



# ECONOMIC DEMOCRACY THROUGH PRO-POOR GROWTH

Edited by  
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*First published in 2009 by*



**SAGE Publications India Pvt Ltd**

B 1/I-1 Mohan Cooperative Industrial Area  
Mathura Road, New Delhi 110 044, India  
[www.sagepub.in](http://www.sagepub.in)

**SAGE Publications Inc**

2455 Teller Road  
Thousand Oaks, California 91320, USA

**SAGE Publications Ltd**

1 Oliver's Yard, 55 City Road  
London EC1Y 1SP, United Kingdom

**SAGE Publications Asia-Pacific Pte Ltd**

33 Pekin Street  
#02-01 Far East Square  
Singapore 048763

Published by Vivek Mehra for SAGE Publications India Pvt Ltd, typeset in 10/12pt Charter BT by Star Compugraphics Private Limited, Delhi and printed at Chaman Enterprises, New Delhi.

**Library of Congress Cataloging-in-Publication Data Available.**

**ISBN:** 978-81-7829-849-8 (HB)

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**The SAGE Team:** Sugata Ghosh, Anupam Choudhury, Mathew P.J and  
Trinankur Banerjee

*To all sensitive stakeholders who are committed to  
linking good governance with political and economic  
democracy in South Asia*



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## Foreword

Asia has been the cradle of many of the world's oldest civilizations. It was, in times past, in the forefront not only of philosophy and religion, but of science and mathematics, astronomy and medicine, arts and engineering. India, in particular, has made a contribution to good governance. The Indian philosopher poet Kambar, in his translation of the Ramayana, extolled *Ramrajya*, the Indian governance vision of those times as follows: 'There was no one who did not have enough, there was no one who had more than enough.' Attainment of Independence cleared the way for political democracy, which was a prerequisite for economic regeneration. But mere independence and a movement towards political democracy was not enough; economic democracy was also a critical requirement and an integral part of a holistic approach. New development strategies, vigorous intent and determination were necessary to eradicate poverty, which afflicted the majority of the populations of South Asian countries in particular.

This balanced civilization rhythm and the shared prosperity of yore, however, gave way to sharpening contradictions and impoverishment of large numbers of people in most poor countries, primarily as a result of a long spell of colonial rule and alienating values, which dominated the existing culture. The vast masses became emaciated in spirit and body and poverty became endemic. It was this reality that Mahatma Gandhi revisioned for the Independence struggle: 'There should be enough for everyone's needs, but not for everyone's greed.' This was not only Gandhianism at its best, but it also reflects what the new social movements in India and elsewhere are advocating.

In his speech 'Tryst with Destiny' delivered on 14 August 1947, Jawaharlal Nehru expressed the interrelationship between independence, political democracy and development with equity when he said that the task ahead was:

To bring freedom and opportunity to the common man, to the peasants and workers of India; to fight and end poverty, ignorance and disease; to build up a prosperous, democratic and progressive nation, and to create

social, economic and political institutions which will ensure justice and fullness of life to every man and woman.

The Directive Principles of State Policy embodied in the Indian constitution reflect these fundamental values and correspond to the guiding principles in the UN Charter, 'We the people...'. As India matured into a vibrant democracy, rapidly growing economy and pluralistic society, the innate creativity of its people began to be released. This set in motion transformative processes and identified the priorities and concerns of peoples of all independent countries and of governments in each of the SAARC countries. The latest SAPNA study recognizes that we are witnessing a process of globalization, which in some ways is an irreversible process, but in the midst of that, we have still a large backlog of poverty and deprivation, of illiteracy and malnutrition. Much remains to be done to meet the basic requirements of the poor of South Asia. Although official statistics indicate that poverty levels are below 30 per cent, scholarly evidence now indicates that the figure could be between 50 and 60 per cent, depending on the methodology of calculation.

While governments are formulating and implementing programmes to meet this challenge, there have also been parallel efforts by individual South Asian scholars and groups of activists in these countries, who began evaluating the mainstream development strategies being followed on the basis of received wisdom and Cartesian approaches. The SAPNA network established in 1984 was one of the first to start looking at lessons from the ground in South Asia and search for culturally-rooted alternatives that ensured the rights and capacity of the poor. They found the mainstream strategies to be inadequate. They have suggested viable alternative paradigms and complementary strategies that show that growth, political democracy and economic democracy need not be trade-offs in our cultures with their holistic visions.

I recall, it was at the Asia Project Seminar on 'Culture, Democracy and Development' in 2000 at India International Centre that Dr Ponna Wignaraja, in his keynote address, reminded us that development takes place in a cultural milieu and deals with issues far beyond quantifiable economic phenomena. He emphasized that the social and political phenomena that affect human behaviour also have to be analyzed if rational policy is to be formulated. Over the past quarter century he and his colleagues in the SAPNA network began

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systematically to learn new lessons from the ground, with the methodology of social praxis and participatory development. These lessons showed that with such large numbers of efficient poor in South Asia, they could also be a valuable resource and contribute to growth if they were participants in the process, instead of passive objects of development. Let me illustrate Dr Wignaraja's point in relation to the recent Panchayat legislation in India. The decentralization reforms at the local level which resulted from this legislation can be linked effectively to the new social movements to bring about transitional change at the micro level.

Through a series of eight studies, each one leading to the next, they have been able to give coherence to critical elements in an alternative development paradigm, with sustainable macro-micro policy options for sustainable development with growth and equity in South Asia. Their seventh study is on *Pro-poor Growth and Governance in South Asia*. SAPNA has deepened their understanding of new challenges of globalization, the poverty crisis, the related issues of national and regional security and a rights based approach to development. The initial unlearning from received wisdom, the constructive dissent and new learning was a precondition and provided further new sustainable directions. They have raised methodological issues in relation to culture, measurement of poverty, inter-disciplinarity, the values for monitoring people-to-people and people-to-nature relationships, as well as knowledge management, in the broadest sense.

It is to be hoped that not only will this new study linking political democracy with economic democracy and security be widely read, but that it will also be translated into local languages and help raise awareness on how to bring about socially responsible and transformative social change through a transitional strategy. A sustainable base in the political economy then permits poor countries greater options in responding to the challenges of globalization.

**Karan Singh**

President

Indian Council for Cultural Relations

## Preface

Since decolonization after World War II, nearly six decades ago, some South Asian policy makers, scholars and social activists have been attempting to give coherence to the unfinished agenda for governance, democracy and sustainable development with equity in the region. The vision that the South Asian Perspectives Network Association (SAPNA) articulated and the process to be led by the people was also rooted in the fundamental lessons learned from the South Asian experience. This has wider implications for policy, good governance and conflict transformation for most regions emerging in the South after decolonization who are still poor, despite having sufficient human and natural resources.

The guidelines for good governance, democracy and pro-poor growth, which emerged through seven SAPNA studies since the mid-1970s, have been further elaborated in this study. Some of these guidelines had also been enunciated in the UN Charter of 1948 to which many of these countries had subscribed. Thereafter, they were further elaborated in the subsequent covenants of the UN and Geneva Conventions and are now incorporated in the report of the UN High Level Committee presided over by former President of Brazil, Fernando Henrique Cardoso, linking development with equity, security and human rights.

In all cultures in poor countries, the rights of individuals and communities are being incorporated into legal constitutional frameworks and constitutions. These guiding principles also draw on the countries' common law and are being related to interpretations of international law even in the International Court of Justice. Though the debate on *In Larger Freedom* (United Nations 2005)<sup>1</sup> catalyzed by these recent reports and interpretations is still in its initial stages, it is already having an impact. In the lessons from experiential learning from 'success cases' of sustainable transitions through linking political democracy and economic democracy which are analyzed in this study, policy options can be identified and these guidelines can also be refined.

From the 1970s, as the contradictions within South Asian countries and societies began to sharpen and globalization processes began to move away from the visions of 'One World', along with the erosion of the Keynesian consensus of political economy, the alternative

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paradigm proposed by the SAPNA group assumed greater relevance. From its small early beginning in the mid-1970s, this group of South Asians have expanded through the formation of SAPNA, to over a hundred like-minded identifiable individuals and institutions, with several thousands of less visible participants on the ground and in the academic community at large and from among the enlightened political leadership. Their support is greatly appreciated because it permitted SAPNA to persist in an uninterrupted independent intellectual quest.

The contribution of this network started with constructive and imaginative dissent from received wisdom and *a priori* theorizing. After three decades, their intellectual quest has provided an indispensable contribution to the discourse, strategic thinking and action on governance, democracy and sustainable development with equity in response to the globalization phenomenon. SAPNA's intellectual quest has helped to clarify the transition to political democracy with economic democracy and growth. The generalizations for macro-micro policy are supported by 'success cases' on the ground. It is also a tribute to some of the persons who were there at the beginning and who did not give up. This study constitutes a current state of the art handbook/guidebook for implementers, trainers and facilitators and should be read in conjunction with the other seven SAPNA publications, particularly the more recent study entitled *Pro-poor Growth and Governance in South Asia: Decentralization and Participatory Development* (Sage Publications, 2004).

