food rose from 47 million in 1990, to 56 million in 2005.

The slower economic growth is the main reason for food insecurity in Bangladesh. Sometimes there is availability of food, but the poor people do not have the purchasing power. The Asian Development Bank (ADB) informed that, the Bangladesh economy was slowing, with sluggish investments and a decline in exports. Government figures indicate that, unemployment has risen to 5.1 percent in 2009, from 4.2 percent in 2006.

Food crisis leads Bangladesh government to depend on food imports and food aid to help meet food deficits continuously. On the other hand, at the micro level government at its disposal along with some donors support have some safety net programs focusing the food security of the poor. For instances the Ministry of Food (MoF) & Disaster Management (DM) makes the public distribution to targeted groups through Test Relief (TR), Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), and Open Market Sale (OMS) from domestic procurement, commercial imports and food aid.

However, the effectiveness of these transfer payments is very necessary for a country where people are vulnerable and suffering from food insecurity. In this regard, Open Market Sale (OMS) is a good solution. It targets the geographical pockets of the country which are the

habitats of vulnerable as well as potential population. The program covered the vulnerable who are unemployed and ultra poor and potential workers with the target of 22 lakh across the country. It focuses the bottom quintile of the beneficiaries in an attempt to increase their purchasing power and meeting their demands.

It seems to have positive cascades on the consumer's welfare. But from the very onset this program seems to have some inefficiency and there are some areas related to the supply and demand side of the program which need to be improved.

The research will highlight the supply side effectiveness of the Open market sale (OMS) program in particular. It will help to understand how vulnerable group's rice demand can be addressed and will explore the areas where Open Market Sale (OMS) can improve its performance.

The research focuses on micro level implementation of the program at two Thanas of Dhaka. It basically highlights the demand and supply side problems of Open market Sale (OMS) in two Thanas of the Dhaka City. The two study areas are Tongi and Sabujbagh. Tongi is an industrial and labor intensive area and Sabujbagh Thana is a very impoverished auxiliary Thana among other Thanas in Dhaka city. The two Thanas with different characteristics would bring interesting results and pave the way for a comparative analysis. To gather information program beneficiaries, implementation officers of the two Thanas and the administrative officers at the central level were contacted. Secondary data were acquired from different sources including newspapers, reports, books, journals etc.

The empirical evidence suggests that the program targeting was to some extent effective. It addressed the poorest segment of the beneficiaries in document but in practice it was open to all. It had a significant positive effect on food accessibility of the beneficiaries but it was unable to reduce the market price which included to be another target of the program. The study found out that, the program having some loopholes in the supply side which came out through some demands of the respondents. The demands are improve quality of rice; provision of respondents' criteria based service etc. The suppliers also responded with some

of their suggestions from the field as well as from the central level. These are to increase quantity and increase preference based service delivery.

The thesis has taken effectiveness of Open Market Sale (OMS) as the dependent variable which depends on accessibility, quality and affordability of the program from the view of supply side. The study could have been a vibrant one had there been the possibility to incorporate the demand side views in this regard. Time limitation led to opt for only the supply side analysis of the program though the demand side has been scrutinized to get the relevant information. The related variables of the research have sought primarily to explore the true picture of the Open Market Sale (OMS) service to the seekers.

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## **LIST OF ABBREVIATION**

ADB-Asian Development Bank

CRM-Customer Relation Management

CCT-Conditional Cash Transfer

100-DEGP-100 Days Employment Generation Program

DM-Disaster Management

DG-Director General

FPMU-Food Planning and Monitoring Unit

FPWG-Food Policy Working Group

MDG- Millennium Development Goal

MoF-Ministry of Food

NFPMC-National Food Planning and Monitoring Committee

OMS-Open Market Sale

PRSP-Poverty Reduction Strategy Program

REOPA-Rural Employment Opportunity for Public Asset

RMP-Rural maintenance Program

SCM-Supply Chain Management

TR-Test Relief

TCB-Trading Corporation of Bangladesh

VGD-Vulnerable Group Development

VGf -Vulnerable Group Feeding

WFP-World Food Program

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## **Chapter One**

### **Introduction**

#### **1.1 Background**

Bangladesh has made commendable progress in economic growth and food production since independence in 1971. Total rice (Staple food) production rose to 28.929 million metric tons in 2007-08, some 5.9 percent above those in the previous year and 12.7 percent above the five-year average.

This achievement, however, has been largely eroded by a continued high (though declining) rate of population growth. Total population has increased by 45 percent over the past two decades. Consequently, the country has not been able to overcome the chronic shortage in domestic food production to meet basic nutritional needs.

In recent years, devastating cyclones and floods, the dramatic increase in food prices in 2008 and the global recession have all impacted economic growth in Bangladesh, which in turn has led to a deterioration of food security and the nutritional situation in the country. According to World Food Programme (WFP), the number of people who consume less than the minimum daily recommended amount of food rose from 47 million in 1990, to 56 million in 2005. Experts estimated that as a result of climate change, rice production in Bangladesh will fall by 80 million tons by 2050 - or about 3.9 percent each year.

The slower economic growth is the main reason for food insecurity in Bangladesh. Sometimes there is availability of food, but the poor people do not have the purchasing power.” The Asian Development Bank (ADB) said the economy is slowing, with sluggish investments and a decline in exports. Government figures indicate unemployment has risen to 5.1 percent in 2009, from 4.2 percent in 2006.

Meanwhile, food inflation rose sharply from 0.3 percent in June 2009 to 10.9 percent in February 2010, the World Bank reported in April, 2011. In March 2011, the price of rice in Dhaka was 17.8 percent higher than it was in March 2009.

Food crisis leads Bangladesh government to depend on food imports and food aid to help meet food deficits continuously. The Ministry of Food (MoF) & Disaster Management (DM) makes the public distribution to targeted groups through Test Relief (TR), Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), and Open Market Sale (OMS) from the domestic procurement, commercial imports and food aid. In this regard Open Market Sale (OMS) can be a good solution.

The government has its Open Market Sale (OMS) of rice in Dhaka and other divisional headquarters for Tk 24 a kilogram to cushion low-income groups against soaring prices of the staple food. The government launched Open Market Sale (OMS) in four labor-intensive districts of Dhaka, Narayanganj, Narsingdi and Gazipur. The sale starts with heavy industrial areas. The Open market Sale (OMS) covers all divisional headquarters, industrial areas surrounding the capital and flood-affected haor areas of Sylhet, Sunamganj and Netrokona .

The government decided to expand its social safety net to urban areas in the form of rice sale among 22 lakh ultra poor families—10 lakh in Dhaka and the remaining 12 lakh in all other district towns. The sale of rice to the urban poor against ‘fair price cards’ has been declared. People who do not have land or permanent income source are supposed to get the cards, initially for three months. Each card-holder would be able to buy 20 kg of rice a month. Each customer would be able to buy a maximum of five kg of rice every day from the OMS outlets. The authorities with the help of respective local representatives had listed 10 lakh families including 4.5 lakh in Dhaka’s 90 wards along with 15 unions and provided them with the fair price cards to ensure food security for the urban poor.

The project started with 100 trucks at different spots in Dhaka, including Kazipara, Shawrapara, Agargaon, Mirpur-1, Mirpur-10, Lalkuthi, Gabtali, Shankar, Azimpur, Palashi, Mohakhali, Tongi, Amtali, Rapura Bazar, Badda, Basabo, Goran ,Sabujbag and Camalapur. Rice is sold at Tk 24 per kg from the mobile vehicles. People are able to buy a maximum of five kgs a day, five days a week, under the Open Market Sale (OMS) programme, and a maximum 20 kgs a month under the provision of the program. The sale continues from 9 am to 7 pm every day in a week, except one declared day per week by the government.

A total of 485 dealers across the country are involved in the OMS programme, of which 265 selling rice through trucks and the rest through shop outlets. The dealers using trucks sell rice only in flood-affected Sylhet, Maulavibazar, Habiganj, Sunamganj, Kishoreganj and

Netrakona districts. There are 140 dealers in Dhaka who will sell rice on trucks, but the number might be increased.

The government has initiated Open Market Sale (OMS) of rice at the sub-district (Upazila) level. Under the programme, three dealers have been appointed at every sub-district, from whom people can buy at most five kg of rice at Tk 24 a kg, at 482 sub-districts. Each dealer will be given one tone rice ever day."

Director General (DG) of the Food Directorate is responsible for the programme. In Dhaka, the Food Directorate conducts the sales with trucks and in shops at different points under the programme. The rice market monitoring committee of the Food Directorate monitors the market and launch Open Market Sale (OMS) in affected areas like the flood- and Aila-affected areas.

The Open Market Sale (OMS) in Bangladesh is given in two time slots. One slot is September, October and November and other slot is February, March and April. The time is selected in between after harvest and before harvest period in Bangladesh.

The Open market sale (OMS) decisions are taken by the National Food Planning and Monitoring Committee (NFPMC) which is headed by Food Minister. The members of the committee are Finance Minister, Agriculture Minister, Cabinet Secretary, Finance Secretary, and Director General of Bangladesh Bureau of Statistics etc. When the price increases abnormally, then the committee decides to run the Open Market Sale (OMS) operation to increase supply and reduce price in the market.

## **1.2 Statement**

Bangladesh has made considerable progress in expanding and refining its wide range of social safety net programs over the past three decades. The recent Open Market Sale (OMS) program is an important expansion of the government's existing safety net programs. The Open Market sale (OMS) can be effective in a sense that in the wake of Food inflation and economic slowdown it can be beneficial to the target group. It targets the geographical pockets which are very vulnerable and at the same time potential too. The program covered the vulnerable who are unemployed, ultra poor and potential industry workers with the target of 22 lakh across the country. It focuses on the bottom quintile of the beneficiaries in an



attempt to increase their purchasing power and meeting their food demands. It seems to have positive cascades on the consumer's welfare. But from the very onset this program seems to suffer from some inefficiency and there are some areas relating to the supply and demand side of the program which need to be improved.

### **1.3 Illustration of the problem:**

Food prices in Bangladesh fluctuate from year to year and season to season. Annual variation generally results from extreme climatic events like flood, cyclones, draughts and economic factors both from domestic and international sphere.

Open Market Sale (OMS) is policy instrument of the government used to curb seasonal price increase of food grains .The Open Market Sale Program (OMS) is to reduce food grain prices to the customers when prices are rising abnormally. The Open market Sale (OMS) program was first introduced in early 1980s.

The program has two purposes. One is to increase the purchasing power of the target group and the other is to stabilize the market price of the product. So the efficiency of the program is the most important determinant for achieving its goals.

The significant effort of Open market sale (OMS) to help the target group to skip food insecurity was welcomed and praised from all walks of life in our country. But news likes “Bungling in the sale of Open Market Sale (OMS) of rice”, draws the attention to the social researchers. For instance, the report of New age in 2005 on Lalmonirhat said the town has accused a section of dealers of selling stone mixed rice, depriving them of allotted quota and also cheating them in weight under the Open Market Sale (OMS) of rice. A number of poor people in the district town complained that some dealers sold them only three kilograms of rice although each family was supposed to get five kilograms under the Open market sale (OMS) program. Local sources pointed out that several dealers were selling Open Market Sale (OMS) allotted rice to them in the local markets at high price instead of supplying it to the poor at the rate of TK 14.50 fixed by the government.

The demand side factors also deserve attention. The problem of food inflation is so severe that not just the poor, it is also the middle class in Bangladesh who can be found standing in queues to buy subsidized rice of Open Market Sale. The sharp rise in prices of rice and other

food commodities have left people below poverty line spending as much as 70% of their earnings in buying food items. So the demand side also rose as a problem for the program to cope up with.

Even though the demand is increasing the program is suffering from its inefficiencies like irregularities, manipulation, misappropriation etc. The following are the reported complains from all over the countries time to time about Open Market Sale (OMS) service:

<b>Table 1.1:Reporting Inefficiencies Against Open Market Sale (OMS)</b>	
<b>Types of Reports</b>	<b>Number of reports</b>
Irregularity	19
Time Consuming	33
Corruption	17
Lack of Monitoring	05
Insufficient Service	25
Poor Publicity	06
<b>Total</b>	<b>105</b>

**Source: Ministry of Food & Disaster Management**

#### **1.4 Content Analysis**

According to the study of Asian Development Bank(ADB) “Supporting the safety net program for food security in Bangladesh” to protect the poor and vulnerable from the surge in food prices ,there is a need to strengthen the existing safety net programs with an emphasis on targeting efficiency, increasing spending and expanding coverage.

The study identified food security projects should aim to achieve the following major outputs:

- Strengthen Open Market Sale (OMS) of food grains with wider coverage, to ensure food security of targeted poor and vulnerable people. Expanded coverage and improved efficiency under Open Market Sale (OMS) will mitigate the hardship of those affected by higher food prices.
- Enhance food entitlement for the poor and vulnerable to survive short time food deficit.

The Bangladesh Institute of Development Studies (BIDS) Policy Brief, Number 0902, May 2009, “Price Support, Domestic Procurement Program and Public Stock Management” by Quazi Shahabuddin et. al says, a key reason behind the severity of food insecurity in our country is farmers, millers, traders and consumers reportedly responded to the global food price hikes and the export ban by India and other countries, by hoarding grain, which served to boost price further. In this regard the report further investigates that albeit public warehouses have capacity to store 1.7 million tons; some of these are unusable; so the effective government storage capacity is 1.2 million tons. This is adequate for minimum national food security but not for the additional stocks to stabilize prices and if the government wishes to continue with food based safety net programs.

In this view the report suggests that the government should consider using private storage as well. An assessment is needed of existing private storage capacity and the willingness of private traders to lease warehouses to government and/ or hold temporary stocks on behalf of the government. This should also take into account the high demands of efficient human resources in the public sector, especially line departments, for management of public stocks.

A study of Department For International Development (DFID) “Open Market Operation and Food Reserves : Operational guidelines on implementations” which is a policy making capacity building document by Michael Stockbridge says about projects of Open market sale (OMS) implementation in Kenya, Malawi, Uganda, and Zambia. The study examined that, in food crisis of 2007-08, government Open Market Operations had the effect of crowding out the private sector, further compounding the problem created by poor harvest and high world prices. The document outlined the following reform initiatives to prevent the negative impacts of Open Market Sale (OMS).

–Greater cooperation between public and private sector

–Transparency relating to the nature and timing of government intervention should be ensured

The study further adverts to the capacity of government to execute the safety net programs more efficiently. In this connection the study alluded the following issues, related to government capacity buildings. They are:

- 1) Access to information: not only for setting appropriate price targets, but also for knowing how where, when to respond to deteriorating market conditions
- 2) Access to grains: using either strategic reserve or import, government agencies need to mobilize sufficient grain to defend ceiling prices;
- 3) Access to capital: marketing boards need sufficient capital to purchase the volume of grain needed to defend floor prices, to store grain, and to finance imports.

The Final Performance Report on “Food management and Reserve Supply” Project by International Food Policy Research Institute, in October 2001, says food security in Bangladesh has been a major concern for the government of Bangladesh, and a major objective of USAID and other donor assistants of the country since 1971. Adament progresses have been achieved through increases in rice and wheat production, improvements in infrastructure, improving the efficiency of food delivery in the public food grain distribution system, and market liberalization in the late 1980s and early 1990s have been achieved. Nonetheless about one half of the population of Bangladesh lacks sufficient resources to enable them to consume minimum food requirements for healthy and productive lives.

In this connection the report partially blames the shortcomings of the public food grain distribution system Controlled by the National Food Planning and Monitoring Unit (FPMU). The project recommended the need of strengthening capacity of National Food Planning and Monitoring Unit (FPMU) through research, procurement capacity enhancement, organizing workshops, seminars, staff skill development through training etc. It further suggested that National Food Planning and Monitoring Unit (FPMU) need to increase the number of permanent skilled positions so to build up its institutional capacity to undertake the needed food policy analysis and implementation.

Another report of Bangladesh Food Security Investment forum in 2010 Dhaka, 'Income Growth, Safety Nets, Public Food Distribution', urges that there is an acute need of expansion of government budget for the safety net coverage. The report says while Bangladesh needs comprehensive appraisal of the actual coverage of safety net programs, available estimates suggests that, millions of food insecure people still remained uncovered. According to the fiscal year (FY) 2009-10 budget, 6.9 million families or- 27 % of the population will be covered under the current national safety net system. With a poverty headcount of 40 percents this leaves 13 percent of those in need uncovered. For food based safety nets the government distributed, 2.1 million metric tons of food grains in FY 2009 and allocated 2.7 million metric tons in FY 2010. The allocation in safety nets system in FY 2010 is TK 15,971.96 crore (US\$2.3 billion), which represents 2.8 % of Gross Domestic Product(GDP) of Bangladesh. The report explored the facts like the developed countries spend a larger share of their GDP on safety nets than do developing countries. For example, the European Union spends 19 percent of their G.D.P, while the United States spends about 9 percent. On the whole, the South Asia's expenditure on social safety net is among the lowest in the world. In 2004 India spend 4.3 percent of its G.D.P on safety nets; Sri Lanka, 3 percent; Pakistan 1.8 percent.

### **1.5 Scope of research**

The research focuses on micro level implementation of the program at two Thanas of Dhaka. It will basically highlight the demand and supply side problems of Open market Sale (OMS) in two Thanas of the Dhaka City. The two study areas are Tongi and Sabujbagh. Tongi is an industrial and labor intensive area and Sabujbagh Thana is a very impoverished auxiliary Thana among other Thanas in Dhaka city. The two Thanas with different characteristics would bring interesting results and will pave the way for a comparative analysis.

### **1.6 Objective of the Research:**

The general objective of the research is to examine the efficacy of Open Market Sale (OMS) in Dhaka particularly in two Thana areas. In this connection the objective can be classified in the following manner.

- To determine the capacity of Open Market Sale (OMS) in meeting the rice demand of the targeted group
- To examine the factors affecting the service efficacy of Open Market Sale (OMS)

### **1.7 Research questions**

In order to fulfill the above objectives the following questions have been addressed by this study--

- Is the target group getting effective service (in terms of quantity, quantity, affordability) from the OMS?
- Are the service providers well equipped to deliver the OMS?

