

Small and Large Scale Investment

Objectives:

- To examine the advantages and disadvantages associated with large and small scale development projects.
- To look at the impact of both types of projects on the lives of the local community.
- To investigate to what extent and in which ways investment can reduce poverty.

You will need:

- Copies of the Proposals Sheet (one copy per group)
- Copies of the Volta Dam case study (one copy per group)
- Copies of the Frank Kapopo's Story case study (one copy per group)
- Copy of the Role Cards sheet (one role per group)

Time required: 45-60 minutes

Instructions:

- Divide the class into five groups and give each group a copy of the Proposals, a Role Card and copies of the Volta Dam and Frank Kapopo's Story case studies.
- Each group should spend some time discussing which proposal should go ahead. Tell them that they will have to defend their chosen proposal in detail so their arguments need to be well worked out.
- After discussion give each group 10 minutes in which to put its case, saying which scheme they support and why, or what their main concerns and reservations are. They can also suggest modifications if they wish.
- Give each group 5 minutes to review their position in the light of presentations from the other groups.
- Ask each group to make a short statement about their final decision in the light of discussions.

Discussion:

- If the proposals were now sent to the Federal Government which do you think would gain their approval? Do you think their choice would be the same as yours?
- Which groups, if any, changed their mind?
- How effective were the farmers in influencing this?
- How would the farmers' opinions be included in the planning?
- In practice which organisations (or people) would have the biggest influence on development project planning?
- What will the final choice of scheme do to reduce poverty in the area?



Proposals

Scheme A: The Large Scale Irrigation Scheme

This will consist of a dam along the river and a canal to carry water to irrigate part of the floodplain and some higher ground on both sides of the river. It is claimed that under irrigation the crop yield will be doubled in 5 years. The proposal is to acquire all the land which is to be irrigated, and give compensation to all the farmers. A system of management will be set up to use the irrigation scheme efficiently. The rest of the area will not be developed. Apart from the irrigation works, new roads and a bridge over the river will be required. It will cost \$200 million.

Read the Case Study about the Volta Dam to give you a real perspective on large scale investment projects.

Consider the following. (If it is helpful you could make notes on these questions)

- * **What was the situation like before the building of the dam?**
- * **What happened as a consequence of the dam being built? How did life change in the area?**
- * **Who benefited? Who lost out?**
- * **How has poverty in the area been reduced as a consequence of this investment project?**

Scheme B: Small Scale Irrigation Scheme

This will consist of a series of low barrages on the river to retain some of the wet season flow in order to use this water in the dry season. A series of small pumps will be installed to irrigate farmland next to the river. The barrages will create small lakes and this water can be used in the irrigation system. Crop yields are expected to rise by 50% in 10 years. The proposal also includes developing cooperatives in the villages which could purchase diesel pumps at a subsidised cost to extend the irrigation scheme. It may be that the cooperatives can work with other village cooperatives to extend their ability to increase their income through trade. Farmers will keep their *own* land. They will build their *own* canals to take the water from the pumps to their fields. Existing tracks will be improved. There will be NO major new roads or bridges built. Maybe the agricultural services could be extended in the future through the village cooperatives. The scheme will cost \$70 million.

Read the Case Study about Frank Kapopo and small scale investment opportunities.

Consider the following:

- * **What was life like for Frank before he joined the Club?**
- * **How did his life change?**
- * **Did this scheme only benefit the local area or could it have wider consequences?**
- * **How has poverty in the area been reduced as a consequence of this investment project?**

Scheme C: 'Dry Land' Development

This scheme covers the *whole* area and involves setting up a system of credit. With the money borrowed it will be necessary to build new roads, set up a new water supply network and introduce new types of agriculture. This means there will be an extensive network of new all weather roads, service centres and wells. Rural infrastructure will be improved. There will be NO new engineering works. Developments will be managed by the rich farmers, who know the community well. They understand what is important for the local farmers, but also realise that things need to change if they are to increase their ability to trade and maintain a reasonable standard of living. They will oversee all the project work. It is expected that the crop yield will improve by 25% over 10 years. This will cost \$100 million.

Role Cards

Engineering Planning Company

You are most interested in large scale irrigation projects. Most of your staff have experience of these schemes and believe that if the scheme is built well it can be a success. You are also interested in further work after the scheme is finished so you are keen to see an important scheme proposed. You are, however, aware that it is difficult to just take over the land belonging to farmers and that there are problems with surveys and the giving out of appropriate compensation. You know that the scheme will be expensive. This may mean it will not be attractive to the government, who will have to find the money to pay for it. You are therefore also interested in the possibility of small scale irrigation. You need to know what the farmers think of the different proposals and about the attitude of the River Authority (another group) whose recommendations to the government will carry a lot of weight. You do not believe that development of the area can succeed without irrigation because of the history of drought in the region.

Agricultural Development Company

You are used to working on schemes supported by the World Bank. You support their approach to development but are also interested in small scale irrigation as you think this is an approach which the farmers themselves will favour. However, the cost of improving the whole infrastructure of the area may be high compared to the relatively low increase in production. This may make it unattractive to the government. You do however think that good infrastructure will help the area overall and in the longer term.

Rich Farmers

As rich farmers in the area you already have contacts outside the area for trading and other activities. You are aware of rapid change in other parts of the country. You see the opportunities in and outside agriculture if a major development project is begun. You need to find out the different benefits each proposal will bring. You are also concerned because the whole community depends on you for guidance and information so you want to take into account their needs and wishes. You are wondering about the wider implications of the different types of development.

Role Cards

Poor Farmers

You are part of a large group of poor farmers who have been forced to leave your villages frequently in the last few years in search of work. You are very suspicious about change but realise that something needs to be done about improving the farming in the area to enable your family to survive. You want to find out all the advantages and disadvantages associated with each type of project. You are not particularly worried about the long term benefits of the project for the country in terms of economic development. Your primary concern is for your family and having a reliable source of food and income.

The River Authority

You are a Government agency set up to develop the land and the resources of the whole river basin. Your main interest is in developing an irrigation scheme, but previous schemes have been very expensive and in the end not very successful. There were social problems which gave the projects a lot of bad publicity. Local people were not happy. You have recently been interested in small scale irrigation projects but are uncertain about their long term effectiveness. You will have ultimate responsibility for whatever project is chosen and must present a good case to the government for the money you will spend. You definitely want the project to be cost effective and contribute to the overall benefit of the community, but have to convince the government about which scheme is the best.