The key attributes of pro-poorness or a pro-poor perspective, which is also a working definition, can be summarized as follows:

First, it is a key word in the vocabulary of participatory development. Second, it is value-based and value-led, where the poorest and the less poor, constituting the poor, occupy the centre of their own development process, demonstrating both the creativity and efficiency inherent in them. A vital implication here is that in partnership formation with the poor, it is the support system (including the state) that should ally with the poor instead of inviting the poor to join the support system. Third, this calls for a political approach—not party politics—to the poverty question and not a technocratic one. It is such an approach which will make the perceptual shift of recognizing that the poor form a 'Third Sector' or a 'People's Sector' that is independent of the private and public sectors. Fourth, the overall approach demands the use of rigorous social mobilization to mobilize, conscientize and organize the poor, during the process of which they transform themselves to become

the subjects of development from having been its objects all this while. Fifth, the poor have their own accumulation process with a capacity to save, invest and directly contribute to national growth. Sixth, from the perspective of macro-economic policy, there must be a net transfer of resources to the poor. Last, it is the process of developing a separate pro-poor plan that is a part of the national development plan, in which practically speaking, all these diverse attributes will be negotiated in a nationwide process of praxis.

SAPNA's intellectual quest had a clear beginning and has over the years, at many levels of interaction, provided and continued to provide many unquantifiable, but measurable results and inputs into a new school of thought. There is a great deal more work to be done by the committed individuals and institutions, including organizations of the poor, who sustained the initial process and are now deepening it, as well as, helping to mainstream the lessons, both intellectually and in practice.

As the title suggested, economic democracy is a key concept used in this book with a core of particular meaning. It is not used vaguely or ambiguously. The core meaning is used by SAPNA within the paradigm of participatory development. This differs in essence from its rhetorical and general use or attempts to incorporate this concept and practice into conventional neo-classical or Marxist development framework in delivery-type development. After 60 years of Independence from colonial rule, holistic thinking has not penetrated into the mainstream of development of governing elites in poor countries. This phenomenon had led to the deep systemic crisis and delinking of processes of political and economic democracy. This working definition of economic democracy and attributes are clarified below.

First is the attribute of choice. Economic democracy has to offer choices to the person making a decision in his or her development situation. The several choices are drawn from an incremental continuum of options, invariably corresponding to the hierarchy or variety of needs. To correspond to felt needs, they also have to be affordable. The second attribute is the scale of access to the choices. The access has to be available to all and not just a few. Third is the feature of responding to (the needs of) the people's sector or the sector of poor in civil society. This sector is at the base of society, and it is made up of thousands of small interrelated communities. These communities at the base are of two types—the mobilized and the non-mobilized. The people's sector we are talking about is ideally made up of conscientized communities whose level of mass



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consciousness has been raised through the action of rigorous social mobilization. Once conscientized, these communities are in possession of a value-led social ethics. They are no longer mere numbers of isolated and impersonal consumers. Fourth is the feature of distributive equity. The participants in the process of economic democracy are also members of an efficient and meritocratic process that can contribute to savings and growth, along with the public and private sector processes. That is, they must be able to overcome the limitations—especially exclusion—of the market. Fifth and last is the attribute relating to leadership of the process of creating and widening the spaces of economic democracy. It is best led by the poor or the people themselves whose mass consciousness has been raised in alliance with partners from new social movements and independent activists.

Over the years, SAPNA's work has been supported in a variety of small ways by several concerned departments in UN Agencies such as the United Nations University, United Nations Development Programme (UNDP), United Nations Research Institute for Social Development (UNRISD), United Nations Educational, Scientific and Cultural Organisation (UNESCO), the World Bank, International Fund for Agricultural Development (IFAD) and by sensitive national and international foundations, as well as encouraged by individuals at the highest policy making levels, particularly in South Asia and in the more sensitive parts of the international academic community at large. This support at the right time and in a sensitive manner permitted SAPNA to persist in an uninterrupted independent intellectual quest. This is greatly appreciated and acknowledged.

## **NOTE**

1. Published on 28 March 2005. It was followed by UN General Assembly resolution A/60/1 on 18 September 2005 on the outcomes of the 2005 World Summit.

## **REFERENCE**

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# **Part I**

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A Quarter Century of  
Learning from the Poor



## Introduction

In this part, while the concern with the nature of the sharpening contradictions and nature of the governance reality in South Asia is identified broadly in available quantifiable terms and also in measurable qualitative analysis, what is of significance is that the enhanced understanding has also led to identification of alternative methodologies and possibilities for innovative action. This was possible because methodological issues are themselves part of South Asian Perspectives Network Association's (SAPNA) intense collective interchange and reflection. This then differentiates its work from conventional development thinking and practices, which were inadequate as a point of departure, for formulating policy to meet the challenge of the sharpening contradictions in South Asian politics and economies and the transition to political democracy with economic democracy.

In the rich–poor contradiction, for instance, while official statistics projected significant reductions in absolute and relative poverty, even in the 1970s, it became clear that the flawed questionnaire methodology, single discipline analysis and *a priori* theorizing were not providing rational guidelines for policies and practice. In 1992, the report of the SAARC Independent South Asian Commission on Poverty Alleviation (ISACPA), studied several available official and unofficial estimates which showed that poverty levels were of the order of 30 per cent of the population (ISACPA 1992). The commission, however, estimated that those below any meaningful 'poverty line', no matter how it is specified, was more likely to be 40 per cent. Today, using more refined analysis, the figure has dramatically increased to 60 per cent (Guruswamy and Abraham 2006) and 70 per cent (Patnaik 2005) poor in India alone. In 2006, the Mahbub Ul Haq Human Development Centre in Islamabad stated, 'In terms of the international poverty line of United States Dollar (USD) 2 a day per person, the population living below the poverty line is 80 per cent in the case of India, 65 per cent in the case of Pakistan, just over 80 per cent in the case of Nepal and 50 per cent in the case of Sri Lanka.' These higher levels of real poverty are becoming widely accepted. Statistics apart, conceptually the irrelevance of USD 1

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a day 'starvation poverty' and the multifaceted crises currently facing South Asian and other poor countries not only puts fragile democracies at risk but also creates problems of human security, leading to unmanageable polities which in turn pose a threat to the very fabric of these societies.

Chapter 1, using the poverty contradiction in South Asia as the point of departure, highlights generalizable lessons learned from the survival struggles of poor themselves and from new social movements. This new learning involved not only a new understanding of the reality, but also began to identify critical elements in a more holistic interdisciplinary analytical methodology and strategy. Another relevant methodological issue that emerged was the dialogical method and social praxis that permits various stakeholders to bring about transformative social change through collective reflection, un-learning and substituting new learning as they proceed. The chapter ends with a discussion of how the social mobilization of the poor makes possible an accumulation process, where a different pattern of growth takes place at the base of South Asian polities. Within such a growth process, human development and equity need not necessarily be trade-offs. This was the beginning of the concept that when social mobilization takes place and the poor are conscientized, enabled to build their own organizations and thereby emerge as a new efficient countervailing power, then the poor become part of the solution and not part of the problem (De Silva et al. 1988).<sup>1</sup>

Chapter 2 reviews the step-by-step identification of the main intellectual challenges and the manner in which critical lessons were drawn from the ground, conceptualized and knit together into a transitional growth oriented strategy deepening political and economic democracy.

In the course of their first study entitled *Towards a Theory of Rural Development*, the SAPNA Group, as far back as the mid-1970s, formulated their philosophical orientation on the basis of their understanding from lessons on the ground of how the creative initiatives of the poor in South Asia could be mobilized for the all round development of their lives.

The concept of development presented in that study was in terms of fundamental humanistic values rather than narrower technoeconomic notions of development. The core of this concept is the de-alienation of man vis-à-vis the material forces of production and society, and a purposeful growth of human personality. Such

humanistic philosophy has often been considered at the subjective level, but its historical validity as a material force in development is becoming increasingly apparent. For one thing, disillusionment with the quality of life in today's economically advanced societies is growing amongst their own peoples and this growing alienation can be traced to the specific nature of their accumulation process and the social relations on which it has rested. Moreover, the developing nations of today are confronted by a world-historical framework in which the ideological driving force for accumulation, pertaining to the economically advanced societies, no longer offers a viable road to accumulation itself for the former. The compulsion for seeking alternative driving forces for accumulation, even in its narrower conception, is therefore mounting (De Silva et al. 1988: 39).

Since not all societies in South Asia were in the same stage of historical development and had differing natural resource endowments, over the years, while keeping the fundamentals and holistic approach intact, some small adjustments were made in the operational guidelines suited for the specific circumstances, in each country.

At each stage in the process, SAPNA's thinking, recommendations and practice based on lessons from the ground were peer reviewed and the results are published in seven previous studies (De Silva et al. 1988, Wignaraja and Hussain 1989, Wignaraja 1990, Wignaraja et al. 1991, Wignaraja 1993, Wignaraja and Sirivardana 1998, Wignaraja and Sirivardana 2004). The reviews themselves showed the emerging coherence in strategic thinking and policy, where theoretical insights from current practice, led to deeper insights, coherence in recommendations for macro-micro policy, new institution building and new partnerships for sustaining the process, through phased transitions.

## NOTE

1. The trilogy of studies which constitute *Towards a Theory of Rural Development* was first serialized by the Dag Hammarskjöld Foundation, Sweden in three issues of their Journal *Development Dialogue* 1977:1, 1977:2 and 1979:2.