### **1.8 Significance of the research**

Safety net programs are designed to provide targeted income support and access to basic social service for the poorest population group, and those needing assistance after economic downturns, natural disasters, or other events that pose major risks (World Bank, Bangladesh development series, 2006). Despite considerable progress in reducing poverty over the past 15 years, half of Bangladesh's population still poor. With a combination of sound macro-economic policies, institutional reforms, and good governance, Bangladesh can achieve the Millennium Development Goal (MDG) goal of halving the 1990 poverty rate by 2015. However the extent of poverty and vulnerability would still be significant and in absolute terms, the numbers would remain high. Recognizing this challenge, the government has emphasized social protection as a pillar of its Poverty Reduction Strategy Paper (PRSP), and well functioning safety net as an important element of the social protection strategy to cope with poverty.

Since Independence, the government of Bangladesh has taken a number of initiatives to bring poor people under social safety net. Among various types of safety net programs food

security is a major priority of the government of Bangladesh. Food prices in Bangladesh fluctuate from year-to-year and season-to-season and the variations generally results from extreme climatic events-floods, cyclones and draughts. These are moderated through private and public imports of food grain, mainly from other countries in the region. In this connection an Open Market Sale (OMS) program is an effective tool to reduce the food grain prices for consumers when food prices are rising too high. This Open Market Sale (OMS) program was introduced in Bangladesh in early 1980s. The main objective of Open Market Sale (OMS) is firstly to meet the food need of the poor and the vulnerable on a sustainable basis and secondly to curb price spiral in the market. This initiative has been appreciated by different scholars of the country. Some analysts are suggesting to make some reforms of the program so that the program can really turn into a quality service to the target group .The suggestions are coming in compliance with the current demand of the service seekers. Considering them the government of Bangladesh continued to have some reforms of the program. The government started its open market sale of rice in Dhaka and other divisional headquarters for taka 24 a kilogram to cushion low income groups against soaring prices of the staple food. The government focuses on labor intensive districts. The government decided to expand the operation to urban areas to 22 lakh people where 10 lakh for Dhaka and the remaining 12 lakhs for all other districts town.

This study may add new knowledge to the policy implementers as well as policy makers about the ground level realities and help them to find ways to get positive impacts upon the program

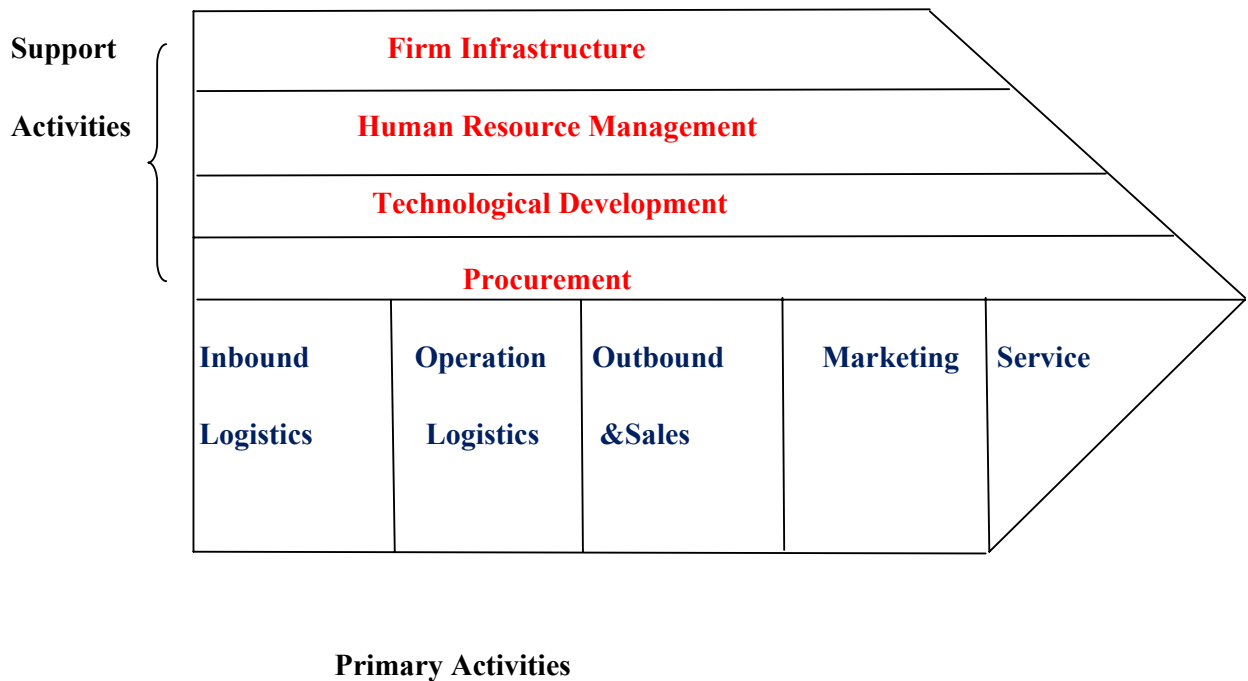
### **1.9 Conceptual Framework:**

The study is accomplished by the light of one theory which is Supply Chain Management (SCM) theory which helps to identify the factors of supply side of a program. The theory is explained below.

#### **Supply Chain Management (SCM) Theory:**

Supply Chain Management (SCM) is the management of a network of interconnected [businesses](#) involved in the ultimate provision of [product](#) and [service](#) packages required by end customers (Harland, 1996). Supply Chain Management spans all movement and storage of [raw materials](#), work-in-process inventory, and finished goods from point of origin to point of consumption ([supply chain](#)).

**Fig 1.1: Supply Chain Management (SCM) Theory:**



This Theory says that, from the suppliers end there are some requirements which will help suppliers to make their supplies to the customer effective. In this regard the theory incorporates the above mentioned supportive and primary activities. These activities will address the independent variables of this research from the supplier's point of view.

**1.10 Overview of Methodology:**



The present study explores the efficacy level of the Open Market Sale Operation (OMS) in Dhaka, Bangladesh particularly in two Thana areas. The study is exploratory in nature and utilizes both quantitative and qualitative approach. The study is based on primary and secondary sources of information. The main data collection tools used in course of the study is questionnaire, interviews and case studies.

### **1.11 Organization of the thesis**

The thesis is organized in seven chapters.

**Chapter One** explains the background of the study, the research problem, and highlights the conceptual and theoretical framework. It specifies research objectives and research questions. Further, it also focuses on the rationale and significance of the study.

**Chapter Two-Conceptual Framework**-explains the program implementation approach, its applicability to the present study, clarifies variables and indicators, gives operational definitions of related terms, develops an analytical framework based on conceptual framework and puts a table of variables and indicators.

**Chapter Three-Methodology**- contains the descriptions of methodology used in the study. It gives an account of limitations and challenges encountered in the field.

**Chapter Four-Safety Nets Programmes in Bangladesh: An Overview**-focuses on major safety net programmes in Bangladesh, allocations for safety net programmes and allocation for Food security safety nets including Open Market Sale (OMS).

**Chapter Five-An Overview of Open Market Operation (OMS)**-describes the major features of OMS, tries to find its position regarding other safety nets programmes in Bangladesh, and also compared it with similar programs in other countries like Pakistan, India, Sri Lanka, Nepal etc.

**Chapter Six –Research Findings and Analysis**-Presents the survey data and analyzes them in accordance with the research questions , relates the variables (Quality, quantity and affordability of the OMS operation from the supply side) with findings and cross checking the finding with the demand side responds to get the authenticity of the survey data.

**Chapter Seven-Conclusion**-the final chapter ends up the study by suggesting some recommendations and finally draws attention to the scope of further research.

## **Chapter Two**

### **Conceptual Framework**

#### **2.1 Introduction:**

For the last three decades, successive Governments have embarked on numerous poverty/risk alleviation strategies and programs. Social safety net programs are an important component of Bangladesh anti poverty strategy. One important but seasonal safety net has been emerged from early 1980s as Open Market Sale to ensure food security of the target group. As it lunched it has to face so many challenges from both the demand and supply side perspectives. It created a scope to look into how far the program being successful to meet its challenges and achieve its goals. The present study is a minute attempt to find out the real scenario by analyzing the effectiveness of the program. The core objective of this chapter is to develop an analytical framework depending on conceptual framework to carry out the research. This chapter starts with conceptual issues of program implementation and management and thereby effectiveness. Explaining about the approaches of the program effectiveness, it ended up with an analytical framework for the present study.

#### **2.2 Conceptual Issues of Program Effectiveness**

Program effectiveness can be interpreted by an outcome that demonstrates whether the program has met or exceeded the objectives. It helps to determine if the program needs to be adjusted or changed and documents the need for continued funding or program expansion.

Effectiveness also includes the concepts how and when a program/project is evaluated and is also determined by the objectives and activities of the project. It is easier to measure the success of a program if decisions are made about what to measure and how/when to evaluate it before implementing the program (US Safety net research center, 2007).

To set an example of measuring effectiveness in some program, Customer [Relationship Management \(CRM\)](#) is used in the process to reduce costs, increase profitability and improve customer loyalty while customer oriented service is concerned. Companies large and small use CRM programs to improve their bottom line. This CRM is used in the safety nets programs by the government where it focuses on reduction in cost, reduction in poverty and reduction in target group's economic hardships. CRM program effectiveness is measured by three set of metrics -- operational, productivity and result metrics.

To exemplify more specifically food based safety net program's efficacy, it includes direct provision of quality product, consumer groups detection, and therapeutic feeding during crises, emergencies and situations in which people are displaced ([UNHCR and WFP 1999](#)). So it can be said that the safety net programs are differently measured than other profit oriented programs. In this connection the programs can depend on the following aspects of design and implementation:

### **1. Targeting**

The main objective of targeting is to deliver more resources to the poorest groups of the population. Targeting is a tool that has costs and benefits. Decisions about what is to target, how precise to be the target and what method to be used will depend on the relative size of costs and benefits. Good evidence indicates that, for the most part, programs can focus resources on the poor to a moderate or high degree without incurring unacceptably high errors of exclusion (excluding poor groups) and cost, in "Targeting of Transfers in Developing Countries" by [Coady, David, Margaret Grosh, and John Hoddinott. 2004.](#)

### **2. Determining Benefit Levels**

Benefits may be differentiated by household characteristics such as poverty level, size and composition, or specific needs or behaviors. Such customization will improve the poverty impact, but will complicate administration. Available budget allocations will greatly determine the efficacy of safety net programs. Programs with benefits that are too small will have little impact on beneficiaries and administrative costs will be high relative to benefits. Programs with high benefits will have a larger impact on recipient households, but will have a higher fiscal burden, require better design and targeting, and may induce disincentives.

### **3. Monitoring and Evaluation**

Monitoring and evaluation (M&E) systems are the hallmark of good program management. A new wave of results-oriented programs, such as Conditional Cash Transfer (CCTs) in Latin America and public works programs (e.g. Argentine, Ethiopia), have developed and use integrated Monitoring and Evaluation (M&E). These programs demonstrate that strong monitoring systems support credible program evaluation and that both provide feedback for improvements in productivity, effectiveness and impact in “For Protection and Promotion: The Design and Implementation of Effective Safety Nets” by [Grosh M, del Ninno C, & Tesliuc E \(2008\)](#).

Finally, Safety nets in low-income countries are increasingly being recognized as effective tools to reach out to the most vulnerable. At their worst, they protect households facing hard times from falling into deeper poverty and help them manage risk by allowing them to maintain assets on which their livelihoods are based. At their best, they can provide households with a cushion to invest resources more efficiently and effectively in human capital. Common interventions vary from public works and food-based interventions to more recently cash and conditional cash transfer programs. Low-income states may face institutional capacity and financial constraints.

The Government’s food distribution program, such as feeding program for poor women and food for work should be designed in a way as to minimize incentive for leakage and have impact on poverty and food deprivation (Prof. Wahiduddin Mahmud, 2010)

#### **2.3 Approaches of Program Effectiveness:**

Programs or policies are introduced to meet a need. Meeting that need usually requires more thought than finding and pressing a single magic button, or taking a pill. For policymakers, it requires identifying the reasons that are causing undesirable outcomes, and choosing a strategy from a large set of options to try to bring about expected outcomes.

A program management approach is comprehensive when the phases of that approach form a continuous feedback loop. These phases are:

- Planning phase, which includes the strategic planning, target setting, and resource

allocation elements;

□ Monitoring phase, which includes the measurement and monitoring elements; and

□ Process improvement phase.

There is surprising number of program management theory. In case of deriving the efficacy of the program it is mandatory to set the distinction between supply side of the program, demand side of the program, their interconnections and interdependencies. In this regard the following theories and approaches are considered to be pertinent to the study at hand. They are:

-Supply chain management theory

-Demand chain management theory

**Supply chain management (SCM)** is the management of a network of interconnected [businesses](#) involved in the ultimate provision of [product](#) and [service](#) packages required by end customers (Harland, 1996). Supply chain management spans all movement and storage of [raw materials](#), work-in-process inventory, and finished goods from point of origin to point of consumption ([supply chain](#)).

### **Demand Chain Management (DCM)**

Demand Chain Management (DCM) is a natural next step in the evolution of the Supply Chain Management (SCM) concept based on the necessity for adaptation to changing external and internal conditions and the availability of new tools. (D. Ericsson)

Demand Chain Management (DCM) involves

1. An integration between demand and supply process
2. A structure between the integrated process and customer segments, and
3. Working relationship between marketing and supply chain management (U.Juttner et al)

## 2.4 Defining Supply Chain Management

The Supply Chain Management is on the verge of a major breakthrough in understanding how industrial company success depends on the interactions between the flows of information, materials, money, manpower, and capital equipment. The way these five flow systems interlock to amplify one another and to cause change and fluctuation will form the basis for anticipating the effects of decisions, policies, organizational forms, and investment choices." (Forrester 1958, p. 37)

The term Supply Chain Management had risen to prominence over the past ten years. There are many reasons for the popularity of the concept. Specific drivers may be traced to be diverted towards global sourcing, an emphasis on time and quality-based competition, and their respective contributions to greater environmental uncertainty. Corporations have turned increasingly to global sources for their supplies. This globalization of supply has forced companies to look for more effective ways to coordinate the flow of materials into and out of the company. Important elements to such coordination are in the following:

- Orientation toward closer relationships with suppliers.
- Companies in particular and supply chains in general compete more today on the basis of time and quality.
- Customers are demanding products consistently delivered faster, exactly on time, and with no damage.

Global orientation and increased performance-based competition, combined with rapidly changing technology and economic conditions, all contribute to marketplace uncertainty. This uncertainty requires greater flexibility on the part of individual companies and supply chains, which in turn demands more flexibility in supply chain relationships. Supply Chain Management (SCM) drives supply chain members to have a customer oriented philosophy. In particular the Supply Chain Management (SCM) as a management philosophy has the following characteristics:

1. A systems approach to viewing the supply chain as a whole, and to managing the total flow of goods inventory from the supplier to the ultimate customer;

2. A strategic orientation toward cooperative efforts to synchronize and converge intra firm and inter firm operational and strategic capabilities into a unified whole; and
3. Customer focuses to create unique and individualized sources of customer value, leading to customer satisfaction.

#### **2.4.1 SCM as a Set of Activities to Implement a Management Philosophy**

Effective Supply Chain Management (SCM) also requires mutually sharing risks and rewards that yield a competitive advantage (Cooper and Ellram 1993). Risk and reward sharing should happen over the long term (Cooper et al. 1997). Risk and reward sharing is important for long-term focus and cooperation among the supply chain members (Cooper et al. 1997; Cooper, Lambert, and Pagh 1997; Ellram and Cooper 1990; Novack, Langley, and Rinehart 1995; Tyndall et al. 1998).

Cooperation among the supply chain members is required for effective Supply Chain Management (SCM) (Ellram and Cooper 1990; Tyndall et al. 1998). Cooperation refers to similar or complementary, coordinated activities performed by firms in a business relationship to produce superior mutual outcomes or singular outcomes that are mutually expected over time (Anderson and Narus 1990). Cooperation is not limited to the needs of the current transaction and happens at several management levels (e.g., both top and operational managers), involving cross-functional coordination across the supply chain members (Cooper et al. 1997).

Joint action in close relationships refers to carrying out the focal activities in a cooperative or coordinated way (Heide and John 1990). Cooperation starts with joint planning and ends with joint control activities to evaluate performance of the supply chain members, as well as the supply chain as a whole. In addition to planning and control, cooperation is needed to reduce supply chain inventories and pursue supply chain cost efficiencies (Cooper et al. 1997; Dowst 1988). Furthermore, supply chain members should work together on new product development and product portfolio decisions (Drozdowski 1986). Finally, design of quality control and delivery systems is also a joint action (Treleven 1987).

The implementation of Supply Chain Management (SCM) needs the integration of processes from sourcing, to manufacturing, and to distribution across the supply chain (Cooper et al.

1997; Cooper, Lambert, and Pagh 1997; Ellram and Cooper 1990; Novack, Langley, and Rinehart 1995; Tyndall et al. 1998). Integration can be accomplished through cross-functional teams, in-plant supplier personnel, and third party service providers (Cooper et al. 1997; Cooper, Lambert, and Pagh 1997; Ellram and Cooper 1990; Manrodt, Holcomb, and Thompson 1997; Novack, Langley, and Rinehart 1995; Tyndall et al. 1998). Gentry and Vellenga (1996) argue that it is not usual that all of the primary activities in a chain-- inbound and outbound logistics, operations, marketing, sales, and service--will be performed by any one firm to maximize customer value. Thus, forming strategic alliances with supply chain partners such as suppliers, customers, or intermediaries (e.g., transportation and/or warehousing services) provides competitive advantage through creating customer value (Langley and Holcomb 1992).

#### **2.4.2 Supply Chain Management (SCM) as a Set of Management Processes**

As opposed to a focus on the activities that constitute supply chain management, other authors have focused on management processes. Davenport (1993) defines management processes as a structured and measured set of activities designed to produce specific output for a particular customer or market. La Londe proposes that Supply Chain Management (SCM) is the process of managing relationships, information, and materials flow across enterprise borders to deliver enhanced customer service and economic value through synchronized management of the flow of physical goods and associated information from sourcing to consumption.

#### **Consequences of Supply Chain Management (SCM)**

The motive behind the formation of a supply chain arrangement is to increase supply chain competitive advantage (Global Logistics Research Team at Michigan State University 1995; Monczka, Trent, and Handheld 1998). Porter (1985) defines two types of competitive advantage: cost leadership and differentiation. According to Giunipero and Brand (1996), improving a firm's competitive advantage and profitability through Supply Chain Management (SCM) can be accomplished by enhancing overall customer satisfaction. According to Porter, competitive advantage grows fundamentally out of the customer value a firm creates, and aims to establish a profitable and sustainable position against the forces that determine industry competition. Thus, it is proposed that the implementation of Supply Chain Management (SCM) enhances customer value and satisfaction, which in turn leads to



enhanced competitive advantage for the supply chain, as well as each member firm. This, ultimately, improves the profitability of the supply chain and its members.

