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POPULARISATION OF AGRICULTURAL INSURANCE.

SRI-LANKA EXPERIENCE

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At this seminar, a number of experts in the science of Agricultural Insurance are expected to share their experience to develop the principles and practice of agricultural insurance. This paper would fall into the area of "practice" of agricultural insurance, and in particular, to the problems we have had to face in gaining the acceptance of the farmers for an insurance scheme for their crops.

Let me start in the traditional way of examining communication problems - (a) who says (b) what (c) to whom (d) with what effect?

The first question (who says?) on the sender of the message, may be easily answered. The Agricultural Insurance Board, or the institution responsible for the operation of the agricultural insurance scheme in the context of any country, has to transmit the message of insurance. Agricultural insurance is an instrument of agricultural development, and other institutions handling development work at field level may wish to, or may have to, use insurance as an aid for its work. In fact, at village

The present paper is based on the experience of the period after 1974 when the new agricultural insurance scheme administered by the Agricultural Insurance Board came into operation.

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level, it has been increasingly realized that satisfactory integration services like extension, credit and supply of services and inputs should be present along with insurance for satisfactory results. As such, persons from other services may act as transmitters of the message at village level. It is also necessary, therefore, to train the officers serving other institutions like extension and credit on the principles and operation of agricultural insurance.

Contents of the Message

The message (says what?) has two components, viz.

- (1) The objectives of the agricultural insurance scheme have to be explained.
- (2) The audience has to be informed about the mechanics of the operation of the scheme, so that they would know exactly what to do in order to derive the benefits from the scheme.

The different aspects of the message have to be emphasised, depending on the nature of the audience. With extension officials, the merits of insurance in encouraging the adoption of innovations and encouragement for investment may be emphasised, while with officials of the Banks and co-operatives the merits of insurance in facilitating credit schemes may be underlined. The farmers need general education in all aspects of the objectives, but when it comes to operations, they do not require the same training the officials of rural institutions who implement the scheme require.

The Audience

The audience for the message (to whom?) comprises several segments, viz.

- (1) The farmers constitute the most important section of the audience.
- (2) The officials of Rural Institutions who are entrusted with the implementation of the scheme at the local level.
- (3) Officials of other institutions handling other services and inputs related to agriculture.

Special mention may be made of lending institutions and agricultural extension agencies.

When we examine the characteristics of the different segments of the audience, the nature of the problems we face begins to surface.

The Farmers

In regard to farmers, the following characteristics are of special significance.

- (a) The first important factor to bear in mind is the magnitude. In Sri Lanka, it is generally estimated that there are nearly one million farmers. They are also distributed in all parts of the island.
- (b) Even though the literacy of the Sri Lanka population is high when compared to other Asian countries, the literacy level of the majority is limited to a few years of schooling - some are even illiterate.
- (c) Most farmers practice agriculture at subsistence level.
- (d) We have a history of subsidies and aid for most of the basic requirements of our population. It has been noticed that some farmers look upon the call to pay a certain amount of premia as a tax and any form of relief is expected to come as aid.

The Rural Institutions

The rural institutions in this country have been some of the most volatile forms of organizations. The type we had to operate with during the first three years of the scheme do not exist any longer, but the problems we had in relation to those institutions have to be stated in order to make the story complete.

The rural institutions in operation at the inception of our scheme (1974), known as Agricultural Productivity Committees, were new and were novel experiments in the set-up of rural institutions.

The members of those bodies were selected from leading persons in the community on a political basis. Their experience and education varied

over a wide range. They were not used to official procedures. A few committees did not function at all.

The Agricultural Productivity Committees were dissolved in July, 1977 and pending the setting up of other bodies in their place, certain ad hoc arrangements had to be made for carrying out these functions.

The Officials of Other Institutions

The officials of other institutions were mostly educated up to post secondary level.

The Media

So far we have examined three parts of the question posed at the beginning of this paper (a) Who says? (b) What? (c) To whom? The fourth part of the question (d) With what effect? will be examined later. Before that I wish to present in summary the means adopted to popularize the Agricultural Insurance Scheme in Sri Lanka.