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# **The Point of Departure: Understanding the Reality, Constructive Dissent and Moving from Lessons on the Ground to Sustainable Policy**

*Ponna Wignaraja*

## THE POINT OF DEPARTURE

On independence from colonial rule in the late 1940s, many mainstream South Asian political leaders, scholars and development practitioners alike got caught up in a false debate on how to move the region's economics and politics towards the next social transition. The intellectual framework that provided the underpinnings for this debate based on 'representative' democracy and 'economic' developments had little relevance to South Asian realities and culture in the widest sense.

The reality, put in simple but not simplistic terms, was that a tremendous cultural resurgence and a historical, transformative socio-political movement brought about independence. It was primarily a political movement, but one that had a rich, holistic content. It was characterized by fundamental cultural values, which had been further validated by the independence struggle itself, cutting across all caste, class and other divides.

It was to lead not just to mere political independence and transfer of political power, but also to a release of the creative energies and a good life with dignity for all sections of the people. Independence was not the end—it was a new beginning with new premises for governance with political democracy as well as economic democracy. It was both a new means and a new end.



Instead of focusing on these fundamental values to sustain the social changes and the social mobilization process that ushered in political independence, the intellectual process, again to put it simply, revolved around a debate on issues like capitalism versus socialism, modernity versus tradition, economic versus social development and agricultural development versus industrialization.

These were false dichotomies. The point of departure provided by the Gandhian political strategy, greater self-reliance on development, the pro-poor and *antyyodaya* concepts were relegated to the periphery of the debate or completely ignored. The result was an eclectic mix of strategies and policies and a great deal of continuity of institutions and practices that were not transformative.

In the second quarter after Independence, a new global phenomenon emerged. with the 'collapse of socialism', a new interpretation was given to the concept of 'One World' through another kind of globalization and neo-classical reliance on market forces to bring about the required social transformation to stimulate economic growth and sustain 'democratic' processes. In South Asia, the attempts at liberalization and global competitiveness have led, as elsewhere, to further polarization of society with the rich getting richer and the poor poorer; with increased violence not only putting fragile democracies at risk but also leading to an unmanageable policy.

In 1992, the SAARC Report of the Independent South Asia Commission on Poverty Alleviation reinforced the following conclusion:

The magnitude and complexity of the problem of poverty in South Asia is staggering. When coupled with the multifaceted crisis currently facing South Asian Countries, the problem is becoming unmanageable, not only putting democracy at risk, but also posing a threat to the fabric of South Asian societies. (ISACPA 1992)

There are two challenges confronting South Asia. The first is to re-examine and re-conceptualize the positive values emerging in the new social forces behind the independence movement and should have informed both political democracy as well as the development strategy that was followed, where the poor also benefited. With this point of departure, it should be possible to identify critical elements in a more humanistic development pathway, a culturally rooted alternative modernity and a new social contract that is necessary to replace the old welfare state that is unravelling and to manage the transition.

The second is to see how to support and build on the fragile democratizing foundations and the release of the creative energies of the people that are still amply reflected in the micro-level social movements and grassroots 'success cases'.

## SHARPENING CONTRADICTIONS: TOWARDS POLARIZATION<sup>1</sup>

South Asia is predominantly a rural society. Yet, half a century ago, when the South Asian countries emerged as politically independent nations from centuries of colonial rule, they adopted a development model that was indifferent, if not inimical, to rural development. (Support for this model, which essentially permitted continuation of existing international economic relationships, came from two external sources—the developed countries of the West like the United Kingdom, and the developed centrally planned countries like the Soviet Union.)

The model chosen had, in principle, three major components:

1. Central planning, control and coordination of the economy as a top-down process.
2. Industrialization and expansion of the modern sector as a means of rapid economic growth and 'take off'.
3. Assistance from developed countries to bridge the savings or foreign exchange gap, whichever was more important, and transfer of international technology.

It was assumed that the benefits of development of the modern sector would trickle down and, as the economy moved towards a take off, the rural sector would be carried on the back of the urban industrial sector. The approach required the tradition-bound peasantry to only marginally modernize and provide food and raw materials for the modern sector. Powerful alternative voices like those of Mahatma Gandhi calling for self-reliant national development, which included industrialization as well as a self-sufficient village economy, were dismissed as backward and utopian. The growing urban elite forged dependent links with the outside world and alienated

themselves from the great bulk of the population who continued to live in the rural areas. The strategy also included some welfare measures, but mainly for the urban masses.

In practice, the model failed for two basic reasons:

1. External resources and adequate transfer of technology failed to materialize at the required levels. Instead, the 'gap' kept on widening, leading to increasing dependence on foreign resources and the inevitable loss of autonomy. Repayment of past debts alone threatened to choke future development. What was given as aid was withdrawn through adverse terms of trade. Multinational corporations, which were the main conduits for the transfer of technology, extracted an exorbitant price for their know-how and machines, while obstructing the means of repayment by restrictive export clauses. The highly capital-intensive, import-substituting technology that was implanted had little relation to real factor endowment, particularly to availability of labour or local knowledge systems.
2. Internal resources for development had to come from rural areas where, having alienated and exploited the peasants, the possibility of transferring surplus labour into realized savings and keeping the people's surplus in people's hands was greatly diminished. Moreover, the regimes were unable to use coercive methods of capital accumulation that countries with stronger centralized administrative systems and commitment had successfully employed.

The model not only failed on its own terms, but also caused fundamental damage to the possibility of these nations mobilizing their own resources and shaping their own destinies. By borrowing foreign technology, the growth of appropriate local technology was smothered. As a result, the developing nations neglected fostering of their own research capabilities and innovativeness, perpetuating a dependent relationship. The top-down method of centralized planning succeeded in alienating the people while failing to construct an administrative machinery capable of implementing programmes. The choice between dependence and greater self-reliance had to be faced. The magnitude of the problem had finally become too large to be ignored—both internally and internationally.

On remedies, however, there is little agreement, due mainly to fundamental differences in the definition and objectives of 'development'. Three different strategies or approaches to development have been identified—'technocratic', 'reformist' and 'radical'—that differ in objectives, in ideology used to mobilize support and in the way the benefits of the economic systems and growth process are distributed. The technocratic approach, with its emphasis on technological modernization, managerial efficiency and growth in Gross National Product (GNP), held the centre stage for over two decades but is now increasingly in disrepute. The debate now is seen to be between the reformists, who believe that the system can still be made to work if equitable distribution and safety nets are built into an essentially two-sector (public and private) growth model and those who favour a more fundamental political approach of redefining the objectives of development in the direction of rapid social change and redistribution of political power.

Even the compelling economic case for social mobilization as the method for accumulation and conversion of surplus labour into the means of production has been supplemented by the demonstration effect of its socio-political feasibility as the base in an increasing number of countries.

Social mobilization as an accumulation strategy, where a different pattern of development results in growth, human development and equity, as part of the same process and not as trade-offs, was not given priority. It requires the adoption of co-operative values and group (not individual) activities. This form of organization, which leads to a different pattern at the base of the political economy, has a specific bearing on the development with equity process.

The ultimate purpose of development must be the development of people—the realization and unfolding of their creative potential. Since this development requires improvement in the material conditions of living so as to fulfil physiological and psychological needs, the role of accumulation in the process of augmentation of production forces via technical progress and expansion of capacity becomes crucial. Without accumulation, man lives in subsistence or low levels of physio-psychic conditions. A sizeable proportion of the population at the bottom of South Asian economies remains in extreme deprivation and an increasing proportion of the populace is revealing its alienation from the system.

It is with the objective of exploring the nature of the accumulation and growth process consonant with the development of the poor men and women that we now proceed to spell out the valuational underpinnings for a society concerned with human development that is moving towards political and economic democracy.

## COMMUNITY SPIRIT AND HUMANISM

Development is a process by which one's overall personality is enhanced. This is so for society as well as for an individual. For society, its identity is the group. Thus development for society means development of the collective personality of society, of all human beings in the society.

The collective/group is an association of individuals who interact mutually and collectively with each other, following specific rules set by themselves. The process results in the release of the collective creativity of the group and raising their consciousness and awareness. Personality stands for a distinct identity, self-confidence, creative ability and an ability to face life situations with purpose and dignity. This in turn ensures a sense of responsibility and adherence to the specified rules.

Development of collective/group personality requires not only physical or economic development, but is a holistic process with the application of consciousness of faculties. A child may grow physically while his personality may not develop. So is it with society. Thus 'economic development', while it is vitally necessary, cannot be treated as an independent question divorced from its social bearings. Development of a society is social development. (It is a process in which 'economic' and 'non-economic' elements are interlinked, fitting this holistic process into a hypothetical model of 'economic development', is therefore unscientific.)

The individual and the collective might be thought to have conflicting interests. The concept of the co-operative or group values rules this out. The group exists to the extent that individuals acquiesce in its sovereignty, and develops as individuals acquire more of this group spirit. If there is no more of the 'collective or co-operative or group spirit', it would be a very weak group indeed.