Specific objectives to improve profitability, competitive advantage, and customer value/satisfaction of a supply chain, as well as its participants, are suggested by several researchers. For example, a key objective of Supply Chain Management (SCM) is to lower the costs required to provide the necessary level of customer service to a specific segment (Houlihan 1988; Jones and Riley 1985; Stevens 1989). The other key objective is to improve customer service through increased stock availability and reduced order cycle time (Cooper and Ellram 1993). Customer service objectives are also accomplished through a customer-enriching supply system focused on developing innovative solutions and synchronizing the flow of products, services, and information to create unique, individualized sources of customer service value (Ross 1998).

If we distinguish between the operational function of customer service and the resultant goal of customer value and satisfaction, this discussion leads us to conclude the consequences of Supply Chain Management (SCM) as it lowers costs and improves customer value and satisfaction to achieve competitive advantage. Industry reports support this contention (Performance Management Group 2001).

### **Scope of Supply Chain Management (SCM)**

The scope of Supply Chain Management (SCM) is functional and organizational. The functional scope of Supply Chain Management (SCM) refers to which traditional business functions are included or excluded in the implementation and the process of Supply Chain Management (SCM). The organizational scope of Supply Chain Management (SCM) concerns what kinds of inter-firm relationships are relevant to the participating firms in the implementation and the process of Supply Chain Management (SCM).

#### **2.4.3 The Open Market Sale in the View of Supply Chain Management:**

The Open Market Sale (OMS) project of Bangladesh government must have the focus on the following issues in compliance with the functional and organizational wings of Supply Chain Management (SCM).

The functionalities and the management mechanism of Open Market Sale (OMS) in the light of Supply Chain Management (SCM) can be shown in the following tabular form.

**Table 2.1: Open Market Sale (OMS) in View of Supply Chain Management (SCM)**

Functional wings of OMS	Organizational Wings of OMS
<p>a) Operation of Ministry of Food (MoF) &amp; Disaster Management (DM) through modern systems of food procurement, storage, and distribution.</p> <p>b) Ensuring that MoF &amp; DM is implementing the recommended measures to improve the national system and to minimize system loss and leakages during procurement, storage, and distribution of food grains</p> <p>c) Enhancing MoF&amp;DM's capacity on forecasting food demand and supply, making advance planning for food procurement from international and domestic markets</p> <p>d) Reviewing existing food storage and distribution facilities across the country, recommend measures for computerizing the facilities</p> <p>e) Supporting independent monitoring of the safety net programs, and work in close coordination</p>	<p>a) Analyzing national food procurement, management, distribution, and storage system, and identify and recommend measures for improving the national system</p> <p>b) Observe present international procurement systems which now practices and suggest more transparent, competitive and efficient method of international procurement for quickly meeting demand as needed.</p> <p>c) Reviewing the present safety net program (OMS) and suggest more efficient and effective systems integrating mechanisms to reach really needy vulnerable groups</p> <p>d) ) Strengthening MoF &amp; DM's capacity on monitoring safety net programs, including implementation of specific anti-corruption and good governance measures.</p>

<p>f) Actions through regular reports and other means and provide advice on appropriate remedial measures</p>	<p>e) Assisting MoF &amp; DM and others involved in project implementation in the planning, scheduling and direction of all project inputs including consultants to coincide effectively with the schedule of implementation ;</p> <p>f) Supervising and advising the national consultants</p> <p>g) The consultant will have suitable tertiary qualifications in areas of agricultural/food economics, trade, and resource management</p>
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**Source: Charu Chandra, Sameer Kumar, (2000)**

#### **2.4.4 Application of Supply Chain Management (SCM) Philosophy in Open Market Sale (OMS) in Practice:**

As the Food Planning and Monitoring Unit (FPMU) provides secretarial support to the Food Planning and Monitoring Committee (FPMC) to improve the management of the program it requires to be strengthened. It requires the following improvements according to the path of Supply Chain Management:

##### **Activating Food Planning and Monitoring Committee (FPMC)**

The Food Planning and Monitoring Committee (FPMC) is the National Committee headed by the Honorable Minister/Advisor for Food and Disaster Management. It is responsible for monitoring the overall food situation of the country and regularly reviews the production, demand, stocks, prices and food security issues of the country. Relevant issues on food security at national and international levels are discussed and analyzed with the analytical assistance of the Food Planning and Monitoring Unit (FPMU). The objective is to maintain a

sustainable food security. The Food Planning and Monitoring Unit (FPMU) provide all the relevant information needed by the Food Planning and Monitoring Unit (FPMC) as well as data, policy briefs, analytical reports. The Food Planning and Monitoring Unit (FPMC) is thus in a position to provide policy guidelines to the government in order to ensure national food security. If it can be strengthened it will work for the better management and efficacy of government food related safety net programs.

### **Strengthening Food Policy Working Group**

Immediately after the National Food Policy was approved, the Food Planning and Monitoring Unit (FPMU) formed a Working Group (the FPWG), including representatives from the concerned planning units or policy wings of the partner Ministries/Divisions. The overall responsibility of the Food Policy Working Group (FPWG) can be shaped in the following to make it a strong working group:

- Guiding, coordinating and monitoring progress of the work of the Thematic Teams (TTs);
- To organize work on cross-cutting issues by assigning responsibilities to members of individuals Thematic Teams (TTs).
- Focusing the strategic issues on food security.
- Coordination of Thematic Teams (TTs) with other Thematic Teams (TTs) and operate under the guidance and supervision of the Food Policy Working Group (FPWG).

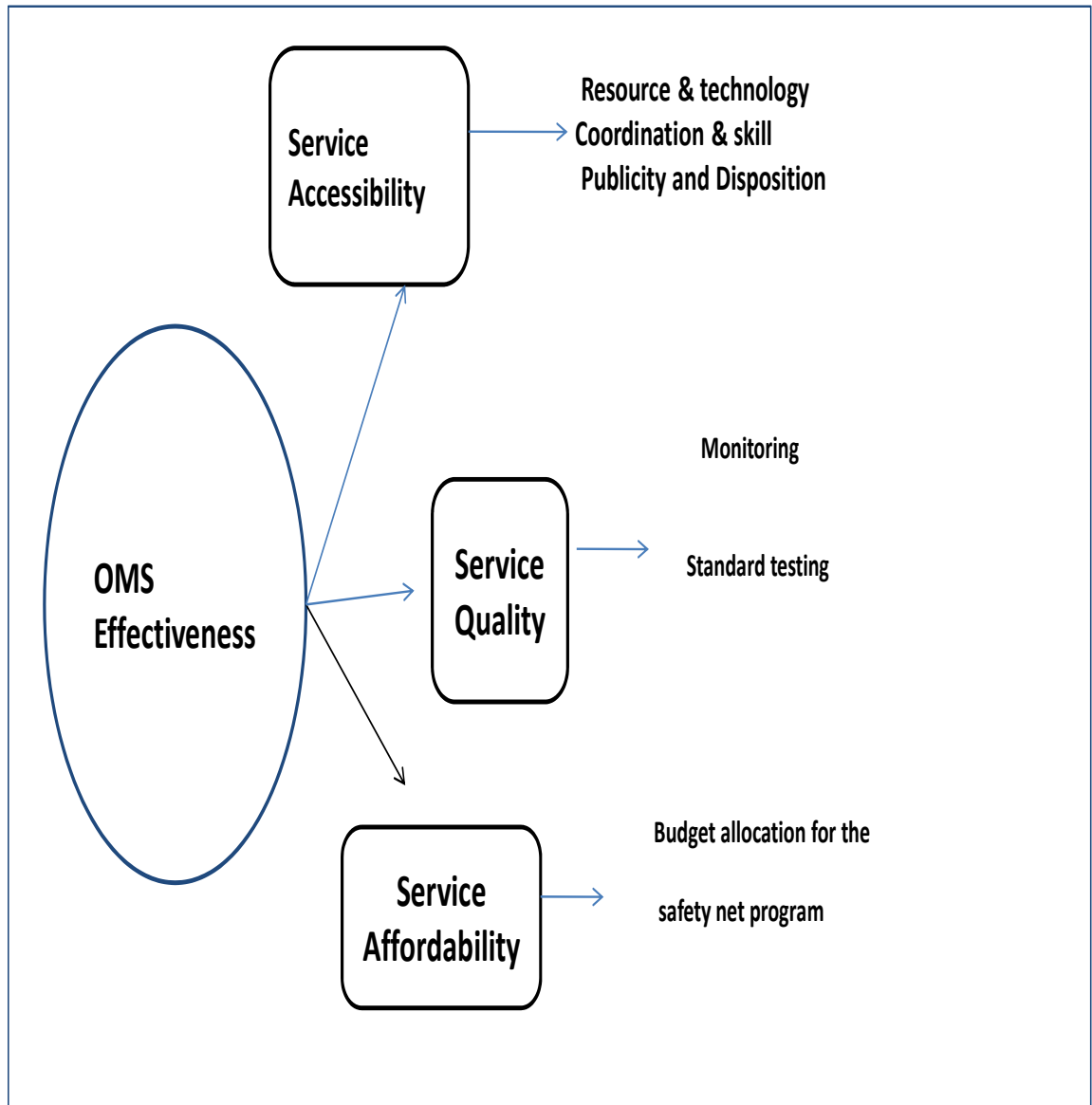
In the light of the Supply Chain Management philosophy an analytical framework has been designed. It is given bellow:

### **2.5 Analytical Frame work with view of Theoretical Model**

Depending on the detail analysis of the Supply Chain Management approach the functional part considered to be a proper application for the Open Market Sale effectiveness. As one particular theory cannot reflect all the dimensions of a project, in this research the analytical

framework has been constructed with the light of Supply Chain Management model and with some other research tools resulted from observation and analysis.

## Analytical Framework:



**Source: Modified from Supply Chain Management Theory by Harland, 1996: A Critical Analysis and Suggested Synthesis**

**Fig 2.1: Analytical Frame Work**

## **2.6 Clarification of Variables**

In this part the variables have been explained in the light of indicators used in the study

### **2.6.1 Service Accessibility:**

It mainly focuses on how service providers make their services accessible to the target group. This variable properly linked with the objectives of the research. The main objective of the program is to determine the capacity of Open Market Sale (OMS) in meeting the rice demand of the targeted group and to examine the factors affecting the service efficacy of Open Market Sale (OMS). In this connection the first and foremost independent variable has been identified to be the service accessibility of the program. This term in fact explores the capacity of the program which helps the program to be accessible to the target group. The capacities which are expected make the program more accessible are as follows:

- a) Resource and technological ability,
- b) Coordination and skill and
- c) Publicity and disposition.

The above mentioned capacities are the indicators of the independent variable of the research which is 'accessibility of the service'. It resembles the Supply Chain Management model by combining both Support activities and Primary activities.

### **2.6.2 Service Quality:**

This variable will measure how quality service is ensured by the suppliers in accordance with consumer demand. This variable also explains the objectives of the research. The measurement of quality service of the program will truly reflect the efficacy of the program. This independent variable can be measured by the following parameters. These are:

- a. Monitoring and
- b. Standard testing

The above two capacities are the indicators of ‘Service Quality’ under the research. As per the Supply Chain Management theory the parameters resembles with the primary activities of the Model.

### 2.6.3 Service Affordability:

Affordability implies how the suppliers are financially equipped to render the service in time. This variable mainly portrays the first objective of the study which is to determine the capacity of Open Market Sale (OMS) in meeting the rice demand of the targeted group. Its parameter is sufficiency of budget allocation in the program.

As per the Supply Chain Management theory this parameter is not directly shown in either the Primary or the Support activities but as it is regarded to be the part and parcel of the program and is included as an important independent variable in the analytical framework. In this connection, it is considered to be an effective tool in addressing the objectives and to measure the effectiveness of the program.

### The Variables and the Indicators of the Study at a Glance:

**Table 2.2: Table of Indicators**

#### Indicators and Variables

Variables	Verifiable Indicators	Measuring Indicators
A) Accessibility	<p>a) Resource &amp; Technology</p> <p>b) Coordination,</p> <p>c) Skill ,</p> <p>d) Publicity,</p> <p>e) Disposition</p>	<p>a) Procured Stock, infrastructure, internet, Web site, etc.</p> <p>b) Meeting, Reporting, research, predictions</p> <p>c) Training</p> <p>d) People’s awareness</p> <p>e) Selling system</p>

<b>B) Quality</b>	<b>a)Monitoring ,</b>  <b>b) Standard testing</b>	<b>a)Field visit(operation monitor)</b>  <b>per week</b>  <b>b) Inspection of product standard</b>
<b>C) Affordability</b>	<b>a)Budget of safety Net Program</b>	<b>a) Budget per seasonal OMS program- in compliance with the need of customer)</b>

The above mentioned variables and indicators helped the researcher to achieve the research objectives.

In this perspective some operational definitions will clear the entire understanding of the research.

**2.7 Operational Definitions of Some Related Concepts:**

**a) Program Management**

According to Oxford dictionary management means an act of running and controlling a business or similar organization. In this study management term has been opted to ensure the efficacy of a safety net program run by government organization. To run a program smoothly naturally a Program Manager has the oversight of the purpose and status of all projects in a Program. He uses this oversight to support project-level activity to ensure the overall program goals are met (Sebastian, 2007). In the measurement of efficacy of Open Market Sale, the term management is used to identify how government entity is having its oversight on the project through meeting, monitoring, evaluation and implementation.



## **Program Processing**

A program process in public sector can be defined as a system to provide jobs on public works paid for by government funds through some phases. For this purpose any given program is processed through analysis, design, production, testing and implementation (Joseph A. Dear, 1994)

I. Analysis

II. Design,

III .Production

IV. Testing,

V. Implementation.

In the entire process of the program the study focused on the effectiveness of the program in every individual phase.

## **c) Program Capacity**

Any program can be termed to be a capable one once it is entitled to a good project planning which includes need assessment, selecting priority areas for program interventions, developing a clear implementation plan with clear indicators and a budget. In this study the program capacity mainly concentrates on the financial and infrastructural capacity with the other related issues of program capacity like need assessment, selecting priority areas of program implementation etc in particular.

## **d) Program Effectiveness**

Program effectiveness actually can be defined with respect to the combination of the previous three characteristics of a program. An effective program relies on effective program management, program processing, and program capacity with some positive impacts.

In this study the effectiveness of the program is the dependent variable and with the help of the above mentioned tools its efficacy has been attempted to define. Here program processing, management and capacity have been measured by the informed parameters in the analytical framework.

## **2.8 Conclusion:**

For the purpose of this research a working definition of program effectiveness has been developed. In this study program effectiveness means the effectiveness of program management, processing and capacity which shows some positive and expected outcomes.

The Harlend (1996) model of Supply Chain Management (SCM) is useful in explaining all the necessary and required elements of effectiveness. For example, the main two components of Supply Chain Management namely primary and supportive elements the parameters illustrate management, processing etc. Finally, to bring the entire picture of effectiveness under the study capacity has been added to this theory. This is how the entire picture of effectiveness of the program has been attempted to develop.

The present study focuses on the efficacy of Open Market Sale (OMS) in a specific environment to fulfill program objectives that is targeting the poor group of citizen and having a restrictive impact on rising price of food market. In this regard Supply Chain Management obviously contains the major portion of the required elements to reflect the effectiveness of a program.

## **Chapter Three**

### **Methodology**

#### **3.1 Introduction**

Every type of empirical research has either implicit or explicit research design. In the most rudimentary manner, this design is a logical sequence that links empirical data to a study's primary research questions and finally to its conclusions. Research design is a proposal of research dealing with at least four problems: What queries to study, what data are relevant, what data to collect and how to analyze the results (Yin 1994). It is much more than a work plan because the main purpose is to avoid the situation in which the evidence does not address the initial research questions. Hence, the research design deals with a logical problem and specifies how the researcher will address critical issues like representation and legitimization.

Furthermore, a research design describes a flexible set of guide lines that connects theoretical archetypes to strategies of inquiry and methods for collecting empirical materials. It locates researchers in an empirical world and ties them to particular sites, persons, groups, institutions and bodies of relevant interpretive material, including documents and archives. This chapter covers the methods of study. Mainly, it deals with data collections from primary and secondary sources, validation of data and data analysis plan.

#### **3.2 Research Method**

Research method is the functional action strategy to carry out the research in the light of the theoretical framework and guiding research questions and or the proposed hypothesis ( Aminuzzaman 1991)

According to Creswell there are three types of methodology to carry out any research. They are-quantitative method, qualitative method and mixed method.

A quantitative approach collects quantitative data based on exact measurement applying structured as well as validated information collection. It is used to explore accurate concepts about the phenomenon. It helps to organize, categorize, interpret, identify, synthesize and generalize the data collected during research. It is much more focused on the collection and analysis of numerical data and statistics.

A qualitative component uses qualitative information. For instance interview, field notes, open-ended questions etc. This approach considers a researcher to be the major means of information collection. At the end of a research this approach supposes a narrative report with context description, quotation taken from research material. It helps to explore, discover, and explain new phenomena and provide an opportunity to assess and build reality in an inductive approach.

A mixed research method is a general type of research that includes quantitative and qualitative research methods. A mixed method uses both deductive and inductive scientific method, has multiple forms of data collection and produces eclectic and pragmatic reports. A mixed research method is a research in which quantitative method is used for one stage of a research study and qualitative method for a second stage of research.

In the present study data is collected using quantitative, method through structured questionnaire. After analyzing, the data interpretation part was made by using qualitative approach.

### **3.3 Sources of Data:**

The data for this study had been collected basically from two sources:

- a) primary and
- b) Secondary sources.

#### **a) Primary Data:**

The primary data were collected from program beneficiaries, program implementers like Director General of Food Directorate, Deputy Director of Food Directorate, Field Monitoring Officers , Field Level Dealers etc. The data from the beneficiaries provided the actual picture

of satisfaction level from the program. The information from the program implementers helped to measure the effectiveness of the program.

b) Secondary Data:

Secondary sources were mainly used to understand the concept of program effectiveness by analyzing definitions offered by various scholars. Moreover, the literature reviewed facilitated in chalking out the theoretical framework for this study.