We have taken basically two factors into consideration in designing the publicity programme. One factor is that the audience is very large and the other is the need for a basic change in attitude so that the farmers would be persuaded to make a payment to ensure relief in the event of crop losses.

It was evident that due to the mass character of the audience, media like newspapers and radio had to be used extensively. However, we were conscious that even those media do not reach all the peasants. In addition, we had to take note of the fact that mass media are of limited use where changes in attitude and behaviour are concerned. If not personal contact, at least group meetings at village level were necessary to supplement the mass media.

Use of Mass Media

The different types of mass media we used extensively at the initial stages, may be briefly described thus :

- (1) Supplements and advertisements were published in newspapers.
- (2) Radio discussions, advertisements and even special music programmes were broadcast.
- (3) An advertisement was published in the rice ration book which reached all persons in the country except those persons whose monthly income was above Rs. 600/-. We can safely assume that more than 95% of the farmers would have received it. The rice ration scheme has since been greatly modified.
- (4) Posters carrying the message of Agricultural Insurance were posted in all buses with special permission from the Ministry of Transport.
- (5) Booklets and pamphlets designed to suit the literacy levels of audiences were issued in large numbers.
- (6) Cinema slides were displayed in cinemas even though this reached a relatively limited rural audience.

Use of Group Contact

Group and personal contact was accomplished in two stages, viz.

- (1) The officials and members of the then existing rural institutions, the Agricultural Productivity Committees and Cultivation Committees, were trained by a series of meetings conducted by our officials.
- (2) The second stage was a series of meetings with farmers conducted by the officials trained by us with or without the participation of our own officers.

Complete supervision of the second stage was beyond our control but the first stage was accomplished within a short period of time, except in a few places where the rural institutions were not functioning. In such places, officials like Vel Vidanes were made to perform the same functions and maximum efforts were made to make the coverage complete.

The Kanna meetings, that are regularly held to draw up the cultivation calendar, particularly in irrigated areas, were used by us to convey the message of agricultural insurance. The last dates for payment of premia, loss notification, etc. were incorporated in the cultivation calendar by this method.

District Agricultural Committee meetings where the government officials at district level and representative rural institutions participated were all attended by our officials. The Chairman of the Board himself attended these meetings, particularly during the initial stages. These served as forums for dialogues on possible improvements of the insurance scheme and opportunities for apprising District Officials and leaders of rural institutions of the latest developments of the schemes. As a method of integrating agricultural insurance in the web of district agricultural activity and educating the local elite, the value of the District Agricultural Committee was inestimable.

Immediately after the first season of operation, indemnity payments were organized in public meetings presided over by important persons like Hon. Ministers and members of parliament. We used these occasions to publicise the idea of insurance and to obtain in public a commitment to its success from public dignitaries.

Resi'ts

Let us now return to the question "with what effect?". The percentages of cultivated acreage insured since 1975 Yala are given in Table 1.

Table I. The Percentages of Cultivated Acreage Insured Since Yala 1975

Season	Percentage Acreage Insured
1975 Yala	9.9
1975/76 Maha	22.4
1976 Yala	17.7
1976/77 Maha	18.2
1977 Yala	9.3
1977/78 Maha	42.3
1978 Yala	10.5 *

* tentative figure

It is clear that the participation is still below desirable levels. One may wonder whether the publicity programme has not been sufficiently effective. However, one should bear in mind the factors that have militated against the greater success of the scheme. For instance,

(1) The system of prorating indemnities which prevailed at the early stages. According to this method, indemnities for a given area were prorated on the basis of the percentage of premia collected from the area. The purpose of this procedure was to build up group pressure indirectly for maximum levels of participation. In fact, however, this was to some extent counter-productive. The unit of insurance, the Agricultural Productivity Committee, an area some times exceeding 2,000 farmers and 4,000 acres cultivated in paddy, was too large a unit for group pressure to operate, even if we take for granted that such a force could be generated. One village or Yaya would have been an ideal unit for this purpose.

(2) The rural institutions which were responsible for implementing the Agricultural Insurance Scheme at local levels were new and some of them were not functioning efficiently.

(3) The Agricultural Productivity Committee was the unit of insurance. The area under some of these committees exceeded 4,000 acres and a common premia rate for the entire areas, at times, appeared to be somewhat unrealistic.