However, the 'group spirit' is not an abnegation of individual interest in favour of a mystified concept of 'society'. The group is viewed as a form of serving individual interests while at the same time raising individual consciousness, so that one progressively aspires to fulfilment of higher orders including fulfilment in developing together. The individual contributes his or her utmost to the group output, from which he or she in turn receives goods and services that enrich him or her materially, culturally, emotionally. These include material products, social services, security, a sense of belonging to a society, pride in national achievement, fulfilment in helping one's distressed neighbours, and so on. To thus serve every individual according to principles collectively determined, to which every individual is a party, is indeed the very objective of the group.

It is easy to see that the more everybody contributes to the group, the more everybody stands to receive benefits from it. This spirit of sharing and caring is fundamental to South Asian cultures. By definition, the distribution decided upon by the group maximizes social welfare out of given output; the greater the group spirit generated in individuals, the greater will be the social output available for distribution.

Thus, group activity results in society where material production and economic growth are an integral part in the process of holistic development of its co-operative personality. The concept of group rules out the pursuit of the 'animal' spirit of self-interest, whereby one tries to take as much from society as one can without submitting to a group evaluation of one's share in the give and take.

The invocation to look at the group as a means of individual self-fulfilment is not new—'serve the people' is an age-old preaching by the great seers of mankind, although how far it has been demystified in terms of more understandable individual and social objectives is questionable.

The community spirit is also manifest in many tribal societies even today with community ownership of property as their material base (for example, among the Khasis in the state of Meghalaya in India and some of the islands in the Pacific). It is also manifest in pre-capitalist agricultural societies in Asia and elsewhere, where, despite breakdown of collective ownership, a sense of community still prevails.

## NEW VALUES AND REGENERATION

Within the framework of the above philosophy, development has to have its operational objectives. One of these is growth of the collective group spirit mentioned above. Stimulating the spirit of co-operation is another, by means of which collective consciousness may be promoted and the quantity of social good to be produced may be raised. Creativity, innovativeness and a problem-solving approach to life are essential attributes of a dynamic personality and have to be cultivated. A will to develop and faith in the collective creative potential of man are fundamental pre-requisites with which society must be equipped.

Somewhat more complex is the question of attaining an 'aspirations frontier'. At any point in time individuals in a society have certain natural aspirations, such as a minimum of nourishment, clothing and shelter, work, some leisure and opportunity for cultural scientific pursuits.

The solution lies in the direction of creating values that give a sense of fulfilment in the very austerity that is necessary in the short run. Such fulfilment is possible only if the austerity is shared in a framework of collective or group effort for progress. Initially the group has to be homogeneous because of the contradictions in society.

Of all the new values to be created, self-reliance is the single-most important. Asia has depended too long on external masters. Rural South Asia has depended too long on the city. The rural poor have been subservient too long to the rural rich and to the 'officer' sent from the city—a subservience that has been forced upon them. In the process, their own initiative and vitality have been sapped. The result is a history of exploitations of the 'dependent' by the 'master'. The dependent, appearing to have no self-respect, commands no respect from others. He or she is laughed at by the world and despised at the same time as he or she is squeezed.

South Asia cannot develop unless it rejects the soft option and resolves to be self-reliant. This means building up a combination of material and mental reserves that enable one to choose one's own course of evolution, uninhibited by what others desire. It requires maximum mobilization of domestic resources, but above all, it requires psychological and institutional staying power to meet crisis situations when the supply of essential materials is too short.

This staying power is best attained collectively: individually a hungry man or woman feels isolated and his or her mental reserve wanes; collectively this reserve is reinforced for each and collective resolve gives individuals strength to fight a calamity with heads high.

Self-reliance does not necessarily mean self-sufficiency. With psychological staying power a self-reliant society can open up and negotiate from a position of strength. But some measure of self-sufficiency in strategic areas more easily prone to manipulation by exploitative interests is desirable. Such vulnerable areas are simple food production, technology, spare parts and military resistance power.

All these make the maximum use of the available knowledge system and development of appropriate technology indispensable. While development of a modern sector is imperative, the technological revolution has to be primarily internally achieved. It may have been genuinely hoped that the developing countries of Asia would not have to start from scratch—which they could borrow from the technology shelf of the West. But history has shown that import substitution of technology is virtually impossible. Unequal exchange in international trade, restrictive clauses of transfer and the inappropriateness of highly capital- and skill-intensive Western technology militate against the possibility of Asia achieving technological independence via an outward-looking strategy. Internal achievement of technological revolution is also important because of its social implications. The masses of the people must not be alienated by a transplantation of elitist technology not rooted in their lives. Technological development has to be based on local resources, and on people's own initiative and felt needs. It must also be efficiently labour-intensive so as to ensure optimum use of available local resources, of which labour is the most abundant.

The cultural dislocations that have been created because of economic development have confirmed that culture and development are intertwined. This was highlighted as early as the 1940s, when the major 'eco-nomic development' intervention and the aid relationship was initiated.

While considerable thought has been expended in recent years in attempting solutions to the numerous immediate problems confronting developing countries, very little attention has been placed on the reality that development takes place within an established cultural pattern. The process of



cultural change that is set in motion during economic development ends for most part to be ignored. When it is recognized, it is merely hoped that time will bring about the necessary adjustments.

Elements compatible with economic development are not however, entirely lacking in any culture. Thus the problem in accelerating developments is not necessarily a matter of introducing entirely new values, behaviour patterns and institutions into the culture. It is partly a matter of locating elements favourable to development and giving them new priorities. Secondly, all cultures are in a process of continuous change, induced both by forces within the culture as well as by forces from outside. Some of these changes are favourable to economic development and when the acceleration process begins, these forces along with the original elements favourable to development may tend to reinforce themselves cumulatively. (Wignaraja 1953: 53)

The objectives and philosophy of development articulated here are not reductionist. It is a process by which the overall personalities of men and women are enhanced. However, the problem of a 'consciousness gap' between leaders of a society and the masses of the people remains. In concrete historical conditions in any society, some persons may be ahead of others in perceptions of the need for social change, in their ability to systematize ideas whose origins are in the masses themselves, in seeing through complex relationships and in relevant technical expertise. Such people are natural leaders of society whom the masses tend to follow without coercion. Participatory democracy in such situations would not yet be complete, nor would leaders be fully accountable to the people in a real sense. Such a relationship may be formally 'democratic' but at the depth of the situation lies the seed of leadership ego which may grow and gradually alienate the leader from the people, so that finally he or she leads them to a vision that is more his or hers than theirs. This would in turn alienate the people and inhibit the growth of their collective personality. The leadership and the masses must therefore move in a mutually interacting process that systematically reduces the consciousness gap. Democracy in this sense is not a system to be implanted, but an objective to be realized through an unending process that must be rooted in the culture.

Many of the above objectives imply a regeneration and development of values that the people have lost or nearly lost through ages of subordination to exploitation, maladministration and misdirection. Regressive social relations and cultural taboos have paved the way for such alienation from man's original and inherent potentials.

The binding constraint to development in Asia as conceived is not a shortage of physical resources but factors that inhibit the fullest expression of people's natural self and identity with work, in which they should find pleasure and fulfilment, and with society, in which alone they discover their selves. An identity that has been fragmented into elites and masses, the ruler and the ruled, the privileged and the underprivileged, the 'superior' and the 'inferior'. Development then must mean a process of de-alienation, that is, liberation from all inhibitions derived from the structure and superstructure of society that thus dehumanizes its broad masses and prevents them from consummating their full potentials.

## CIVIL SOCIETY, THE STATE AND PARTICIPATORY DEMOCRACY

The collective or group as we conceive it functions through the active participation of the people as subjects and not objects of the process. Without this, the individual would not belong organically to the collective or group and the collective itself would not be a reality to that extent. The collective and participatory democracies are hence inseparable concepts. Participatory democracy is not the formal voting of leaders into power once every five years and passive obedience in-between; it is not merely government 'of the people and for the people' but also, more fundamentally, 'by the people'. Participatory democracy rules out dominance of any minority group over the broad masses of people. In the South Asian context it precludes, therefore, dictatorship of the 'elite' over the masses, of the city over the countryside and of the modern sector over the traditional, and new forms of external control that would dilute the process of democracy. Moreover, there is no room in this participatory system for power-wielding, though intelligent, leadership that is alien to the broad masses of the people and tends to strengthen its own position at the expense of the latter. Nor is there a place for the unaccountable and unresponsive bureaucrat who considers it beneath him or her to have any interaction with the masses.

Participatory democracy can be more fully practised the lower one goes in the organizational hierarchy of society, that is, to the base of society. This is the essence of the principle of subsidiarity that

must be practised when moving towards real democracy in practice. At higher levels (for example, regional and national), some system of representation becomes inevitable and the problem of making the representatives remain true to the consciousness and the aspirations of their respective constituencies and be truly accountable to them arises.

## TOWARDS MAINSTREAMING

At their Male Summit in 1990, the heads of state took two important decisions— (i) the South Asian Association for Regional Cooperation (SAARC), as it was evolving, was unprepared for the globalization scenario and for the new challenges posed by ‘Europe 1992’ and other regional groupings and (ii) the emerging multifaceted crisis of governance and development in South Asia itself, which could not be ignored any longer.

The first decision was that SAARC should focus on core areas of economic co-operation. It was also decided that scholars, professionals, Non-Governmental Organizations (NGOs) and the media should help to reinforce the official SAARC process in moving into these core areas.