The basic secondary data for this study was the government policy guidelines for the program of Open Market Sale (OMS). It gave the detail idea about the program objectives and the implementation process. There were some other secondary sources which helped to determine the objectives of the study like news paper reports, seminar papers, reports on the program etc. Previous studies, websites and a few official publications were used to get the background and general information and guidelines to improve the Open Market Sale (OMS) program.

### **3.4 Data Collection Technique:**

To collect data, survey and interview methods are used. In survey method a sample of respondents are selected from a specific population. The sample is administered with a standardized questionnaire one with researcher's administered survey and one with self administered survey. The respondents are divided into two categories: The Open market Sale (OMS) beneficiaries (Service seekers) and Open Market Sale (OMS) providers (Administration level, field level implementers). Different sets of questionnaire have been formed for different categories of respondents. Case studies have also been taken on a limited scale to get some in depth idea about the program. In this connection, some exceptional beneficiaries and important administrative level interviewees were selected for cases.

### **3.5 Sampling:**

#### **3.5.1 Sampling Method**

Mixed sampling method was used to select samples. At first the research will focus on the two specific Thana areas of Dhaka. It will basically explore the demand and supply side problems of the program in two Thana areas. The two study areas are Tongi and Sabujbagh. These two areas are different in terms of development and economic nature. Tongi is industrial and labor intensive area, whereas Sabujbagh Thana area is a very impoverished and underdeveloped. The two Thana with different characteristics might bring interesting results and will be helpful to have a comparative analysis.

Programme beneficiaries, implementing officials and policy making officials have been chosen as population. Sample respondents among beneficiaries were chosen by random sampling.

### **3.5.2 Sample Size:**

This study is carried out among total 50 respondents. Among them 40 were from the demand side and the rest 10 were from the supply side respondents. The analysis of both sides is required to get the true picture of the service condition. The demand side respondents are surveyed and the supply side respondents were interviewed. The interviewees were Director General of Food Directorate, Deputy Director of Food Directorate, Program Field Monitoring Officers, and Field Level Dealers etc. The sample had been selected considering the manageability of the study.

### **3.6 Validation of Data:**

The collected data were validated through cross checking with each other and with the secondary sources.

### **3.7 Data Analysis Plan:**

Data analysis plan is where the researcher continually reflects on collected data , moving deeper for understanding and representing the data, and deriving an interpretation of the larger meaning of the data (Creswell: 2003:190).The essence of this study is to convert large quantities of data into condensed forms to facilitate easy interpretation and understanding for readers. The data collected were articulated in tabular form, analyzed both manually and

statistically, presented by charts and transcribed into texts. A relationship between data and variables was established by interpreting statements. Results are presented through narrative texts, simple computations and logical reasoning.

### **3.8 Limitations and Challenges:**

Through a single research all the aspects of an issue cannot be addressed. The present study is not an exception. It has some limitations which are as follows:

#### **(a) Study Area**

The most mentionable limitation of this study is that, it was conducted only on two Thana areas from which it is difficult to have a macro analysis of the effectiveness of Open Market Sale (OMS). This study will deal only with a specific angle of program effectiveness not with various angles. For an instance, this study ignores the impact of the program on disaster prone areas. So there may be some crucial areas which should have been addressed but because of time constraint those aspects could not be addressed.

#### **(b) Getting Proper Information:**

The focus of this study is basically the target people who are poor, deprived, and illiterate. Managing them and having correct information from them were very challenging. Moreover, some supply side interviewees were very high profile. Getting sufficient time from them and getting enough information from them were difficult.

#### **(c) Not Availability of Documents:**

Getting documented data was another challenge. The government officials are very much conservative to disclose information. So, it was an obstacle to the study. Moreover, though the program is almost more than two decades old organized documents and research lacks in this connection.

#### **(d) Limited Time:**

Time was another constraint in the field work. The time allowed for data collection was not enough. During the field work the researcher had to deal with difficulties such as communication problem, non cooperation, non supportive whether etc. All these actually

curtailed the actual time of the field survey. Moreover during analysis, there were some new development and the researcher needed to restructure the research design. To manage all difficulties some extra time was needed. Further, for doing qualitative studies researchers requires more time to analyze data while gathering information. So, conducting study within the fixed time was a great challenge.

**(e) Limitation of Sample Size:**

Due to time constraint the study was conducted on a limited number of beneficiaries. As the non-beneficiaries were not covered in vast level but through case study, a holistic picture of the program could not be captured by the study.



## **Chapter Four**

### **Safety Net Programs in Bangladesh: An Overview**

#### **4.1 Introduction:**

Bangladesh is suffering from poverty for a long time. For the last three decades, successive governments have embarked on numerous poverty/risk alleviation strategies and programs. The programs have helped to make significant inroads into poverty, contributing to a decline in head count rates from nearly 70 percent in the early seventies to a little under 50 percent in 2000. However, Bangladesh remains a poor country with nearly half of its population below the poverty line (World Bank, 2003). Apart from poverty, Bangladeshi households also become vulnerable from climactic risks. Having this reality safety net programs assumed to be a useful means to reduce vulnerability. This chapter focuses on major safety net programs in Bangladesh, allocation for all safety net programs including Open Market Sale (OMS).

#### **4.2 Major Safety Net Programs in Bangladesh**

Poverty in Bangladesh can be categorized into two broad types: Income poverty and human poverty. Employment generating programs and direct transfers for the poor are tools of income poverty. Programs focusing on areas such as, education, health, food , nutrition and sanitation are targeted to mitigate human poverty.

Social protection programs are an important component of Bangladesh's anti poverty strategy. Interim Poverty Reduction Strategy papers (I-PRSP) identifies social protection strategies as one of the pillars of poverty reduction, which include:(i) ensuring macroeconomic stability to ensure pro-poor growth;(ii) Improving governance for sustaining growth and poverty reduction;(iii) investing in human development to enhance human capabilities; and (iv)

implementing social protection programs to reduce vulnerabilities and improve income generating opportunities (World Bank-2005)

Safety net programs are the basis of the country's social protection strategy and are the foundation of poverty alleviation strategy. Numerous safety net programs have been implemented aimed at helping different groups within the population to cope with adverse shocks that are either idiosyncratic or aggregate in nature. These programs are intended to (i) improve the living standards of the weakest segments of the population ( as defined economically, socially, by gender, by location, and by religion ), (ii) help in income and consumption smoothing for households that have been impacted with negative shocks and ( iii) prevent and mitigate the impact of economic and natural shocks. Successive governments have recognized the importance of well-functioning safety nets, both for groups that are chronically poor and for those at risk of falling into poverty. Well functioning safety nets also provide the transient poor an opportunity to climb out of poverty (ibid).

The modality of support under social safety net programs can be direct cash transfer and support through creating opportunity for consumption and income. Programs such as old age allowance, allowance for the widowed, deserted and destitute women, honorarium for the insolvent freedom fighters, assistance to the fully retarded, fund for mitigating risks due to natural disasters, fund for rehabilitation of the acid burnt women and physically handicapped , maternity allowance for the poor lactating mother, seasonal rice sale at subsidized price to the target group by Open Market Sale (OMS). There are also programs for the seasonally unemployed poor which are also taken to be the social safety net programs. Some of these include 100 Days Employment Generation Program (100-DEGP), Food for Work (FFW), Vulnerable Group Development (VGD), Test Relief (TR), Rural Employment Opportunity for Public Assets (REOPA), Employment Generation for Hard Core Poor, and Rural Employment and Rural Maintenance Programs (RMP) (CPD 2009).

The main safety net programmes can be divided into two broad categories –these are in the following:

- Cash transfers and

- Food in kind transfers.

Major Safety Nets Programmes in Bangladesh are as Follows:

**Table 4.1: Major Safety Net Programs in Bangladesh**

**Cash Transfer Program**

Name of the programme	Major objectives of the programme	Targeting criteria	Administration /Financers
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<b>Primary Education Stipend Project (PESP)</b>	<ul style="list-style-type: none"> <li>▪Increasing the number of children into primary school from poor family</li> <li>▪Increasing attendance to and reduce dropout from the primary school</li> <li>▪Increasing the rate of completion of primary education cycle</li> <li>▪Controlling child labor and reducing poverty</li> <li>▪Increasing the quality of primary education</li> </ul>	<ul style="list-style-type: none"> <li>▪ Destitute<sup>1</sup> women headed family</li> <li>▪Principal occupation of household head is day labor</li> <li>▪ Family of low income professionals ( such as :fishing, pottery, blacksmithing, weaving and cobbling)</li> <li>▪ Landless or households that own 0.50 acres of land ( marginal or share cropper)</li> </ul>	<ul style="list-style-type: none"> <li>▪Department of Primary Education, Ministry of Education</li> <li>▪Financed by Government of Bangladesh (GoB)</li> </ul>
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<sup>1</sup>Destitute includes widowed, separated from husband and divorced women

Name of the programme	Major objectives of the programme	Targeting criteria	Administration /Financers

<p><b>Female Secondary School Assistance Programme ( FSSAP)</b></p>	<ul style="list-style-type: none"> <li>▪Increasing the number of students in the secondary school</li> <li>▪Increasing their prospect as employees and of self employment</li> <li>▪Controlling under age marriage</li> </ul>	<ul style="list-style-type: none"> <li>▪All unmarried girl students studying in recognized institutions at secondary level</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Education</li> <li>▪Directorate of Secondary and Higher Education</li> <li>▪Financed by GoB, USAID, Asia Foundation, NORAD, World Bank (WB) , Asian Development Bank (ADB)</li> </ul>
<p><b>Old age allowances</b></p>	<ul style="list-style-type: none"> <li>▪Providing old age cash allowance to the poor</li> </ul>	<ul style="list-style-type: none"> <li>▪At least 65 years of age</li> <li>▪Income not more than TK. 2000 per year</li> <li>▪Must not have worked in the formal sector</li> <li>▪Based upon the category of Union , the number of beneficiary is identified</li> <li>▪50 percent men and 50 percent women</li> </ul>	<ul style="list-style-type: none"> <li>▪Department of Social Services</li> <li>▪Financed by GoB</li> </ul>

Name of the	Major objectives of	Targeting criteria	Administration
		53	

<b>programme</b>	<b>the programme</b>		<b>/Financers</b>
<b>Rural Maintenance Program(RMP)</b>	<ul style="list-style-type: none"> <li>▪Empowerment of women</li> <li>▪Maintaining rural infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▪Entitlement of Less than 30 decimals of land</li> <li>▪Destitute family circumstances.</li> <li>▪Female heads of households of 18-35 years of age.</li> <li>Widowed or separated at least one year, with priority to those with more dependants</li> <li>▪No other income and not be participating in other targeted programme.</li> </ul>	<p>Department of Local Government and Engineering, CARE Bangladesh.</p> <p>Financed by GoB, European Commission (EC) ,CIDA, Union Parishads</p>
<b>Fund for Rehabilitation of Acid Burnt Women and the physically handicapped</b>	<ul style="list-style-type: none"> <li>▪Assisting acid burnt women and disabled through provisions of credit and skills training.</li> <li>▪Creating opportunities for IGA</li> <li>▪Raising social Awareness</li> </ul>	<ul style="list-style-type: none"> <li>▪Installation of facility.</li> <li>▪Generally based upon case</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Women and Children's Affair</li> <li>▪Financed by GoB</li> </ul>

**Food Transfer Programs**

Name of the programme	Major objectives of the programme	Targeting criteria	Administration /Financers
Food for Work (FFW)	<ul style="list-style-type: none"> <li>▪Employment generation for the poor, mainly in the dry season through infrastructure creation and maintenance.</li> <li>▪Developing and maintaining rural infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>▪Functionally landless</li> <li>▪Lack of productive assets.</li> <li>▪Generally women headed households were women are widowed, deserted and destitute.</li> <li>▪Day laborer and temporary worker</li> <li>▪Income less than TK 300 per month</li> </ul>	<ul style="list-style-type: none"> <li>▪Department of Local Government Engineering Department;</li> <li>▪Department of Social Services;</li> <li>▪Other Departments.</li> <li>▪Financed by GoB, ADB, World Food Program (WFP)</li> </ul>
Vulnerable Group Development (VGD)	<ul style="list-style-type: none"> <li>▪Increasing the marketable efficiency of women through training, motivating savings for initial capital accumulation and providing scope for availing credit.</li> </ul>	<ul style="list-style-type: none"> <li>▪House holds with not more than 15 acres of land</li> <li>▪Training totaling about 150 hours</li> <li>▪Monthly household income less than TK 300; dependent upon</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Women and Children's Affairs</li> <li>▪Directorate of relief and rehabilitations</li> <li>▪Financed by GoB, WFP, EC, Canada and Australia.</li> </ul>
	<ul style="list-style-type: none"> <li>▪Building social awareness on disaster management and nutrition through</li> </ul>	<ul style="list-style-type: none"> <li>seasonal wage employment.</li> <li>▪Women of reproductive age 18-</li> </ul>	

training in groups.	49
	<ul style="list-style-type: none"> <li>▪Day labor or temporary worker.</li> <li>▪Lack of productive assets</li> </ul>

Name of the programme	Major objectives of the programme	Targeting criteria	Administration /Financers
Vulnerable Group Feeding (VGF)	<ul style="list-style-type: none"> <li>▪Provide calamity related emergency needs</li> <li>▪Short term relief to disaster victims in terms of food and basic necessities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Generally a location is targeted based on the occurrence of natural disaster.</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Food and Disaster Management</li> <li>▪Financed By GoB and some Development partners</li> </ul>
Test Relief (TR)	<ul style="list-style-type: none"> <li>▪Employment for the poor in the rainy season</li> <li>▪Developing and maintaining rural infrastructure</li> <li>▪Compared to FFW lighter labor equipment</li> </ul>	<ul style="list-style-type: none"> <li>▪Generally a location is targeted.</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Food and Disaster Management</li> <li>▪Financed by GoB and some Development Partners</li> </ul>
Gratuitous Relief (GR)	<ul style="list-style-type: none"> <li>▪Provides in calamity related emergency needs</li> <li>▪Short term relief to disaster victims in terms of food and</li> </ul>	<ul style="list-style-type: none"> <li>▪Generally a location is targeted based on the occurrence of natural disaster.</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Food and Disaster Management</li> <li>▪Financed by GoB and some Development Partners</li> </ul>



	<b>basic necessities.</b>		
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Source: World Bank.2008

Among these programs one seasonal food program is Open Market Sale (OMS), which is providing rice at a subsidized price to the target class people. It is described below:

<b>Name of the programme</b>	<b>Major objectives of the programme</b>	<b>Targeting criteria</b>	<b>Administration /Financers</b>
<b>Open Market Sale (OMS)</b>	<ul style="list-style-type: none"> <li>▪Provide food security to target group</li> <li>▪To stabilize rice price in the market to meet consumption security of the target consumers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Generally a location is targeted based on the labor intensive area and the disaster prone area.</li> </ul>	<ul style="list-style-type: none"> <li>▪Ministry of Food and Disaster Management</li> <li>▪Financed By GoB</li> </ul>

Source: Memorandum No: OMS-03(part-1)/2010/615(8), Food Directorate of Bangladesh Government; Supply, Distribution and Marketing Division.

#### **4.3 Allocation for Safety Net Programs:**

In Bangladesh the allocation for social safety nets programs is gradually increasing over the years. But its share in total public expenditure has diminished since 1998-99 till 2007. On average, during 1996-97 to 2004-05 periods, the share of expenditure on these programs was 0.8 percent of Gross Domestic Product (GDP) and 5.7 percent of the total public expenditure (World Bank 2008). Still, during FY 2006-07 and FY 2007-08, higher allocations were made for social safety net programs. In FY 2006-07, total allocation for safety net programs was 9.3 percent of the budget and 1.4 percent of the G.D.P, which increased to 13.32 percent of the revised budget of FY 2007-08 and 1.8 percent of total GDP. In FY 2008-09, the share has been increased further to 16.94 percent of the total budget and 2.76 percent of the GDP. Table 4.2 represents the trend of government expenditure in social safety net programs of Bangladesh during 1996-2007 (CPD 2009).

**Table 4.2: Average Expenditure on Allocation of Social Safety net Program**

(In crore Taka)

1996-2000-01	2001-02-2004-05	2006-07-2007-08
1947	2270	7053

Source: World Bank 2008; Budget Documents, GoB

The trend of increasing budget for social safety net programs is still working. In the revised budget of FY 2007-08 allocation for total safety net programs was 11467.4 crore taka. In the budget of FY 2008-09 it increased to 16931.6 crore taka. Table 4.3 showing the allocation for major safety net programs in Bangladesh separately.

**Table 4.3: Allocation for Social Safety Net Programs in Bangladesh**

Programme	Allocation in FY 2007-08 (RB) ( TK. Crore)	Allocation in FY 2008-09 (TK crore)
1. Employment generation	1635.0	3064.9
FFW	503.0	1577.6
VGD	721.0	855.8
TR	411.0	6315.5
2. Cash Transfer Payments	834.5	818.0
Stipend for primary Education	468.0	468.0
Stipend for Secondary and Higher Secondary (Female Student )	340.0	340.0
Gratuitous Relief	26.5	10.0
3. Non Cash Transfer payments	2704.0	3383.0
VGF	855.0	708.1
Open Market Sale (OMS)	1849.0	2675.0
4. Others	6293.9	9665.7
Total Safety net(1+2+3+4 )	11467.4	16931.6

Source: Food Planning and Monitoring Unit (FPMU), Ministry of Food and Disaster Management

#### 4.4 Conclusion:

Risks are part of everyday life as economy is moving through many ups and downs. But the bad impact of these risks on the poor and other vulnerable groups are often more immediate and threatening than others in the society. In case of food insecurity the situation is even worse. The adverse effect of risks are more damaging to the poor than those who are better off in terms of income, physical and mental well being and long term human development. Social safety net programs can play an important role in helping households to manage the risks and cope with losses. Hence, the main strength of national budget should be combined with social safety net programs for mainstream growth.

## **Chapter Five**

## **An Overview of Open Market Sale Program**

### **5.1 Introduction**

Open market sale (OMS) as a food security for the target group in Bangladesh started its operation from early 1980s. There are several other food security related programs like Food for Work (FFW), Vulnerable Group Feeding (VGF) etc., but Open Market Sale program is different in nature from the other programs because it is seasonal in nature and demand driven. As it is demand driven the program is influenced by market fluctuation and tries to have positive impact over the market through stabilizing the price level of food in the food market. The main purpose of the program is to provide food security to the target group and to have a control over the increasing market price of food mainly coarse rice. Before assessing the affectivity of the program it is imperative to have a clear idea about the program. This chapter attempts to put light on the overview of Open Market Sale , tries to find its position regarding other safety net programs in Bangladesh and also compare it with similar programs in other countries.

### **5.2 An Overview of Open Market Sale (OMS) in Bangladesh:**

#### **5.2.1 Background of the Program**

Bangladesh has made commendable progress in economic growth and food production since independence in 1971. Total rice (Staple food) production rose to 28.929 million metric tons in 2007-08, some 5.9 percent above those in the previous year and 12.7 percent above the five-year average.

This achievement, however, has been largely eroded by a continued high (though declining) rate of population growth. Total population has increased by 45 percent over the past two decades. Consequently, the country has not been able to overcome the chronic shortage in domestic food production to meet basic nutritional needs.

In recent years, devastating cyclones and floods, the dramatic increase in food prices in 2008 and the global recession have all impacted economic growth in Bangladesh, which in turn has led to a deterioration of food security and the nutritional situation in the country. According

to World Food Programme (WFP), the number of people who consume less than the minimum daily recommended amount of food rose from 47 million in 1990, to 56 million in 2005. Experts estimated that as a result of climate change, rice production in Bangladesh will fall by 80 million tons by 2050 - or about 3.9 percent each year.

The slower economic growth is the main reason for food insecurity in Bangladesh. Sometimes there is availability of food, but the poor people do not have the purchasing power,” The Asian Development Bank (ADB) said the economy is slowing, with sluggish investments and a decline in exports. Government figures indicate unemployment has risen to 5.1 percent in 2009, from 4.2 percent in 2006.

Meanwhile, food inflation rose sharply from 0.3 percent in June 2009 to 10.9 percent in February 2010, the World Bank reported in April, 2011. In March 2010, the price of rice in Dhaka was 17.8 percent higher than it was in March 2009.

Food crisis leads Bangladesh government to depend on food imports and food aid to help meet food deficits continuously. On the other hand at the micro level government at its disposal have some safety net programs focusing the food security of the poor. The Ministry of Food (MoF) & Disaster Management (DM) makes the public distribution to targeted groups through Test Relief (TR), Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), and Open Market Sale (OMS) from the domestic procurement, commercial imports and food aid.

However the effectiveness of these transfer payments is very necessary for a country where people are vulnerable and suffering from food insecurity.

### **5.2.2 Objective of Open Market Sale (OMS)**

The Objective of the Open Market sale (OMS) is firstly, to curb food price spiral, and, secondly, to address the food needs of the poor and the vulnerable groups on a sustainable basis.

### **5.2.3 Duration of the Program**

The program is seasonal and demand driven in nature. It normally runs in a year in two different time slots. One slot is identified to be September, October, November and the other slot is identified to be February, March and April. The time is selected in between after harvest and before harvest period in Bangladesh. Another duration of Open Market Sale (OMS) depends on the market pricing condition. During Ramadan, domestic crisis of food, international market price hike etc., the government can run the program while the price hike goes beyond the capacity of the low income consumers. If necessary with the approval of government the program can be extended or squeezed. At times of natural calamities and emergency need the program can be lunched at any time other than the above mentioned periods in a year.

#### **5.2.4 Program Area**

The government has its open market sales of rice in Dhaka and other divisional headquarters for Tk 24 a kilogram to cushion low-income groups against soaring prices of the staple food. The government launched Open Market Sale (OMS) in four labor-intensive districts of Dhaka, Narayanganj, Narsingdi and Gazipur. The sale starts with heavy industrial areas.

The Open Market Sale (OMS) covers all divisional headquarters, industrial areas surrounding the capital and flood-affected haor areas of Sylhet, Sunamganj and Netrokona .

#### **5.2.5 Target Group**

People who do not have land or permanent income source are mainly the program beneficiaries. But the program does not restrict other categories to get the service as it can have a positive impact over the market price. The people of labor intensive areas and disaster prone areas are given priority in categorizing the beneficiaries of the program. As it is a demand driven seasonal program, it allows beneficiaries to get benefits from other safety net programs at the same time.

#### **5.2.6 No of Beneficiaries to be Determined**

The government determined to provide this safety net program in the form of food price subsidy through Open Market Sale (OMS) to nearly 22 lakh ultra poor families. It is decided to be 10 lakh from Dhaka and the rest 12 lakh from all other district towns. The Open market

sale (OMS) decisions are taken by National Food Planning and Monitoring Committee (NFPMC) which is headed by Food Minister. When the price increases abnormally then the committee decides to run the Open market Sale (OMS) operation to the specific target group and increase supply and reduce price in the market.

### **5.2.7 Criteria to Select the Beneficiaries**

In the beginning of the program the government set some criteria for the beneficiaries who will be entitled to the service. The criterions were:

- a) People who do not have land
- b) People who do not have a fixed income source
- c) People who are vulnerable to natural disaster
- d) People who live in labor intensive area

As new problems of food security prompted the government to amend its criteria for beneficiary selection. It now does not restrict any consumer who wants to buy the subsidized Open Market Sale (OMS) rice because the government belief that, it will enhance the market competition and reduce the price of rice in the market.

### **5.2.8 Procedure of the Programme**

To stabilize the price of rice the government decided to sell rice at a reasonable price by giving subsidy for the target group. The government uses Open Market Sale as an instrument. Government selects some fixed shop dealers and truck dealers and implements the program through their participation. It is to be noted that the warehouse price of per Kg rice is TK.22.50, while the retail price is TK 24.50 and the dealer's commission is TK1.50. The entire procedure of the program includes the following steps:

#### **a) Activities**

Including Dhaka metropolitan city other divisional cities like Narayangang, Norsindi, Gazipur and other six flood prone district's affected areas are under the coverage of this program. Five days in a week (Except Friday and another day of a week) the program runs.

Every shop dealer sells 1.000 metric ton and every truck dealer sells 4.000 metric ton of rice per day. But according to need the authority can increase/decrease the amount.

### **b) Conducting and Monitoring**

The Open Market Sale operation (OMS) is conducted under the supervision of Chief Controller, Dhaka Rationing at Dhaka metropolitan, by Regional Food Inspector at divisional level, by District Food Controller at the district level and by sub district food controller at the sub district level. Any authorized official of Food Directorate, any authorized government administrative official or city corporation officials can supervise the activities of the dealers. The Food Directorate forms investigation team and investigates against any complain by the beneficiaries, by the dealers etc.

### **c) Dealer Selection**

Open Market Sale (OMS) dealers have to be selected considering the following capacities:

- i) The Dealer must be Bangladeshi citizen and must be at least 18 years old
- ii) The floor of the outlet must be furnished and it must have safe and appropriate storage capacity
- iii) The dealer must be an established rice seller or normal businessman
- iv) The dealer must have at least 2.000 metric ton rice storage capacity
- v) The dealer must have the trade license of either from City Corporation or from Union Parishad
- vi) The dealer must be financially solvent and must be capable of maintaining an account of stocks
- vii) The dealer must agree to sell rice by creating an artificial structure of shop in the open place by the instruction of the Food Directorate whenever necessary.
- viii) The dealer cannot have previous criminal records, cannot be black listed, cannot be rejected and temporarily dismissed as dealer in any time.

### **e) Selling System**

The rice sellers (dealers) have to be abide by the following rules:

- i) They have to open the Open Market Sale center from 9.00 AM to 5.00 PM or upto the time period until the rice stock finishes;



- ii) They can sell per head not more than 5 kg of rice and have to make the master roll of the sold rice per day;
- iii) At the end of the day they have to have the account of total sell and total stock left and keep this record in the registrar
- iv) Government officials must be deployed to supervise the operations of each dealer. The rice selling must be started with the presence of this official every day. This official will order to sell rice everyday by observing the stock and other outlet requirements of the dealer. Moreover, at the end of the day the supervising official will check the master roll and stock and then sign in the registrar.
- v) If the dealer's place seems to be insufficient for long queue of the seekers then, the dealer must make an artificial structure in the open place and make a better provision for selling.

**f) Rice Collection:**

- i) Before distributing rice to the dealer the provider will adjust the previous day's unsold rice and prepare the Distribution Order (DO) accordingly.
- ii) Every shop dealer must collect two days worth of rice together ( 1.000 X 2=2.000 metric ton).But if any dealer is capable to store, he can collect 5 days worth of rice amount (1.000 X 5= 5.000 metric ton).
- iii) Next day's sellable rice revenue should be paid in advance to the government treasury through treasury bank draft.
- iv) While collecting from government warehouse two representative samples of rice lot either of 50 Kg or 85 Kg must be endorsed. By the joint signature of warehouse official and dealer the stocks are sealed and one is kept in the warehouse and the other with the dealer's arrangement.

**g) Shop Acquaintance:**

To identify the Open Market Sale (OMS) outlet easily, the outlet must hang a red cloth (6'X 3') as banner and in the banner the following information must be given. They are:

**Food Directorate Conducted OMS outlet**

Per Kg rice price – TK 24.00

Per head rice - 05 Kg

From 9 AM to 5 PM

At the first, the announcing in the command area must be done by seller's own provision.

**h) Selling Through Truck:**

Under the following rules the truck dealers are deployed in Dhaka city and other divisional and district level mentioned places. The rules are:

- i) Employed dealers are allotted with 4.000 metric ton rice per day. But if needed the quantity can be increased / decreased.
- ii) To sell, dealers have to have all the provisions as required by the Directorate of Food and have to bare all the expenses;
- iii) The dealer has to deposit the previous day sold rice revenue amount in the relevant account and collect the distribution Order (DO).Every day before selling rice within 8.30 AM the dealer has to report with truck to the Central Storage Depot (CSD)/ Local storage Depot (LDC) with the Distribution Order (DO) to the related authorized officer.
- iv) For every truck one monitoring officer must employed to monitor the rice sale.
- v) From the warehouse after loading the truck, while the truck moves from the point of warehouse to the point of selling, the monitoring officer must go along with it.He has to investigate the received rice in the truck and intensively monitor the distribution of rice to the consumers.
- vi) Regional Food Controller/District Food Controller/Central Storage Depot Manager and authorized officials will cooperate in this connection;
- vii) The monitoring officer has to make an instant report on whole day rice sell situation and in the next day has to submit that report;

viii) Other rules of Open Market Sale (OMS) in this case will remain unchanged.

**i) Monitoring**

1. The Chief Controller, Dhaka Rationing, Regional Food Controller, and District Food Controller has to create an Open Market Sale monitoring cell in their respective office premise separately. From these monitoring cell number of dealers, distributed and sold amount of rice, and other related information must be send to the Management Information System and Monitoring (MISM) division of Food Directorate through e-mail/Fax/Telephone by 6.00PM every day.

2. These monitoring cells have to be kept open from 9.00 AM to 6.00 PM every day. The cells must be kept open until the expected information is sent to the Management Information System and Monitoring (MISM) division of Directorate of Food.

**j) Dealer's Number and Their Employment**

Under the following rules in City Corporation, divisions, districts and sub-district level the dealers can be employed:

- 1.The dealers are to be selected and employed by giving written circular and testing their capabilities
- 2.The related committee's member Secretary will employ the dealers
- 3.For selecting dealers the big markets, industrial zones and population densely areas should be prioritized;
- 4.The related committee can select those previously involved in the Open Market Sale Operation (OMS) as dealers without the formal selection process. But they have to submit the undertaking to the authority before working as a dealer.
- 5.The committees will select the places for Open Market Sale (OMS) in Dhaka and other divisional areas and also at the district level.
- 6.At the time of selecting the truck dealers a refundable deposit by bank draft of TK 5,000 must be taken from the dealer. After the Open Market Sale (OMS) operation if the dealers proved to be not defaulter then this amount must be refunded to them.

**5.3 Committees Working Under Different Sectors for Open Market Sale (OMS) in Bangladesh**

**(1) Dhaka City Corporation Committee**

i) Management, distribution, marketing, monitoring,

Food Directorate, Dhaka... ..Chairman

ii) Regional Food Controller, Dhaka.....Member

Iii) Representative of City Corporation .....Member

(Nominated By Mayor)

iv) Commissioner, Dhaka division representative.....Member

v) District Commissioner, Dhaka representative.....Member

vi) Chief Controller, Dhaka Rationing, Dhaka.....Member Secretary

**(2) Chittagong , Khulna, Rajshahi, Borishal and Rangpur Divisional Committees**

i) Divisional Commissioner.....Chairman

ii) District Commissioner's representative.....Member

iii) Deputy Manager. Secondary Education Board.....Member

iv) Chief Executive Officer, Dhaka City Corporation.....Member

v) City Corporation Representative (Nominated by mayor)..... Member

vi) Regional Food Controller.....Member Secretary

**(3) District Committee:**

i) District Controller.....Chairman

ii) Deputy Manager, Agriculture Extension Directorate..... Member

iii) Related local representative (Nominated by Mayor).....Member

iv) District Primary Education Officer.....Member

v) Two socially accepted local people

(Nominated by District Commissioner).....Member

vi) District Food Controller.....Member Secretary

**4) Sub-District Committee:**

i) Sub-District Executive Officer.....Chairman

ii) Related Union Parishad Chairman.....Member

iii) Sub-District Agro Officials .....Member

iv) Sub-District Education Official.....Member

v) Two socially accepted local people

(Nominated by District Commissioner).....Member

vi) Sub-District Food Controller.....Member Secretary

**5.4 Activities of the Committees:**

i) Considering poverty and population density the place/ market of Open Market Sale (OMS)

are selected

ii) Selection of dealer by their qualities are done

iii) If for any reason the dealer withdraws then immediate dealer

selection at his place are ensured.

**5.5 Promise/Undertaking Note of the Dealer:**

i) As per the determined conditions of the Directorate of Food a 300 TK non Judicial

Stamp undertaking must be registered when the dealer selection process are

started ;

ii) If the dealer breaks any condition mentioned in this note of promise then his

dealership can be cancelled and he can be fined;

iii) In the prevalent law actions can also be taken against the dealer if he breaks

the condition imposed on him.

In the preceding section, a detail picture of program management, implementation and monitoring is presented. Now, I will attempt to bring a comparative picture of the program with other developing countries those are also using this program as a means of bringing food security for their target group of consumer.

#### **5.4 Open Market Sale (OMS) Compared with Similar Programs in Other Countries:**

All South Asian countries intervened to provide some kind of safety net protection to its most vulnerable citizens. Among all South Asian countries, Sri Lanka has the most extensive set of programs, particularly in the form of cash transfer programs targeted towards the poor and vulnerable groups. On the other hand, Afghanistan has very little organized national safety net system and is naturally most vulnerable to exogenous shocks. These safety net interventions include generalized public food distribution, targeted food distribution including food at subsidized price, food for works, schools meals, conditional and non-conditional cash transfers, and employment guarantee schemes.

In this perspective Open Market Sale (OMS) can be compared with the generalized public food distribution and targeted food distribution systems in other countries.

##### **1) Generalized Public Food Distribution System:**

As noted India has a very extensive coverage of the public food distribution system (PDS) in South Asia. But India's food distribution system (PDS) has come under serious criticism for corruption, inefficiency and high fiscal cost. Various reforms have sought to address these concerns but problems remains. The contribution of the food distribution system (PDS) to stabilizing food prices quickly in the face of global food price turmoil is seen in India as an important success for public policy. It has paved the way in food distribution in countries with a large number of poor, high political sensitivity to food price increases and administrative capacity constraints to implementing well targeting safety net programs. Public food distribution in Pakistan has helped stabilize prices somewhat, although it is indirect and has been much less effective than India. In Bangladesh the impact on public food distribution programs over market price is negligible. In this connection the success of Open

Market sale is mentionable. It is beneficial to the poor consumer and improving its performance day by day.

## **2) Targeted Food Distribution:**

A range of targeted food distribution programs exists in South Asia. In India (Andhra Pradesh) rice is being made available at the hugely subsidized price of RS.2 per Kilogram to 18.7 million families below poverty line (BPL) having ration cards. Each family will be entitled to 20 Kg of subsidized rice every month supplied through government-run fair price shops. The government of Bangladesh has organized Open Market Sale (OMS) of course rice in urban townships at subsidized rates. The approach here is to use self targeting, given the low quality of rice and targeting vulnerable. Additionally, Bangladesh has intensified the use of Vulnerable Group Feeding (VGF) to reach out the poorest of the poor. All South Asian countries, except Afghanistan, have used the school feeding programs to reach the children group who are among the most vulnerable to food price shocks. Several countries (Afghanistan, Bangladesh, Nepal and India) have expanded their food for work programs to provide a safety net for the unemployed. In the case of Nepal and Afghanistan this expansion has been of the World Food Program (WFP) driven food for work program, while Bangladesh in particular has a long history of using this program.

## **5.7Conclusion:**

The idea of Open Market Sale (OMS) is not new. It was started in early 1980s in Bangladesh and run continuously with break mainly to respond in crisis period. In the Asian continent this idea is utilized in different countries considering the demands of different context. Though Bangladesh is a transitory economy it is not facing a lot of hurdles rather running the program smoothly to meet the need of the growing people day by day. It seems to be a time worthy step to protect extreme poor people from the shock of price hike and food insecurity.