The second decision, regarding the need for a new partnership between the official SAARC process and independent actors, reflected concern amongst the heads of state that SAARC could not move forward purely as an official inter-governmental process. Both these decisions reflected the political awareness that there was a potential for a South Asian Economic Community, but it required an intellectual stimulus. A real process of learning from the ground and translating the lessons into a coherent political agenda for action had to be initiated to achieve this.

### SAARC Moving into Core Areas of Regional Co-operation: Unity in Diversity

In 1991, a group of South Asian scholars, professionals and policy makers in their personal capacity, under the auspices of South Asian Perspectives Network Association (SAPNA), was one of the first to

respond systematically to this challenge of an innovative dialogue and partnership that could help identify core areas of co-operation within the framework of 'Unity in Diversity'.

An Independent Group on South Asian Cooperation (IGSAC) was established from among SAPNA members. It was composed of an interdisciplinary group of 15 South Asians, who had in-depth familiarity with the region and the SAARC process. There were economists, physical and social scientists and historians, as well as, those who were associated with the official SAARC process at the time. In the latter category was a foreign minister, who was a member of the SAARC Council of Ministers, a foreign secretary who was a member of the SAARC Standing Committee and the then Secretary General of SAARC himself, who participated in their personal capacities. The group did not undertake primary research, but synthesized the conclusions of a number of relevant interdisciplinary studies completed by SAPNA and other South Asian scholars and action researchers. Reports of the SAARC Secretariat also provided background material for their analysis.

The process took one year to complete and was supported by the United Nations University and UNDP. It reflected a new partnership between the official SAARC process and civil society, which shared the initial SAARC vision.

The synthesis of these discussions was then incorporated into a report entitled *SAARC Moving Towards Core Areas of Co-operation*, which prioritized coherent policy options and priorities. Through an independent initiative, the report was submitted to the 1991 SAARC Summit in Colombo for consideration. The priority Agenda for Action recommended was unanimously endorsed by the Summit and incorporated into the 1991 Colombo SAARC Summit Declaration.

The Independent Group on South Asian Cooperation (IGSAC) report of 1991 provided three powerful messages for the SAARC Heads of State, in addition to an agenda for immediate action.

### **The Messages**

1. South Asia has a common history, common ecosystem and shared fundamental values that could provide a vision of a South Asian community based on unity in diversity. The unity came from an indivisible ecosystem, common history and

culture, subordination and fragmentation of the economies, and the common ordeal of decolonization. These could be the building blocs for a common future.

2. Today, South Asia is facing a multifaceted crisis of poverty, slow economic growth, uneven development, population pressure, natural resource erosion, high defence expenditure and an internal arms race, social polarization, religious fundamentalism, youth alienation, ethnic and other conflicts. These conflicts and problems are becoming unmanageable. Together with external trends, they are pushing South Asia further and further to the margins of both the world economy and the international political arena.
3. A more complex sustainable politico-development strategy, than hitherto adopted, which includes greater decentralization, social mobilization and empowerment of the poor could provide a transitional response to the region's immediate need. It could mediate the sharp contradictions that had arisen in the political economy of South Asia.

### ***The Recommendations***

The IGSAC report stated that SAARC had come to stay, but the compulsions for closer economic and political co-operation were strong and left no choice for South Asia. The report concluded that no South Asian country could solve the multifaceted crisis individually and collective regional co-operation must be vigorously pursued for the region's collective benefit by creating a vibrant value-led culturally rooted Economic Community of South Asia (ECSA).

The agenda for immediate actions recommended was:

1. The establishment of a high-level independent commission on poverty alleviation in South Asia.
2. The establishment of a food security system with 'the right to food for the poor' in South Asia.
3. The establishment of a South Asian Free Trade Area (SAFTA).
4. The establishment of a South Asian payments union to be managed by the central banks of the region.
5. The establishment of a South Asian Development Fund by SAARC countries, initially with their own contributions.

The five core areas—poverty eradication, food security, trade co-operation, payments union and external resource mobilization—are not only closely interrelated, but also necessary pre-requisites for achieving the vision of a South Asian Economic Community with sustainable human development, real democratic political formations, good governance and poverty eradication. Without the eradication of the worst forms of poverty, however, SAARC cannot establish the one billion strong South Asian mass market. Food security is the other side of the poverty coin in a region that has a food surplus and further potential for food production; it also has food for work programmes in the transition. Poverty eradication and the right to food go hand-in-hand and could be combined with the right to work for the poor. For trade co-operation, payments arrangements are essential. In Europe, the European Payments Union preceded economic co-operation. Mobilization of external resources is necessary both for poverty eradication as well as for industrialization and building South Asia's technological capabilities. Trade co-operation was not supposed to end with the signing of a framework agreement. The recommendation was for SAFTA, not a bureaucratic and unworkable South Asian Preferential Trade Agreement (SAPTA). The report urged that since the opening up of regional trade will help expand production and employment in all countries, bring down costs of living and help reap the benefits of a larger mass market, there should be reductions across the board of tariff and non-tariff barriers within five years. An appropriate strategy of decentralized labour-intensive industrialization could then follow in all SAARC countries, leading to a real reduction in unemployment and improvement in the quality of life with a better balance between work, social responsibility and leisure. The South Asian Development Fund would be for cutting edge policies, reflected by current convergence of IMF and World Bank strategies. This fund could then organize a major mobilization of global surpluses for South Asia's industrialization, the implementation of a poverty eradication strategy and for trade and balance of payments support. Additionally, it would provide finance for multi-country development projects. Such a South Asian Development Fund would enhance the region's capacity to take full advantage of the surpluses generated in other regions of the world for development in the widest sense, poverty reduction and structural adjustment.

In 1994, a follow-up enquiry was initiated by SAPNA to look deeper into the monetary and financial aspects of trade co-operation, decentralized industrialization, food security and of moving towards a South Asian Economic Community. Representatives of central banks of the region and some leading South Asian economists collaborated in this enquiry. This complementary report to the IGSAC report entitled *Towards a Regional Monetary and Financial System in South Asia* urged that SAARC look at a coherent vision for trade, payments, monetary and financial co-operation and then proceed to implement the strategy in a step-by-step well-researched manner. This report made clear that financial cooperation and payments arrangements did not require anything like a common currency. However, it required going much further than the pure book keeping arrangements of the Asian Clearing Union. This report too was widely disseminated to the official SAARC process.

## Unity in Diversity: Entering through the Poverty Contradiction

Of the five interrelated core areas for action, it was the establishment of the Independent South Asian Commission for Poverty Alleviation in 1991 that provided a common ground for stimulating regional co-operation on the basis of 'unity in diversity'.

In effect, it was a commission on governance and development, to sort out the contradictions between the reality and conventional development thinking and action, and provide practical solutions that they could implement politically within a given time frame.

The Independent South Asian Commission on Poverty Alleviation (ISACPA) was an innovative collaborative partnership between SAARC governments and an independent group of southern scholars and civil society activists. The inclusion of several SAPNA network members in the commission and in its advisory group provided SAPNA with the ability to make a coherent intellectual contribution, from its three-decade intellectual quest. The report of the commission, which emerged from an enquiry and wide-ranging dialogues with a range of stakeholders over an eight-month period in 1992, explored the complementarities between measures of economic reform and participatory development by the poor themselves. It helped to mainstream ideas that were at the margins and reinforce the

debate/dialogue towards practice of decentralized participatory democracy and development in general, macro-micro policy options and institution building for cost effective sustainable eradication of the worst forms of poverty in a given time frame.

The terms of reference required the commission to clearly diagnose what went wrong with past attempts at poverty alleviation, draw positive lessons from the ground, where the poor have been mobilized successfully to contribute to growth and human development and finally, to identify the critical elements in a coherent but practical overall strategy of development for poverty alleviation in South Asia. These terms of reference also reflected an underlying realization that without poverty eradication, liberalization and the one-billion-strong mass market in South Asia could not come into its own.

The report that emerged was a unanimous one. It was not merely a report on poverty in a narrow sense. It conveyed some sharp political messages, an overall development perspective and practical recommendations to the SAARC Heads of State on a coherent transitional development framework and agenda for responding to the globalization reality and eradication of the worst forms of poverty in a given time frame. The innovativeness of this transitional strategy was that at the micro level it was based on the factor in surplus in South Asia, that is, the creativity and efficiency of the poor and the culturally-rooted knowledge system, which they had preserved. These factors in surplus could be an asset in a development with equity paradigm, which was not based on finance capital, the scarce factor, as in conventional development theory. This pro-poor paradigm also required a net macro-level transfer of resources to this efficient sector.

The report took the form of three coherent messages and one composite but multi-dimensional strategic recommendation.<sup>2</sup>

### ***Message No. 1***

The number of people living in poverty in the region in 1991, based on the conventional 'poverty line' estimates would be 440 million. The structural adjustment policies that accompany the open-economy industrialization strategy currently being adopted by most SAARC countries are likely to put further strains on the poor, particularly in



the short term. The conclusion was inescapable that the magnitude and complexity of the problem of poverty in South Asian countries not only puts democracy at risk, but also poses a threat to the very fabric of South Asian societies.