## **Chapter Six**

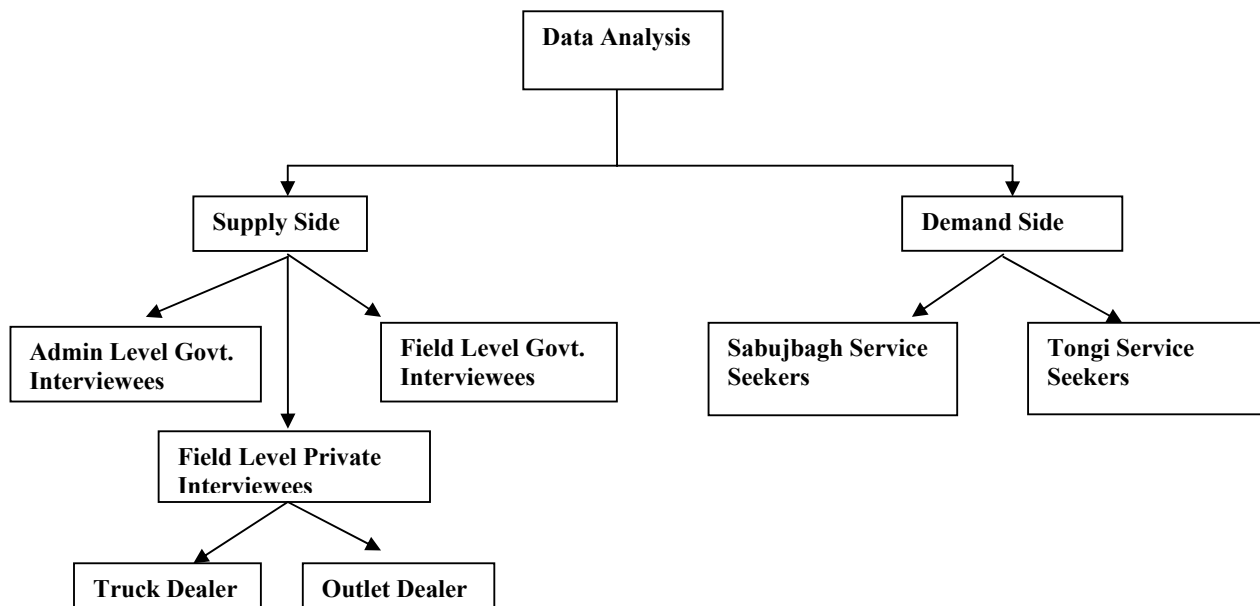
### **Research Findings and Analysis**

## 6.1 Introduction

This chapter attempts to address the research questions by studying the demand and supply side respondents. The study conducted through two study areas-one is Sabujbagh, and the other is Tongi. The demand side respondents were the service seekers and the supply side respondents were the service providers. The analysis of both sides was needed to get the true picture of the service. The demand side was surveyed and the supply side was analyzed by interview method. Case studies were also taken to have some in depth idea from some important respondents of both sides. It was considered that, there were no missing data and nobody refused to give any answer to any question. To show how data were collected a data analysis plan was constructed which is given below:

## 6.2 Data Analysis Plan

**Data analysis Plan:** The data analysis plan had been developed to focus how data is concentrating on related factors which impact on the Open Market Sale program. The diagram below will explain the plan at a glance.



**Fig 6.1: Data Analysis Plan**

Now with respect to the developed questionnaire (attached in the annexure) analysis of data based on both the supply and demand side is presented. In this case the analysis had been done on the basis of individual variables from both demand and supply side end.



## 6.2.1 Data Analysis From the Supply Side

### **(a) Effectiveness of the service from the view of government administrative level and field level:**

The comments of the Director General of Food explained how they view the Open market Sale program. It reflected how they were trying to make the service accessible to the seekers. It is given in the following case below:

#### **Case -1**

##### **Case-1: Program View by Director General of Food Directorate of Bangladesh**

Name : Ahmed Hossain Khan

We do not have that much food crisis to create a continuous price hike. The problem is a buying panic made by the miller through artificial supply shock. Very soon hoarding reduction laws will be implemented. So, Open market Sale (OMS) in this perspective is to bring a psychology in the market that will reveal that, rice is available at a subsidized price. This will reduce the panic among consumers. Along with this other food securities like Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF) etc., will run at the same time because they are not on a regular basis and this is why the consumers are not restricted to have all the services at a time if they are entitled to.

Now from the point of view of the providers the individual independent variables were explained .Every independent variables were addressed by different questions and thus they are presented in the following manner. The questions are attached in the annex for clarification.

#### **Accessibility:**

In the very onset of analysis, five officers (administrative level) were interviewed to explain the parameters of accessibility. For instance, all interviewed officers ( five out of five)

mentioned that national procurement of rice is used to carry out on time, government is equipped with sufficient storage capacity. In explaining publicity they informed that, both print and electronic media were used to publicize the program.

Three out of five respondents said that, they had scarcity of officials who monitor the Open market Sale (OMS) in spots. In this case they admitted that, one official has to visit three spots every day. They also mentioned in this regard that, there is no need to train the officials who monitor and deal with the project at the field level.

This is how in terms of capacity of the providers like procurement, storage, publicity, etc., the administrative level officers showed that they are capable and the program is accessible to them.

**Quality:**

In explaining the quality of the service the respondents cited several issues. Started with the policy matters all interviewees mentioned that, the Open Market Sale (OMS) policy exists but it is not up to date. The policy was issued in last Ramadan and till now it is going on. Since Ramadan the economic situation had changed, but the policy remained unchanged.

To mention about performance management the interviewees informed about the status of law and order, monitoring etc., related to this service. They mentioned that, punishment was given to all dealers who were involved in corruption. If they intended to sell fewer amounts than the declared one to the seekers their dealership was cancelled. If they involved in noticeable corruption like selling a lot in the market for higher price then, under the criminal act they were punished. But this incidence rate happened to be very rare as informed by the administrative officers .They mentioned it occurred like three complains out of hundred selling centers per two months in all over the country.

All interviewees mentioned the program lacks quality research and have to depend on unreliable facts.

They also cited that performance appraisal was done by the monitoring report produced by the field monitoring officer on daily basis. It was found out from their information that, the local and central level meetings were held fortnightly. The agendas were about dealer corruption, dealer management, seekers demand, etc. All informed that the decisions of the meetings were implemented over night.

In this connection, the administrative officers mentioned that, occasionally private sector was called upon to attend the meetings at the central level. They admitted that, they did not want them to be their partners to make the project more effective because, they believed that, private sector involvement in the system would trigger corruption and deprive the target people.

They mentioned that, the miller and the dealers were called to attend the meeting while in need locally and this is how forward and backward linkages were maintained. Monthly reports were sent from the Directorate of Food to the Ministry of Food.

It was also found out from their information that, no synchronization between different safety net programs was required to make the program a success.

They came up with the suggestions that, increase of quality research, increase procurements and increase the number of monitoring officials were important ways to make the service more effective.

**Affordability:**

All mentioned that the government can easily afford this project to serve the target people and reduce market price.

**Significance of Variable from the Supply (Administrative and Field level) Point of**

**View:**

In explaining accessibility it was observed that, Procurement, storage capacity, publicity etc., proved to be accessible but stuff capacity found to be insufficient and therefore not accessible in nature.

In explaining quality of the program it was found out that, Open Market Sale (OMS) policy was not up to date but regular performance appraisal, quick decision implementation etc., were found to be maintaining the quality. Moreover, it was found out that, private sector involvement might deteriorate quality, continuous forward and backward linkage improved quality and synchronization with other programs were not effective to ensure quality. The study further identified that, existing poor quality research and insufficient procurement considered to be hurdles for good quality service in this case.

In explaining affordability the suppliers considered the program is affordable in nature.

## **(b)Effectiveness of the Service from the Dealer's View:**

### **Accessibility**

To start with the accessibility, all (5) interviewees (truck dealer<sup>3</sup> and outlet dealer 2) mentioned different variables which impact on their accessibility to the service.

They mentioned that all of them had to go through several formalities. These were filling up the Distribution Orders (DO), showing the Bank receipts of their payment in the Silo etc. They further mentioned that, they had to stand in long queue for the delivery of rice in the silo and in this case 30% complained that, it took long hour and resulted in some problems to them. So, it could be considered that this long serial might hamper their smooth access to the operation and may discourage them.

Moreover, to mention about the allotted quantity, one out of five dealers mentioned that they got negligibly less amount from the government silo. They mentioned that occasionally 5 – 6 kg amount found to be fewer than the declared amount in their day to day rice allotment. Since this was a negligible finding, it could not be considered to be a problem to accessibility.

Three interviewees (truck dealers) have informed that, they used to change spots of Open Market Sale and moved to the places which were mentioned by the government. Two out of five(Truck dealer) stated that, they could not reach the spot on time and used to delay on an average 30-40 minutes due to traffic jam. The rest claimed that, they used to reach the spots on time. So, considering the service spot positions the program is accessible but while taking into account service time maintenance some problems might arise to their smooth access to the program.

Two out of five dealers said that, they could not sell all the seekers in the queue when boiled rice was provided by the Silo (Preferred rice to the seekers). This incidence occurred most for the outlet dealers. The reason was that, truck dealers used to change the spots often, took lunch break and sold for long hours. On the contrary, the outlet dealers could not do so and had to sell at a stretch and finish selling much earlier than the truck dealer. As a consequence, when the demand for rice was high they failed to meet the demand and could not sell up to 5 P.M and before that they had to close their operations. So, this explained that the demand of the seekers of getting service from 9 AM to 5 PM remained unfulfilled and it reflected the limitations of the service while outlet dealers were considered. This in fact increased the demand of the truck dealers than that of outlet dealers and created a discontent among outlet

dealers. In this connection, a case is presented below which will explain the picture more vividly.

### Case -2

#### **Case-2: Program Viewed by Outlet Dealers.**

Name: Rejaul Karim outlet dealer of Tongi Thana area

Though the government declared to give 2 ton per outlet and 4 ton rice per truck dealer but it is not implemented yet. Day by day the demand of consumers for open market rice is increasing. In dealing with the consumers demand the truck dealers are given more privileges but they exploit it and deprive the consumers. For instance, they change OMS spots so often according to their convenience, sell at the less crowded place and sell the remaining amount to the market at high price. Sometimes they take lunch break and return after almost two hours. During the lunch break the garments workers and other industry workers come to get the service but they find the OMS truck sellers absent at that time. So, it sometimes hampers the workers interest.

The above findings illustrates that the two types of dealers have their own limitations and flexibility. Considering the need of the consumers this limitations and flexibilities should be shaped.

Finally, in the path of accessibility the dealers were prevented by certain barriers like long queue in the silo, traffic jam, unmet demand of the seekers etc.

#### **Quality:**

To explain quality of the service the dealers mentioned several issues. All dealers (five out of five) mentioned that, they received their quantity before their scheduled date of selling. All mentioned that, they found government representatives in the management of silo always. Three out of five respondents mentioned that, they found government upper level investigating agents to visit the Open Market Sale (OMS) spot 2/3 times in a month. The rest

said that, they found them at least once in a month. So these findings implied that, the administration was monitoring the project time to time.

To describe the mode of service three out of five respondents mentioned that, they involved two persons in selling while the rest showed they involved three persons in selling. It showed the effectiveness of the service like one could weigh and others could involve in maintaining the registrar for the seekers. Since more than one were involved in selling it could be mentioned that, the dealers were maintaining a good standard in delivering the service.

To identify more of quality the collected data showed that, out of five dealers two were using digital weighing device while the rest were using normal weighing machines. Those using the normal weighing devices were justifying it by saying that the customers found those more accurate than the digital ones.

With regard to the management of the service all respondents mentioned that, they were capable in managing the agitated seekers if the quantity of rice runs out. Finally, three out of five respondents came up with the advices like increasing the existing quantity and increasing the proportion of boiled rice which was more preferred by the seekers would further make the service effective. The rest stuck to the first option which was increasing the existing quantity from 3 tons to 5 tons per day for the truck dealers and 1 to 3 tons for the outlet dealers.

So, what was found out from the dealer's view was that, in ensuring quality, standard measuring weigh system should be established, quantity as demanded by the seekers should be provided and quality should be matched in compliance with the seekers choice.

### **Affordability of the Dealer**

Dealers were found to be making reasonable profit out of the program and that is why from their end it was quite affordable.

### **Significance of Variable from the Supply (Dealer) Point of View:**

In explaining the accessibility from dealers end the dealers mentioned about several variables. Significantly, they considered silo formality, timely delivery of rice from silo, quantity of rice provided from silo, and Open Market Sale (OMS) spot movements etc., as accessible to them. But in case of satisfying the beneficiaries by selling to all and maintaining the declared time ((AM-5PM) of selling etc. the dealers introduced their limitations.

In explaining quality from the dealers end they mentioned that, certain factors like presence of government agent on spots, monitoring by higher authority, number of persons involved in the service , management of the agitated seekers, types of weighing devices used in the service etc., proved quality. On the contrary, they recommended that, the existing quality and quantity of rice required some change to meet the growing demand.

The dealers considered the program affordable and moderately a profitable one.

### **6.2.2 Analysis of Data from the Demand Side Respondents**

In analyzing the research properly demand side respondents should be involved. Here two study areas and their respondents were considered. Here the respondents were surveyed to get their socio economic characteristics in two study areas. Then a different set of questionnaire was developed specifically for the service seekers (demand side) and the questionnaire addressed variables which are different from the supply side. The main independent variables are same like accessibility, quality and affordability but they will be measured with different parameters of the demand sides. Then their impact on effectiveness of the service will be measured. The following table is illustrating the measuring indicators of independent variables of the demand side.

**Table 6.1: Indicators and variables (Demand Side)**

<b>Variables</b>	<b>Verifiable indicators</b>	<b>Measuring Indicator</b>
<b>Accessibility</b>	<b>Service location spot movement</b>	<b>Closeness of Service spot,</b>
	<b>Service regularity,</b>	<b>Service hours &amp; date</b>
	<b>Service awareness</b>	<b>Media involved</b>
<b>Quality</b>	<b>Consumer preference process ,Quality, Quantity, Service time consumption, presence of government representatives on spots, Chaos in the service, presence</b>	<b>Beneficiary selection</b>

	<b>of well off people in the system</b>
<b>Affordability</b>	<b>Purchasing power of Income    Income compliance with demand</b>

Depending on the above measureable indicators of the demand side respondents, the questionnaire was developed. Questionnaire was administered on 40 demand side respondents taking 20 from each Thana area. In this case to get some socio demographic and economic background of the respondent's information has been sought out from the respondents in the very onset of the analysis. They are analyzed here and the facts in the tabular form are attached in the annexure.

In the next phase of the analysis, the demand side questionnaire was used to survey the respondents among two Thana areas and they were analyzed considering the three independent variable accessibility, quality and affordability. Now the analysis is presented in the following by the above mentioned consecutive order of accessibility, quality and affordability.

**Socio Economic and demographic background of the respondents:**

The age distribution of the respondents in two study areas (Attached in annexure) was analyzed. It was found that, in Tongi out of 20 respondents 20 % are less than 30 years, 55% are between 31 to 40 years of age and the rest belongs to the 40 plus age group. The mean age of the respondents is 36.15 years with standard deviation 6.368.

In Sabujbagh out of 20 respondents 25 % are less than 30 years, 50% are between 31 to 40 years of age and the rest belongs to the 40 plus age group. The mean age of the respondents is 36.70 years with standard deviation 6.300. It demonstrates the similarity of demographic characteristics of the respondents in two study areas.

The study found that the average income of the respondents in Tongi is higher than that of Sabujbagh. The reason is Tongi is an industrial area and Sabujbagh is an impoverished area compared to Tongi and employment rate in Tongi is higher than that of Sabujbagh.



The data suggest that, the garments and industry workers dominate the number of the respondents in Tongi while the type of respondents in Sabujbagh is heterogeneous.

The data show that, female respondents dominate in number. Considering the male female employment ratio, suffering in long queue and the resultant opportunity cost cause this domination of female seekers.

Now, the demand side has been analyzed with respect to the individual independent variables consecutively (accessibility, quality and affordability) which are influencing the effectiveness of the program. Tables and figures are used to have the analysis for every parameter of the variables. The related questions which are used to address the variables are mentioned at the bottom of each analysis table and figures.

### 1. Accessibility

**Table 6.2: Opinion of the Respondents about Closeness of Service Spot**

**N=40**

Closeness of service spot	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Very distant	4	20.0	2	10.0
Moderately distant	8	40.0	4	20.0
Moderately close	4	20.0	6	30.0
Very close	4	20.0	8	40.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Question: Is the service spot close to your home?)**

From the above table it is apparent that, in Tongi the respondents are not comfortable with the closeness of the service spot .About 40 % of the respondents informed that, the spots are moderately distant to their home in Tongi, while diametrically opposite answers were

registered in case of Sabujbagh. So, service spot's closeness can be a determinant of accessibility to the seekers. The data suggest that, accessibility in terms of service spot closeness, is more in Sabujbag than that of in Tongi.

**Table 6.3: Perception of Respondents about Service Regularity**

**N=40**

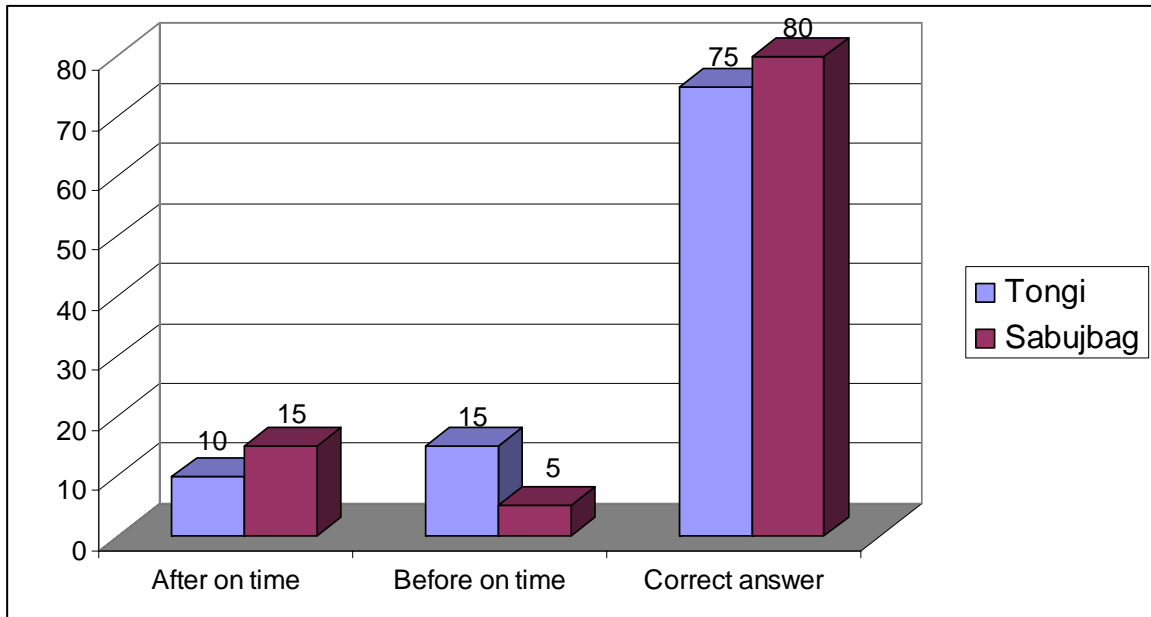
Service regularity	Tongi		Sabujbag	
	Frequency	Percent		
Less than correct answer	0	0.0	1	5.0
Correct answer	20	100.0	19	95.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Question: Do you find the service providers available in the mentioned days per week as declared by the government?)**

The above data illustrates the satisfaction of the respondents about service regularity. It was found out that, only in one center among eight centers in both the areas 5 % of the total respondents complained about the irregularity of the service. So the service is going on 6 days per week on a regular basis which is found out from the survey result.

**Figure 6.2: Perception of the Respondents about Service Time Maintenance**

**N=40**



**(Question: Do you find the OMS seller maintain timely service?)**

Majority admitted that, the service time is maintained accurately from 9A.M-5P.M and very few were opposed to it. So, it also makes the service accessible to the seekers.

**Table 6.4: Perception of Respondents about Service Spot Movement**

**N=40**

Service spot movement	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Changes spots	14	70.0	12	60.0
Does not change Spots	6	30.0	8	40.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Do the sellers change the spot of OMS?)**

It can be considered as a bar for accessibility to the seekers especially under the circumstances where, service spot changes frequently. It is apparent from the table that, in Tongi truck dealers change the spot more frequently than that of in Sabujbagh. The reasons

identified that, in Tongi a good chunk of respondents are industry and garments workers and they have to go for the service in the second half of the day. It causes the first half crowd less to the providers. It results the dealers to move from one place to another in search for crowd. Moreover it was also observed that, some time they involve in long time lunch break .

On the contrary, heterogeneous respondents in Sabujbagh results in a constant crowd day long and as a result the dealers move less in Saabujbagh than that of Tongi.

**Table 6.5: Number of Family Members of the Respondents Buys the Service**

**N=40**

Number of family	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
1-2 members	18	90.0	15	75.0
2-3 members	2	10.0	5	25.0
Total	20	100.0	20	100.0

**(How many members of your family are buying OMS rice?)**

The above table demonstrates that in both cases --90% in Tongi and 75% in Sabujbagh, only one to two members of a family buy the product .It suggests that, the demand is met properly. It was also found out that, very poor percentage needs two to three members of their families to buy rice to meet their demands. This percentage is for Tongi 10 % and for Sabujbagh it is 25%. So the table apparently says that, demand in Sabujbagh is higher than that of in Tongi. But whatever the population the fact is that, as more than one member of a family can buy the service it is accessible to more than one family members.

**Table 6.6: Source of Awareness of the Respondents about the Service**

**N=40**

Source of awareness	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Someone like neighbors, co-workers, friends etc	19	95.0	19	95.0
News paper, Local advertisement	1	5.0	1	5.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(How did you come to know about OMS?)**

The table illustrates that, 95% of the respondents of both the areas knew about the service from neighbors, friends, co-workers etc., and only a few of the respondents representing 5 % of the total learned about the service from newspapers and local advertisements. So, it reflects that, the publicity mechanisms of government are not working efficiently.

## 2. Quality

This section will reflect the demand side views about the quality of the program. Quality is considered to be an important independent variable of effectiveness of the program under this study. The factors that influence the quality of the service are analyzed with facts below.

**Table 6.7: Perception of the Respondents about Beneficiary Selection Process**

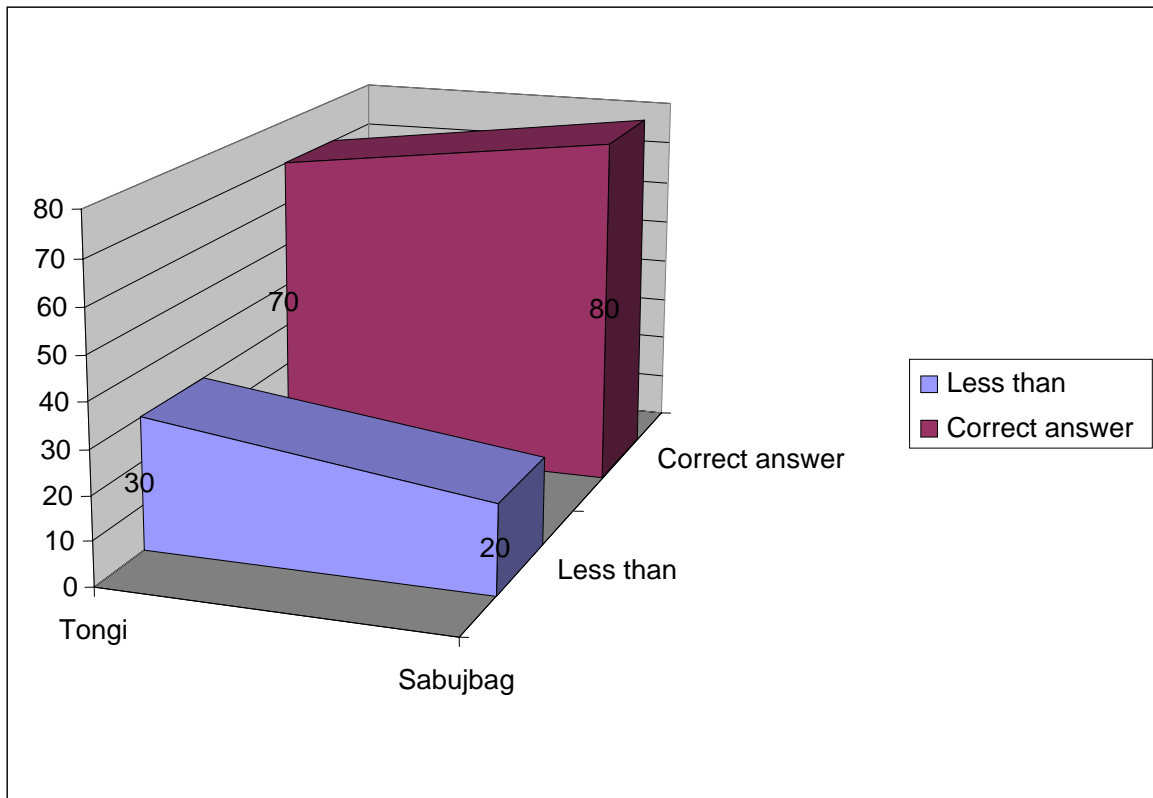
**N=40**

Beneficiary selection process	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Disagree	10	50.0	2	10.0
Agree , Strongly agree	10	50.0	18	90.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Do you think that the beneficiary selection process in the system is ok?)**

From the above table it is discernable that, the discontent about the beneficiary selection process is high in Tongi than that of in Sabujbagh. The reason behind is that, respondents in Tongi is more of a structured one because majority are garments and industry workers. On the contrary, in Sabujbagh respondents are from various professional backgrounds and thus they demand differently. That is why it was observed that a demand has been raised from the Tongi garments and industry workers to give them the service in a separate manner.

**Figure 6.3: Opinion of the Respondents about the Quantity of Rice**



**(Question: How much rice are you getting per day?)**

On an average 75% of the respondents in both the areas are satisfied with the quantity but 25 % claimed that they get less quantity but it is very negligible .On an average they informed they get 200-300 grams less than the declared amount. So, the overall picture suggests that most of the seekers are getting the declared amount from the providers.

**Table-6.8: Opinion of the Respondents about the Quality of Rice**

N=40

Quality of rice	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Very bad	1	5	0	0.00
Bad	9	45.0	5	25.0
Good	10	50.0	15	75.0
Total	20	100.0	20	100.0

(Question: How is the quality of the rice provided by the OMS?)

The above table shows in Tongi 50 % and in Sabujbagh 75% of the respondents said that the quality of rice is good but it was also found out that, in both the areas about 45 % and 25 % of respondents of both the areas respectively considered the quality of rice was bad. The investigation said that, government provides a mix of boiled rice and atop rice to the seekers. In this connection the seekers showed a strong preference of boiled rice in against of atop rice. So, some respondents were considering atop not a preferred quality for them rather they considered it as bad quality rice.

In Tongi the respondents were more averse against atop due to their higher income and thus they demanded differently.

**Table 6.9: Opinion of the Respondents about their Hours Spent in Queue**

N=40

Hours spent in queue	Tongi	Sabujbag
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	Frequency	Percent	Frequency	Percent
More than 1/2 an hour	7	35.0	5	25.0
1/2 an hour	8	40.0	11	55.0
Less than 1/2 an hour	5	25.0	4	20.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Question: How long do you have to stand on queue every day?)**

It is discernable from the table that majority respondents respond that ½ an hour is required to get the service of Open market sale .In this connection considering the cost and benefit if the hours could be reduced and the service could be quickened it could be more quality service to them.

In an attempt to measure the cost of standing in queue it was found out that majority of the respondents do not consider it as a suffering but a significant portion of the respondents (35%) see it as a suffering. So, in this regard the service providers can think over it and take actions to make the service more effective to the seekers.

**Table 6.10: Opinion of the Respondents about the Presence of Government Representatives on Spot**

**N=40**

Presence of govt. representatives on spot	Tongi	Sabujbag
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	Frequency	Percent	Frequency	Percent
<b>No presence</b>	<b>0</b>	<b>00.0</b>	<b>1</b>	<b>5</b>
<b>Full time presence</b>	<b>9</b>	<b>45.0</b>	<b>12</b>	<b>60.0</b>
<b>Occasionally presence</b>	<b>11</b>	<b>55.0</b>	<b>7</b>	<b>35.0</b>
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Question: Do you find government representative in the spot every day?)**

The data demonstrates that, the full time presence of the government representatives on OMS spots were 45 % in Tongi and 60 % in Sabujbagh and occasionally presence were 55% and 35 % respectively in the both study areas. It reflects that, the shortage of government officers in this job were higher in Tongi than that of in Sabujbagh. The authority should work on this issue and make the service more effective by employing enough monitoring officer per spot.

**Table 6.11: Opinion of the Respondents about Chaos during the Service Seeking Process by the Seekers and Providers**

**N=40**

<b>Chaos in the spot</b>	<b>Tongi</b>		<b>Sabujbag</b>	
	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>
<b>Very often</b>	<b>1</b>	<b>5.0</b>	<b>1</b>	<b>5.0</b>
<b>Often</b>	<b>13</b>	<b>65.0</b>	<b>10</b>	<b>50.0</b>
<b>No</b>	<b>6</b>	<b>30.0</b>	<b>9</b>	<b>45.0</b>
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

**(Question: Is there any chaos occur between the providers and the seekers?)**

The table shows that, discontent results from chaos among the respondents were higher in Tongi than that of in Sabujbagh. The reasons were unmet demand of the respondents for

boiled rice and frequent spot movements by the truck dealers occurred more in Tongi than that of in Sabujbagh.

**Table 6.12: Opinion of the Respondents about the Presence of Well Off People in the System**

**N=40**

Presence of well off people in the system	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Occasionally	12	60.0	17	85.0
No	8	40.0	3	15.0
<b>Total</b>	<b>20</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

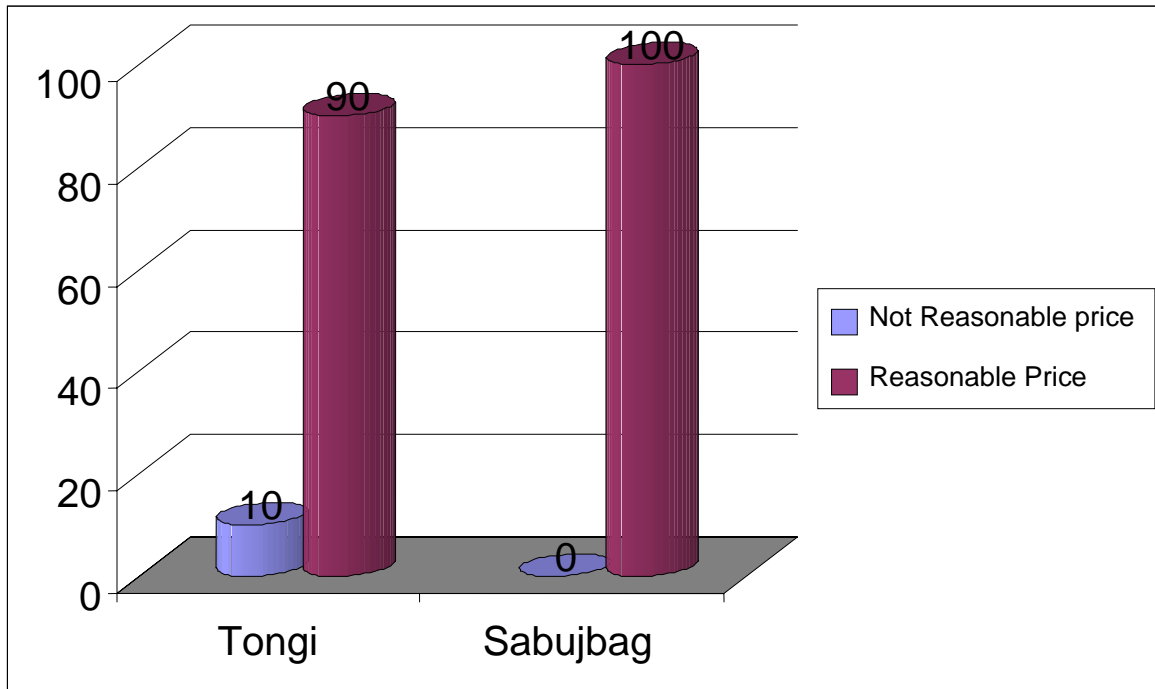
**(Question: Do you find well off people are also standing in queue?)**

The table explains that, majority of the respondents admitted that, the presence of well off people in the spot were occasional. So, it might only hamper in addressing the target people when the demand of rice is high otherwise not.

**Affordability-** In indentifying how the beneficiaries were capable in getting the service of Open Market Sale, they were asked questions on their affordability. Their responses were analyzed in the following manner.

**Figure 6.4: Opinion of the Respondents about the level of Price they were charged**

**N=40**



**(Question: Do you think that the fixation of price under this program is ok for you?)**

The above diagram reflected the satisfaction of the respondents from the existing price level. But in Tongi the comparative dissatisfaction was found to be higher because it reflected the awareness of the seekers were more in Tongi than that of in Sabujbagh. The reason was that, the Tongi respondents were having higher income and were more educated. That is why it was found out that the Tongi respondent's demand from the government for subsidized price were higher than that of in Sabujbagh .It reflected the ignorance of the seekers in Sabujbagh than that of in Tongi.

While on the contrary, exceptional cases also came out with interesting findings. One of them reflected how the service truly satisfied a consumer by reducing her economic hardship. The case is given below:

### Case -3

**Case-3: Person Very Satisfied with the Program**

Nurjahan Akter

Resident of Tongi

Profession –Day labor

I am a day laborer. I have started taking OMS rice from last Ramadan. Before that I used to buy rice from the market. As rice price went beyond my capacity to purchase I have switched to OMS rice. The rice is sufficient in quantity for my family (5 members) and now I can save at least 500 TK per month. The cost of OMS rice is within my capacity and it lessened my economic hardship.

So variations of results were found from micro and macro perspectives. A combination of case study and survey analysis in the research resulted in some contradictory outcomes. Considering these results, if the supply side management, capacity can be built up it will definitely result in a quality and effective service.

### **Significance of Individual Variables from the Demand Perspective:**

#### **Accessibility:**

In explaining accessibility the beneficiaries mentioned that, in terms of service regularity, service time, accessibility of more than one family member to the service etc, the service was certainly accessible to them.

On the contrary, the beneficiaries mentioned that, in terms of closeness of service spot, source of awareness of the service and service spot movement etc, the service was not always accessible to them.

#### **Quality**

In explaining the quality of Open Market Sale service, the beneficiaries mentioned that in terms of amount of quantity, they are satisfied. On the contrary they regarded the service inefficient in terms of beneficiary selection process, quality of rice, hours spent in queue, chaos among the seekers.

In this connection a micro level view about accessibility and quality is presented in the following case. An individual was found who used to get this OMS service before but now she stopped receiving the service. The case is given below:

#### **Case-4**

##### **Case-4: Person with extreme dissatisfaction from OMS Service**

**(target people remain out of the program)**

Halima

Resident of Sabujbagh

Profession- maid servant

I work as a temporary maid servant in three houses. My monthly income is 2000 TK. I used to have OMS rice one year before. But now I have stopped consuming this as it stinks (Baskore) and mix with rocks and I find it very bad quality. Moreover, as it requires a lot of time to get the service my owners do not allow me to get that extra time. So, all these discouraged me to buy this OMS rice and finally, though I don't afford to buy better quality I started managing it by cutting my other expenses.

#### **Affordability**

The seekers considered the cost of Open Market rice was reasonable and was affordable to them.

#### **6.3 Comparative View of Demand and Supply Side**

From the above findings we can now combine the analysis from both demand and supply side. The supply side findings suggest that, the program can be more accessible if quality of research, number of monitoring officials etc, could be increased. Moreover, issues like seekers preference and selling time maintenance etc., could be taken into considerations to make the program a success.

In explaining quality the supply side suggests that, the service can be improved by focusing on the standards of weighting device, amount of existing quantity and the proportion of boiled rice etc.

The demand side suggests that the Open Market Service does not provide facilities to the seekers in compliance with their demands always .The demand side reveals that, in terms of accessibility and quality the service can be improved, but in terms of affordability the service found to be effective.

Finally, if we link the demand and supply side analysis with the Hypothesis and research questions of the study we find the analysis rightly addressing them. The research straightly focusing on the research questions and thus answers how the target group is getting the service and what is the capacity of the providers. In this analysis it was found that, the research does not truly reflect the hypothesis. The reason is that it shows that, the service is moderately accessible, it is quite affordable and to some extent satisfying the target group.

The link with the issues of supply and demand sides of the program is a must to make it an effective program .There are some common problems raised from both supply and demand side analysis. They are:

\*Rice quantity

\*Rice quality

\*Service time

\*Service spot selection and movement

\*Publicity

\*Research

Finally in the following table effects of individual variables on the dependent variable were identified and it is explained in the tabular form. This table will give us at a glance an idea about the influence of each independent variable on the dependent variable. This can also be a source of future direction and pathway.

### 6.13: Effects of Independent Variables on the Dependent Variable

Independent Variable \ Dependent variable	Accessibility		Quality		Affordability	
	Supply	Demand	Supply	Demand	Supply	Demand
Effectiveness of Open Market Sale	Quality Research	Service spot	Weighting device	Beneficiary selection		
	Number of Official	Service awareness	Quantity	Quality of rice	-----	-----
	Seekers Preference		Quality of rice	Hours spent in queue		
	Selling time Maintenance					

Finally, the above table establishes the influence of the independent variables on the dependent variable from both the demand and supply side. It shows that when the supply side is considered the variables like quality research, number of officials, seekers preference and selling time etc. needs to be taken into account and if these can be improved then it will enhance the accessibility of the suppliers. This will on the other hand make the OMS program effective. This is how supply side accessibility will make the program effective.