### ***Message No. 2***

Over the past 50 years, the conventional development intervention with its dependence on the trickle-down effect and administrative redistribution to the poor have been inadequate. The role of the state has to change from that of a highly centralized doer to that of an enabler and supporter of growth in a three-sector growth model.

### ***Message No. 3***

The eradication of poverty in South Asia would require a major political rather than a technocratic approach in which social mobilization and empowerment of the poor play a critical role. Where the poor participate as subjects and not as objects of the development process, it is also possible for them to generate additional growth. In this pattern of growth, human development and greater equity are not mutually exclusive trade-offs, but are complementary elements in the same process.

### ***Recommendation***

There should be a pro-poor development strategy based on a three-sector growth-oriented approach that is unambiguously reflected in a coherent plan for the poor. This pro-poor plan must ensure a net transfer of resources to the poor. The new premise for action must be an overall pattern of development, which, in a transitional time frame, moves on two fronts:

1. A cautious open-economy industrialization front with pro-poor reforms.
2. The pro-poor poverty eradication front with rigorous social mobilization and participation.

These two parallel strategic thrusts, having long- and short-term time frames, can be harmonized as the two processes evolved to provide a transitional response to both the poverty and to an important aspect of the current globalization challenge. The recommendation elaborated how the pro-poor plan can generate pro-poor growth with a lower capital-output ratio, food security and increased work for the poor. Growth in the formal public and private sectors of 6 per cent to 7 per cent will be complemented by 2 per cent to 3 per cent growth generated by organizations of the poor, to reach a growth rate of approximately 9 per cent. This pattern of pro-poor growth can be produced by the three complementary sectors—public, private and the poor themselves in partnership. The accompanying new accumulation process with increased savings will be the result.

At the Seventh SAARC Summit in Dhaka in April 1993, the heads of state unanimously endorsed the 1992 Poverty Commission's recommendations. The consensus of the heads of state of SAARC constituted at that time a major coherent response in an era of inequalities and globalization, and to critical elements in the multifaceted crisis in South Asia. Their reiteration of this pro-poor growth strategy in their summits of 1995 and 1997 reflected the strong compulsions to bring poverty to the centre stage of national and regional concerns with this kind of innovative strategic thinking and action.

However, the reality is that a critical mass of South Asian policy makers, scholars and even civil society leaders have yet to fully internalize the contents of the reports and the coherent macro-micro strategic options available. They are continuing to underestimate the magnitude and complexity of the problem and advocating marginal reforms to centralized decision-making processes, mesmerized by generalities on human development and equating human development with poverty eradication. Others are continuing to provide reformist options in terms of two-sector growth models, with fragmented safety nets, welfare, microcredit and charity, to tranquilizing the poor. The international development community for all its rhetoric, with few exceptions, is still locked into *a priori* theorizing, narrow fragmented ideological oriented solutions, and 'tool kit' approaches to development and equity challenge. If this primary challenge is not addressed, the question is how can they address the larger challenges of globalization, security and human rights.

## NOTES

1. See De Silva et al. 1988. The trilogy of studies that constitute *Towards a Theory of Rural Development* was first serialized by the Dag Hammarskjöld Foundation, Sweden, in three issues of their Journal *Development Dialogue*, 1977: 1, 1977: 2 and 1979: 2. To demonstrate the pioneer nature of the intellectual quest and not to 're-invent the wheel', the editors (one of whom was a co-author of *Towards a Theory of Rural Development*) have selectively extracted and elaborated on the pioneering ideas, incorporating new lessons from the ground.
2. The three messages are elaborated in great detail in chapters 1, 2 and 3 and the recommendation in Chapter 4 of ISACPA 1992.

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## Evolution of the Macro-Micro Pro-poor Strategy

Ponna Wignaraja

*Towards a Theory of Rural Development* sought to understand how the creative initiative of the poor could be released for the all-round development of their lives (De Silva et al. 1977, 1988).

The critical elements in this approach were derived initially between 1975 and 1980 from the actual macro-micro experience of several Asian countries (India, Bangladesh, Sri Lanka, China and South Korea). The broad construct of the theory that emerged, albeit rudimentary, sought to explain the long-run direction and goals of a holistic development effort and the social mobilization process involved, with the poor as subjects in the process. A new social movement called 'Bhoomi Sena' in the State of Maharashtra in India provided the material basis to refine the theory. Bhoomi Sena, which means 'land army', is the name of the movement for liberation from feudal and elite oppression and the establishment of countervailing power by the poor and marginalized in rural areas for greater self-reliant development.

The methodology used by the team was based on praxis. The interdisciplinary group of researchers and the Bhoomi Sena cadres engaged in a constant interplay between theory and practice. In other words, the reality was investigated together. Every resulting hypothesis was tested in the field and the result was fed back into reflection to enrich the theory, that is, the methodology of praxis. This underlies what is now called the methodology of Participatory Action Research (PAR)<sup>1</sup>, a departure in social science methodology that SAPNA uses.

The study was able to highlight emerging dangers such as (i) polarization between the rich and poor; (ii) resource waste and environmental degradation, and (iii) youth alienation and the dead end that would result, even in the short term, if the development strategies of the past were uncritically followed. This study showed that

redistributive justice, based on a two-sector growth model, 'trickle-down' or 'top-down' or 'delivery of services' to the poor and a conventional accumulation processes was not a sustainable option for the large numbers of poor.

In the second SAPNA study, *The Challenge in South Asia: Development, Democracy and Regional Cooperation*, it was emphasized that in the midst of a deepening crisis, not only some of the existing State structures but the very fabric of society were threatened. Three other interrelated dimensions of the multifaceted crisis were also highlighted (Wignaraja and Hussain 1989). The three dimensions were:

1. Society was being polarized along ethnic, linguistic or religious lines. Associated with this, the undermining of the fundamental social values that had helped diverse communities to live together in tolerance and accommodation in a pluralistic society.
2. Highly centralized structures of political power (private and public) had failed to give effective political representation to all strata of society and the growing militarization associated with the use of coercive state power to quell resurgent sub-nationalism.
3. Capital-intensive development adopted in the post-colonial South Asia had collapsed. The growth and accumulation process associated with capital, the factor in short supply, had generated endemic poverty, grown interpersonal and inter-regional disparities, eroded the ecological environment and finally, increased dependence on foreign aid in the case of a number of countries in South Asia.

The alternative framework reinforced in this study pointed towards the potential to reconstruct both the consciousness and political/economic institutions, through which stable supportive state structures and viable regional co-operation based on 'Unity in Diversity' could be achieved for the benefit of all the people of South Asia in a win-win game.

This study also went on to analyze the new reality of globalization. As state structures in a number of South Asian countries were threatened by internal upheavals, in a number of cases their elites were forming alliances with super powers and economic forces outside the region as a means of acquiring political and economic support for elite and regime survival. As a consequence, they were incorporated

into an iniquitous global system and supplied with economic aid, arms and technology and tactics of crowd control and counter-insurgency from powerful countries outside the region. It was clear that as the superpowers got drawn into the national crisis over internationalization, it accentuated the momentum of violence and fragmentation within, creating 'soft' societies and 'failed' states.

The ruling regimes, unable to find a fundamentally different solution to the problem of poverty and inequality, unable to provide a political framework and a value-based intellectual vision within which the diversities of culture, language and religion can enrich rather than undermine society, tended to show a knee-jerk reaction to the crisis and emerging challenge.

The book concludes that no South Asian country can solve these problems by itself; hence, the need for regional co-operation. Sustainable regional co-operation must be based on a restructuring of the ideological, political and economic systems in each of the countries of South Asia. At the ideological level, the deep-rooted civilizational consciousness of tolerance, humanism and freedom of belief must be tapped. Politically, what is needed is not decentralization and devolution of power alone, but the emergence of local institutions and a process through which the individual and groups, whatever their social status, can participate in the decisions that affect their immediate economic, cultural and ecological environments.<sup>2</sup>

The study clearly stated that at the level of economics, a wider holistic development strategy and accumulation process is required that combines self-reliance, equity and a balance between people, nature and growth.

*Women, Poverty and Resources* identified another dimension, that is, the issue of eradication of women's poverty (Wignaraja 1990). Poor women had a double burden of being poor and women. Even in the global discourse at that time, the gender equity issue was not addressed in depth.

Lessons from case studies showed that the solutions to this double burden can only come from actions by women's groups and by the better organization of poor women. Individuals cannot address the problem of their powerlessness; this can only be done through collective action. The organization of women around issues of common concern is a prerequisite for effective and sustainable economic and social development. Mere provision of credit in the absence of this organization is not developmental. The study

highlighted that credit alone results in deepening the debt trap and further erodes self-respect and dignity.

*Participatory Development: Learning from South Asia* probed further the decade of the 1980s in South Asia, which had been a 'lost decade' for development, following upon the golden years of the 50s and 60s and the illusionary debt-led growth of the 1970s (Wignaraja et al. 1991). For many poor countries development has gone into reverse (with some exceptions where the Keynesian welfare system had worked temporarily). Conventional development thinking then moved away from the Keynesian consensus to an even more sharply monetarist and neo-classical approach.