It was also analyzed from the thesis that, the supply side quality issues like weighing device, quantity, quality of the product etc., should be taken into account. It will make the program a quality one from the provider's side and thus will make the program effective.

It was also analyzed that, from the affordability point of view of the suppliers it will not have any impact on the effectiveness of the program. Because they declared themselves to be already quite affordable and no improvement in this connection is required. Thus this explains that, in the supply side tinkering is required in the field of accessibility and quality which will make the program more effective.

Now if we tend to establish the demand side independent variables on the effectiveness of the service we found out that service spots, service awareness etc., are the issues which will make the program more accessible to the seekers. In the case of quality issues the respondents

raised that they have objections regarding beneficiary selection process, quality of rice, hours spent in queue etc. .When these issues will be addressed the service will be a quality service to the seekers. Thus ensuring accessibility and quality to the seekers the service can be more effective. The affordability of the seekers cannot make any significant impact over the effectiveness of the program because the seekers informed that they are affordable enough to buy the service.

Now the purpose of studying the demand side analysis is that the supply side should be shaped in compliance with demand side requirement and thus it can make the program more effective. For example, while the demand side respondents are demanding a customer based beneficiary selection process this will open a new window of accessibility to the suppliers. Because if they become unable to select the beneficiaries properly, the program cannot be accessible to them. This is how linking the demand side and thereby constructing the supply side capacity will make the program an effective one.

## **Conclusion**

The data presented and analyzed in this chapter explained the role of factors or variables in achieving the objectives of the study. In the first part of analysis supply side focus of the independent variables like Accessibility, Quality and Affordability has been attempted.

In this part the analysis of individual variables by parameters were explained and their significances had been scrutinized.

This part was done through interview method to identify the impact of these variables on the effectiveness of the program. This analysis was done focusing on the respondents (Administration level supplier, Field level supplier) of the supply side and this is how separately it was investigated

The second part of the analysis was from the demand side of the program. It was required to cross check the effectiveness of the supply side of the program. For this purpose, a survey method had been conducted. The beneficiaries were the respondents. They were taken from two different locations of Dhaka city to get varieties of outcomes as the two locations were different from socio economic nature. For this purpose, the analysis first included the socio demographic and economic characteristics of the respondents. In the next phase, the



respondents were surveyed to identify the impact of the independent variables on the service efficacy. This is how from the demand side view the significance of the independent variables on the program was identified.

Finally, the result was linked with the research hypothesis and objectives. It was found that the study rightly addressed the research questions and hypothesis.

Though the program was not a total success as found out from the beneficiary's view, the suppliers were terming it to be an advancing program. They considered the program as a great opportunity for the poor who were vulnerable to food price inflation. Finally, if the demand and supply side loopholes of the program could be addressed it could turn to be an effective program.

## **Chapter Seven**

### **Conclusion**

#### **7.1 Concluding Remarks and Suggestions**

Ensuring food security would continue to be a major challenge for Bangladesh in the coming years. To safeguard the food security of the poor and low income households scope and extent of safety net programs have increased. For low income group the government distributed food through priced (such as Open Market Sale) and non priced channels (VGD, VGF, Food for Works, etc.). The Open Market Sale Program was introduced in early 1980s. It is a program of the government to reduce food grain prices for consumers when prices are rising too high. The research scrutinizes the effectiveness of the program from the supply side's end and it was found out that, if the demand side loop wholes can be filled by bringing supply side effectiveness the program will be a success one.

Given the existing context, some recommendations are put forwarded for improving the performance of the Open market Sale program.

#### **Increase Volume of the Program**

The research found impetus from both the demand and supply side to increase the service volume. The beneficiaries demanded that the amount given by the government is not sufficient. The suppliers are also feeling that there is unmet demand left with the consumers. Considering the insufficiency of the existing supply of food the government can change its policy and take actions accordingly.

#### **Increase Human Resource**

The supply side analysis found that it lacks sufficient officers to monitor the program. One officer is employed to monitor three points of Open Market Sale (OMS) and it results a monitoring gap in the entire system. The demand side also confirms the absence of officers in the spots always while in need. So, the government must increase its work force to make the program even better because unless performance measurement is done properly the program cannot turn to be an effective one.

### **Increase Monitoring**

The existing monitoring strength is not efficient and that is why from different points of Open Market Sale (OMS) of the country complains against the OMS dealers increases. The complains include selling OMS rice in the market at a higher price, giving the customers less amount than the promised one, changing spots of OMS and moving to places not determined by Food Directorate etc.

### **Rethinking the Coverage**

The program indeed has its priorities to the spots which are densely populated, disaster prone and industrial centric. But the distribution discriminates certain cluster of population who deserves to be treated equally. The study found out that, those who work in the house hold or who are the industry workers, do not find the distribution time appropriate for them. They find that the OMS service time coincide with their work time. That is why they want the service to be provided to them in a different time separately. This might be a way through different cluster of beneficiaries can be covered in an effective way.

### **Ease Distribution Process**

The distribution process of Open Market Sale found to be very time consuming. This is a problem which is sounded from the demand side and need to be taken into account. Shortage of dealer's work force and government representative at the service spot making the service a sloth one. It results increasing opportunity cost to the consumers as well. To ease the program distribution system, OMS spots number should be enhanced, work force at spot should be increased and at the same time effective management can make the service quicker. This might help to ease the service distribution process to both the distributor and consumers.

### **Allow More Publicity at the Field Level**

The publicity for the Open Market Sale program includes both print and electronic media. The study found out that, most of the service seekers are unaware of both the media and in this case alternative media like miking in the locality, friend's, relative's networks etc., worked more active than the print and electronic medias. So, considering the acceptance of publicity to the consumer's publicity mode should be emphasized.

## **Revising Program Objective**

The program at the initial level used to have one objective which is to serve the target group who are vulnerable to food insecurity. Later on the program opted to have an impact over the rising market price of food (staple food) and added another objective which is Open Market Sale to reduce the market price of food. As a result, the program now does not restrict consumers to get the service, because it considers that, access to all the seekers to the program will increase market competition and reduce market price. But this will consequently lead the program to a direction which might neglect the first objective. That is why it can prove that allowing all consumers to the service may deprive the target group's interest.

## **7.2 Implications for Future Research**

This study has explored different aspects of Open Market Sale (OMS). The data findings have identified the areas where further improvements are required for making this program a success. Therefore, it is recommended that an in-depth research based on the program can be commissioned. This will lead to the development of a pragmatic guideline for the effectiveness of the Open Market Sale (OMS) program. Future research may also be conducted to expose some of the important issues like management of fund, procurement etc., specifically, which can have their effects on the Open Market Sale program of Bangladesh.

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<file:///C:/Documents%20and%20Settings/Administrator/My%20Documents/OMS/oms-rice-sales-tk-24%20good.htm>

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<file:///C:/Documents%20and%20Settings/Administrator/My%20Documents/OMS/done%20ref-3.htm>

<file:///C:/Documents%20and%20Settings/Administrator/My%20Documents/OMS/done%20ref-7.htm>

*Annexes*

**Annex 1: Questionnaire for the Administrative Level Suppliers**

**Name**

**Designation**

**Official Address**

**Accessibility**

- 1) How do you publicize the OMS service to the seekers?
  - a) Electronic media
  - b) Print media
- 2) Can you be able to procure in time for the announced OMS program?
  - a) Yes
  - b) No
- 3) Do you have the sufficient storage capacity for the purports of OMS?
  - a) Yes
  - b) No
- 4) Do you have line/staff department specialist for managing public stocks?
  - a) Yes
  - b) No
- 5) Do you have sufficient number of government officials to visit the centers in Dhaka city?
  - a) Yes
  - b) No

**Quality:**

- 6) Do you have OMS policy?
  - a) Yes – and up to date
  - b) yes-not up to date
  - c) no
- 7) If anything goes wrong (complains arise) in the spot of OMS, how you do respond?

- a) Quickly visit the spot b) let the government representative on the spot to handle  
c) take time to investigate
- 8) What type of punishment do you give the dealers while they are alleged to be corrupt?  
a) Punish under criminal act b) Cancellation of License
- 9) How will you have the performance appraisal of the  
a) Meeting; b) reporting; c) monitoring
- 10) How do you implement the meeting decisions?  
a) Instant b) After a short while
- 11) Do you invite private sector to attend your meetings?  
a) Yes b) No
- 12) How do you hold the Forward and backward linkages among the OMS providers?  
a) Locally b) Centrally
- 13) How often do you report to the higher authority in this connection?  
a) Weekly b) Monthly c) Fortnightly
- 14) Do you have any synchronization scheme with other similar kind of safety net programs?  
a) Yes b) No
- 15) Do you think cooperation with other government or non government organizations in running the project could be helpful to make it a success?  
a) Yes-How b) No
- 16) As per your understanding what can make the service better?  
a) Research; b) Increase procurement; c) Increase infrastructure

### **Affordability**

- 17) As per the budget allocation for this safety net system in Bangladesh, do you think that the



allocation is sufficient for existing vulnerable people of our country?

a)Yes;                      b)No

**Annex 2: Questionnaire for Field Level Supplier (Dealers)**

**Name**

**Designation**

**Official address**

**Accessibility**

- 1) What formalities do you have to maintain there?  
a)DO Form b) Bank receipt c) long serial
  
- 2) Do you get the rice from the silo on time?  
a)Yes b) no
  
- 3) Do you get declared amount from the silo?  
a)Yes b) no
  
- 4) Do you change the spot of OMS?
  
- 5) When do you reach the OMS spot every day?
  
- 6) Do you become able to sell all seekers in the queue every day?
  
- 7) Do you remain up to 5 PM every day?  
a)Yes b) No

**Quality:**

- 8) When do you collect OMS rice from Government silo?  
a) 3 times in 6 days b) 2 times in 5 days c) 6 days in 6 day
- 9) Do you find any government agent in the silo?  
a) Yes b) No
- 10) Do you meet the Government investigating unit in the OMS spot?  
a) Yes b) No
- 11) How many of you are involved in selling?  
a) One b) two c) three
- 12) What type of weigh do you use?  
a) Camry weight b) Normal weight( palla)
- 13) Do you face agitated service seekers?
- 14) As per your understanding what can make the service better off?  
a) Increase amount of center b) Increase amount of boiled rice

**Affordability:**

- 15) Do you think the program is affordable for you?

**Annex 3: Questionnaire for the Service Seekers**

**Name:**                      **Age:**                      **Profession:**

**Monthly Income:**

**Accessibility**

- (1) Is the service spot close to your home?  
a) Very close ; b) Moderately close ; c) moderately distant ; d) Very Distant

- 2) Do you find them available in the mentioned days per week as declared by the government?  
a)Correct answer ; b) before on time ;c) After on time
- 3) Do you find the OMS seller on time?  
a)Correct answer ; b)before correct answer ; c)After correct answer
- 4) Do the sellers change the spot of OMS?  
a) Never ; b) occasionally ; c) Very often
- 5) How many members of your family are buying OMS rice?  
a)1-2members b) 2-3 members c) 3-4 members d) above 4 members
- 6) How did you come to know about OMS?  
a)Radio/TV ; b) News Paper ; c) From a member of your Thana ; d) Local advertisement  
e) Someone from the village; f) Others ( specify)

**Quality:**

- 9) Do you think that the beneficiary selection process in the system is ok?  
a) Strongly agree; b) agree; c) disagree ; d) strongly disagree
- 10) How much rice are you getting per day?  
a) Correct answer ; b) Greater than ; c) Less than
- 11) How is the quality of the rice provided by the OMS?  
a) Very good; b) good ; c) Bad ; d) Extreme Bad
- 13) How long do you have to stand on queue every day?  
a)Less than ½ an hour ; b) ½ an hour ; c) More than ½ an hour
- 14) Do you find government representative in the spot every day?  
a)Yes ; b) Occasionally ; c) No

15) Is the amount sufficient for you?

a)Sufficient; b) Moderate ; c) not sufficient ; d) insufficient

16) Is there any chaos occur between the providers and the seekers?

a) No ; b) Occasionally ;c) Very Often

18) Do you find well off people are also standing in queue?

a) No ; b) Occasionally ; c) Very Often

**Affordability:**

22) Do you think that the fixation of price under this program is ok for you?

a) Strongly agree; b) agree; c) disagree; d) strongly disagree

***Annex 4: List of Officials Interviewed at the Administrative and Field Level***

1. Ahmed Hossain Khan, Director General, Directorate of Food, Dhaka
2. Abdul Halim, Director of Food Directorate, Supply, Distribution, Monitoring Division ,Dhaka
3. Anono kumar Biswas, Deputy Director, Supply, Distribution, Monitoring Division, Directorate of Food, Dhaka
4. Sirajul karim, Government representative at OMS spot (3rd Class employee) at Tongi
5. Rejaul Huq, Government representative at OMS spot (3rd Class employee) at Sabujgabh

***Annex 5: List of Dealers Interviewed at the OMS Spot at Tongi and Sabujbagh***

1. Abul kasem, Outlet Dealer, Tongi
2. Sabur Mia, Outlet Dealer, Sabujbagh
3. Habibur Rahman, Truck Dealer, Tongi
4. Bimol Das, Truck Dealer, Tongi
5. Ilias Hawlader, Truck dealer, Sabujbagh

***Annex 6: Some Figures and Tables of Analysis Chapter***

**Socio-Demographic Characteristics of the Demand Side Respondents**

**Table 1: Distribution of Respondents by Age**

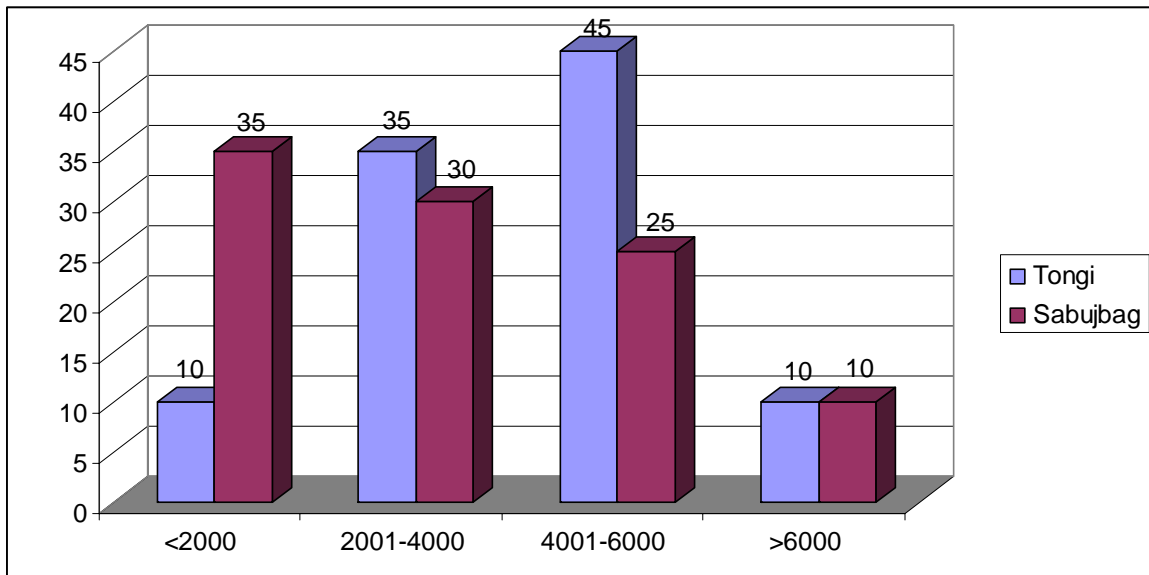
Age group	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
≤ 30 years	4	20.0	5	25.0
31-35 years	7	35.0	3	15.0
36-40 years	4	20.0	7	35.0
>40 years	5	25.0	5	25.0
Total	20	100.0	20	100.0
	Mean: 36.15± 6.368		Mean: 36.70± 6.300	

The table-6.1 shows age distribution of the respondents in two different study areas. In Tongi out of 20 respondents 20 % are less than 30 years of age, 55% remains between 31 to 40

years age and the rest belongs to the 40 plus age group. The mean age of the respondents is 36.15 years old with standard deviation 6.368.

In Sabujbagh out of 20 respondents 25 % are less than 30 years of age, 50% remains between 31 to 40 years age and the rest belongs to the 40 plus age group. The mean age of the respondents is 36.70 years with standard deviation 6.300. It states that the demographic characteristic of the respondents in two study areas are similar in nature.

**Figure2: Distribution of Respondents by Family Monthly Income**



The study found out that, the average income of the respondents in Tongi is higher than that of in Sabujbagh. The reason is that Tongi is industrial area while Sabujbagh is an impoverished area compared to Tongi. That is why employment rate in Tongi is higher than that of in Sabujbagh.

**Table 3: Distribution of Respondents by Occupation (Tongi)**

Occupation	Frequency	Percent
Business man	1	5.0
Rickshaw puller	3	15.0

Garments workers and Industrial worker	8	40
Day laborer	3	15.0
Maid servant	3	15.0
Total	20	25.0

**Table 4: Distribution of Respondents by Occupation (Sabujbag)**

Occupation	Frequency	Percent
Others (Hotel attendants, road cleaners, retired)	5	25.0
Business men	2	10.0
Rickshaw puller	3	15.0
Day laborer	5	25.0
Maid servant	5	25.0
Total	20	100.0

The above data says that, garments and industry workers dominate the number of the respondents in Tongi while the type of respondents in Sabujbagh is heterogeneous.

**Table 7: Distribution of Respondents by Gender Area Composition**

Sex	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Female	6	70.0	9	45.0
Male	14	30.0	11	55.0

Sex	Tongi		Sabujbag	
	Frequency	Percent	Frequency	Percent
Female	6	70.0	9	45.0
Male	14	30.0	11	55.0
Total	20	100.0	20	100.0

The above table illustrates the gender composition of the respondents in two study areas. It was found out from the study that, in both the areas the female respondents dominate. It shows that, as the distribution of Open Market sale is time consuming the opportunity cost of standing in queue is high. This results the presence of female seekers more in the service than male.