Given the present crisis of development, increasing doubts are being felt about the validity of this dominant neo-classical paradigm. Important segments of the global academic community and parts of the UN system have added their voices to the critique. While this critique began to place emphasis on human and social basis for sustainable development, broader based growth and the importance of participation, their action was still 'marginal tinkering'.

Lessons from this study, while further highlighting the multifaceted crises not only in economic terms but also in political and human terms, also pointed to the need for new forms of accumulation and indicated through case studies that participatory development at the micro level reflects a new approach to resource mobilization, resource use and growth. A third growth sector at the base of the political economy can also be an economically viable and a cost effective approach to poverty eradication, as well as, help maintain political stability. A development strategy focussed on the strengths of the poor can help reverse much of the past imbalances and contradictions created by the conventional development pathway and marginal tinkering with it. By elaborating on the methodology of participatory development, the study made a deeper contribution to an understanding of the new approach and the key instrumentalities, where the poor themselves were not the problem and can be part of the solution.

In *New Social Movements in the South: Empowering the People*, a new element was introduced, that is, how to multiply and sustain successful experiments and 'seeds of change' (Wignaraja 1993). It also highlighted the dangers of an over centralized state—even one with a welfare orientation. The study also made a distinction between the new social movements such as the ecological movements, the

women's movements and the older social movements such as the trade union movement and peasant movements. The former reflected collective strategic efforts to bring about transformative social change, while the latter were more systems maintenance.

To summarise some lessons from these new social movements to reinforce an emerging school of thought:

First, the social transformative movements and experiments are in effect part of a people's response to the reality of the contemporary global crisis. There was a time when all social movements in countries of the South were engaged in a common struggle, namely the anti-colonial fight. Therefore, the myriads new social movements do not fight to assume state power. They constitute in this sense an integral part of the present crisis and response, and aim at building countervailing power.

Second, the social movements are looked at as new actors, performing multiple functions—political, economic, social and cultural. These new actors, while fighting to counter state power, not because they do not know what to do with state power, but rather because they represent a new breed of actors, are interested not narrowly in state power but rather in creating a free space from where a democratic society can emerge.

Third, in these social movements, there are 'seeds' preparing a future desirable society. The role of these new social movements thus transcends not only state power, but also wants to go beyond the existing fragmented NGOs in civil society, with their built-in inequality and unauthenticity, hidden behind the window-dressing of 'democracy' or 'development'.

The analysis concludes on the lost historical opportunity that the national liberation movements represented, leaving an unfinished agenda. The social movements are the carriers of this message of alternative modernity, which project more endogenous, more participatory and more authentic processes. This thinking and practices can also be the basis of a new social contract yet to be forged, for which the material basis has emerged on the ground.

*Readings on Pro-poor Planning Through Social Mobilisation in South Asia: Strategic Options for Poverty Eradication* knit together the thinking to date on the development with equity option within SAPNA (Wignaraja and Sirivardana 1998). South Asia, with more than 1.1 billion people, accounts for more than one-fifth of the world population. In terms of numbers, it has the highest concentration of



poverty, hunger, malnutrition, child mortality and illiteracy in the world. In this regard, two aspects of the recent development experience of the South Asian countries are further analyzed.

First, as elsewhere, South Asia is also liberalizing these reforms comprising trade and foreign exchange liberalization, reduction of government budgetary deficits, lifting of administrative controls on domestic economic activity and encouragement of foreign investment resulting in a greater role for markets and the private sector in the economy. If fully implemented, the reforms could contribute to a significant acceleration of the growth rate in the medium term. But as experience indicates, they are also likely to result in an accentuation of economic inequalities. Furthermore, unless the process of economic expansion is broad based, there is no inherent reason to believe that it will necessarily lead to reduction in poverty and sustainable human development.

The second distinctive aspect of South Asian experience relates to the origins and process by which social movements and grassroots and micro initiatives themselves emerged either spontaneously or through catalytic action. Of all the developing regions of the world, South Asia has recently generated the most impressive and diverse range of new social movements. Many of them have been recognized to be extremely effective in poverty reduction and promotion of human development. The key to their success is the building up of participatory organizations of homogeneous groups and their strengthening through awareness raising, education, learning by doing and capacity building.

Last, this study emphasized two important issues concerning the pace and pattern of development in the region in the coming years. Taken together, while the contribution of the new social movements has been significant, their impact has fallen short of the needs.

In *Pro-poor Growth and Governance in South Asia: Decentralisation and Participatory Development*, the pursuit of good governance was accepted as a widely shared goal among various development actors since the early 1990s (Wignaraja and Sirivardana 2004). However, in the intellectual discourse for some, good governance is a means of ensuring effective macro-economic management through downsizing of the state and reduced scope for bureaucratic interference. Others emphasize the opportunities presented for increasing participation in decision-making and resource allocations, especially for the poor. There is yet no consensus or synthesis.

Apart from this, two other agendas have also become increasingly important in recent years, namely those of poverty reduction and decentralization, though not always in tandem with good governance. Poverty reduction is rightly considered as the primary purpose of development and the UN Millennium Development Goals for 2015 represents a clear commitment from among governments and donors to this end. Decentralization is another focal point for donor policy and many donor governments around the world are making efforts to advocate that power be devolved to the base of the political economy and provide resources to lower tiers. The real challenge is 'how' this is to be done.

Despite their high visibility and scope for complementarity, these three agendas centring on governance, poverty reduction and devolution are rarely brought together in a coherent framework of thinking and action. This is where SAPNA makes its particular contribution, in recognizing that the governance agenda, with an emphasis on participatory development, can be combined with systematic devolution of power and resources to the grassroots, in order to lay the basis for sustained poverty reduction. The key to this process is community mobilization through social movements that can catalyze change through partnerships with sensitive state organizations and by advocating for deeper reforms in governance that bring about systemic changes in the conditions of the poor. When combined with decentralization and devolution, there are opportunities for poverty reduction. But decentralization without social mobilization and empowerment creates scope for vested local interests to monopolize power and resources to their advantage.

The case studies in the *Pro-poor Growth* book confirms that neither poverty reduction nor filling the democratic deficit results automatically from decentralization reforms alone. Nor can poverty be reduced purely through 'trickle down effects' from growth from above or administrative redistribution, microcredit or fragmented project oriented sectoral projects.

The case studies in this SAPNA volume document the various experiments taking place in Bangladesh, India, Nepal, Pakistan and Sri Lanka, and illustrate how social movements and local organizations are mobilizing the poor to take advantage of the decentralization reforms to mobilize resources and influence to bring about pro-poor development, starting from the base of political economies of South Asia. These successful pro-poor efforts hinge on other complementary

reforms in governance that foster participation, accountability and transparency, without which decentralization can simply concentrate power and resources in the hands of the few at the local level. What is critical is the capacity of the organizations of the poor in the new social movements to mobilize, conscientize and organize the poor to articulate their rights as citizens and elected representatives in local governments, channel the creative potential of democratic decentralization and initiate sustainable development in a manner that empowers and enhances pro-poor growth. The poor can also contribute to growth and be a part of the solution.

This process, which also results in new partnerships, can reinforce civil society protest movements and provide a complementary strategic thrust to more conventional financial sector and administrative reforms.

## NOTES

1. The methodology of Praxis and PAR should be distinguished from pseudo methodologies in use like Participatory Rural Appraisal (PRA), Rapid Rural Appraisal (RRA), and Log frame analysis. Praxis and PAR are located outside the dominant framework of positivist knowledge and the fragmented Cartesian mould of knowledge management (Wignaraja 1991).
2. This was the subject of the 1948 UN Universal Declaration on Human Rights. These underlying values for global governance were later supported by the Covenants on Genocide (1948), Covenant on Civil and Political Rights (1966), International Convention on Prevention and Punishment of Intolerance and Discrimination based on Religion or Belief (1981), Declaration of Rights of Persons belonging to National or Ethnic, Religious and Linguistic Minorities (1992), and others.

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## **Part II**

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The Core Methodology with  
the Poor as Subjects



## Introduction

This part reinforces the coherence of emerging pro-poor growth strategies and the fundamentals of poverty eradication in South Asia with further lessons on the ground. Three assertions are made for consideration by those committed to meeting this intellectual challenge.

The first relates to the need for a new school of thought incorporating the fundamentals. This can be achieved by synthesizing the commonalities in the vast number of lessons derived out of experiences on the ground and their implications for a transitional strategy for eradicating the worst forms of poverty in South Asia in a given time frame, leaving only a residual numbers of poor to be carried by welfare, safety nets and charity. This means a three-sector growth strategy, where the poor also contribute to growth in partnership with a socially responsible private sector and a supportive public sector.

The distinguishing characteristics of this new school of thought will be its cultural relevance and rootedness. It will be pluralistic and inclusive of all communities and groups. It will have a coherence resulting from a common methodology and a rigorous approach towards mobilization, conscientization and organization of the poor as subjects in the process of development. The political approach and transformative momentum will help secure the process from becoming soft, technocratic and eclectic.

The second assertion relates to the need for a new social contract between the state and the poor. The failures of the past and disarray in development thinking and action requires a major new inspirational drive and dynamics that can create a basis for bringing diverse social forces and communities into new partnerships. The social contract is the only instrument that can help regenerate the trust that has been eroded. This social contract is premised on going beyond the old social contract between management and labour, the Keynesian consensus that led to the welfare state and the current social charter of the European Community.

Such a social contract would enable the states of poor countries to replace the welfare state concept with a more inspiring pro-poor growth concept that could also help to mitigate the violence and



multifaceted crises globally, regionally and within individual SAARC countries. This is the next transition.

The third assertion relates to the significance of the new social movements emerging from the ground in all poor countries in the past 25 years. The new social movements provide the material bases for both the new school of thought and the new social contract, so that neither are based on *a priori* theorizing or received wisdom.

These new social movements differ from the old social movements that were engaged in anti-colonial struggles, the trade union action and party politics. These new movements represent a new group of actors in partnership interested not in state power as such, but in creating devolved people's power, where a participatory democratic society is the persistent quest. Larger and larger numbers of people are no longer willing to accept fatalistic, exploitative, alienating or repressive regimes and state structures, or a development paradigm that excludes them and deprives them of dignity. These movements represent a new form of countervailing power. In these new movements, they are also demonstrating ways to humanize the larger macro processes and asserting that the terms of incorporation of vulnerable and marginalized people into the mainstream can be changed at all levels.

It is sufficient to say that these social movements are the new factors and experiments that are mobilizing, conscientizing and organizing people for social transformation in one form or another at specific levels.

Several positive lessons may be drawn from the wide variety of new social movements and micro-level grassroots experiments. The movements are the result of broader-based people's responses to ecological, ethnic or gender conflicts. The micro-level experiments are not homogeneous and differ in their origins. Some are the result of romantic and idealistic approaches taken by charitable institutions, religious organizations, the 'small is beautiful' advocates, and so on, that have tried to teach the people to do 'good' things, often treating the village as a harmonious entity or 'community'. These groups may then link together to form a movement or to reinforce a protest action. In recent times, the new democracy movements and people's struggles in evidence in all South Asian countries, have been dramatic countervailing responses to repressive regimes and military dictatorships. Some of the people's movements have been sustained over time; others are eruptions and die down after a while.

Some experiments represent real seeds of change; others are mere ephemeral bubbles. The knowledge system of the poor becomes an element in their empowerment.

The chapters in this part refine the answer to the question: 'How can greater coherence and sustainability of the transformative process be achieved in the transition, starting at the base of the political economy, but supported sensitively by macro framework conditions?'



## Some Conceptual and Methodological Issues

Ponna Wignaraja

### REVISITING PARTICIPATORY DEVELOPMENT

*I think the readers will agree that in bringing out this book, Dr. Ponna Wignaraja and his colleagues in the United Nations University South Asian Perspectives Project have made a valuable contribution to both development thinking and action. This is also dissent in the best sense of the word—and we need this kind of dissent now at this crisis of development paradigms, and indeed of development itself, if we are to move forward. In the current reign of dogmatism, this is a welcome voice. We need more than ever the undogmatic imaginative dissent from received wisdom, and the new directions. (Singer 1991)*

The distinctive aspect of the South Asian experience relates to social movements and grassroots and micro initiatives. Of all the developing regions of the world, South Asia has generated the most impressive and diverse range of civil society initiatives spanning such themes as women's subordination, discrimination against girl child, caste and tribal oppression, environmental destruction, violations of human rights, communal violence and struggle against poverty, ill health, illiteracy and ignorance. Some of these initiatives have become world famous and have been recognized to be extremely effective in poverty reduction and promotion of human development. The key to their success is the building up of participatory organizations of homogeneous groups and their strengthening through awareness raising, education, learning by doing and capacity building. These elements of the South Asian experience raise some important issues concerning the pace and

pattern of development in the region in the coming years and decades. What are the possibilities of huge expansion of the successful micro-initiatives to mount a massive assault against hunger, unemployment, malnutrition, illiteracy, ill health, ignorance and gender inequalities? Some of the problems being addressed by civil society initiatives are the responsibilities of agencies of the state. There can be few such simple and effective policies to eradicate poverty and promote human development. It requires both action for pro-poor growth at the macro level by an innovative partnership by a non-bureaucratic socially-responsible state and private sector, working also to provide sensitive support to civil society initiatives and those of people's organizations.

## THE POLITICAL ECONOMY AND PARTICIPATION

Of central concern in any discussion on development in wider human terms is the issue of participation. It is a pretence to think that the crises that South Asia is facing can be overcome and that the re-shaping of its societies and the development of its resources can be undertaken without the participation of the people, particularly the large number who are poor, who live in rural areas or urban slums and shanty towns. Perceptions of this complex question are varied, and a major debate relating to various aspects of participation is now taking place.

Representative democracy as currently practised, is a very limited form of participation. Participation means commitment to a more egalitarian society, which permits equal access to resources—not only to land—but also to food, education, health and other basic human rights. Where formal power is in the hands of a few and their power is grossly misused, participation means building counter-vailing power, which leads to a healthier democracy. Participation is democracy. Sustainable democracy involves both political democracy as well as economic democracy. Further, participation and self-reliance are two sides of the same approach. This goes beyond merely meeting the material needs of people and beyond considerations of equity. To participate, people need to raise their level of consciousness and to form their organizations. The poor and

vulnerable need to refine their understandings of the larger socio-economic reality around them, of the forces that keep them in poverty, and of the possibilities of a process of self-transformation through which they can grow and mature as human beings. In this sense, participation is also a basic human need.

A truly participatory development process cannot be generated spontaneously given the deep-rooted dependency relationship that exists. A catalyst can initiate the process—the type of activist who is committed and will work with the poor, who identifies with the interest of the poor, and who has faith in the people, and is in turn trusted by them. The interaction with animators/initiators helps the people to analyze their problems, to understand their problems better and to articulate their felt needs. Their interaction sets in motion a process of action–reflection with mobilization and organization and further reflection among the poor. Through this process, initiators mobilize people into self-reliant action and assist in the building-up of collective strength and bargaining power among the poor.

Hence, identification, selection and sensitization of such initiators become central tasks in launching an effective participatory rural development movement. Conventional training methodology cannot be used for this purpose. It is a process of sensitization rather than training. It is a process of self-learning through exposure to the dynamics of actual socio-economic situations rather than learning in the abstract. Observation, investigation, group interaction, sharing and comparing experiences, criticism and self-criticism, cultivating behavioural and social skills (particularly the capacity to analyze the political economy of poverty), are the central elements of this process of sensitization. Without this awareness, people cannot participate—they are merely manipulated with pretence of consultation.

Finally, it is difficult for the poor to individually break away from the vicious circle of dependence and poverty. It is only through collective effort and organization that they can reduce dependence and initiate a course of participatory, self-reliant development. Thus, participation implies mobilization, conscientization and organization, in that order.

The extent of participation will depend initially on the political space that is available for the participatory grassroots process to start and for an intervention into the existing socio-economic system. In many South Asian countries, there is a great potential energy waiting to be released and there is a great will to change. The energy

needs to be harnessed and change agents can be found in many areas to initiate the process. In addition, there is strong support in South Asian countries for people's causes from such groups as the radical church, various professions, students and even members of the bureaucracy and the judiciary.

## NEW POLITICAL SPACE

It is clear that research bearing on values and praxis at the micro, grassroots levels must be expanded and refined for different socio-cultural settings. While considerable conceptual work has been done and is going on, more work is required. This further work is carried out at micro, macro, global (local, national, international) levels, which are organically linked. All this needs to be synthesized and given coherence in a new school of thought.

The emergence of a school of thought, though in a rudimentary form, can be observed in the context of South Asia, where the new processes of development appear to have progressed further on the ground. There is now a significant material basis for generalization. In practice, however, in South Asia pro-poor movements and development experiments exist in isolation. Protest movements may link temporarily to overthrow military dictatorships or highly authoritarian regimes. They have even, on occasions, captured state power, but often do not know how to use this power effectively in a complex macro reality.

Both macro political movements and micro development experiments need to be further identified, analyzed and linked as part of an ongoing praxis and for mutual reinforcement. Decentralization reforms are underway in most South Asian countries. These have to be linked to pro-poor growth strategies and expanded to work for the poor at the base of South Asian economies. But even these limited tasks require a more coherent conceptual framework. If coherent but flexible paradigms are not evolved, what results is a great deal of protest at how the system works, a rhetoric of social change and development for the poor, and a great deal of isolated projects and fragmented activities. This kind of movement turns out to be an eruption rather than an exercise in real people's power. It then ends in the

same kind of marginally representative democracy. Even after several years of representative democracy in South Asia, there is little evidence that a participatory development strategy and democracy that responded to the needs of the poor has been articulated. The political space for initiating praxis at the grassroots level and for re-orienting the macro support system requires a new social contract. It is too early to tell whether a new social contract can be forged between the large numbers of poor, the vulnerable and the state.

In the 1980s, as the countries of South Asia began to face an even more critical crisis of development, with the global system itself in disarray and the existing structures and institutions of the nation-state incapable of coping with the twin crisis of development and democracy, several issues became clearer. It was possible to understand more clearly the steady slide of these societies into varying degrees of anarchy and destabilization. A deeper look at the crisis threatened to destroy the national resource bases, caused further erosion of native cultures and increased the tendency towards militarization. The case of Sri Lanka illustrates how a country that was said to be the best bet for democracy and development in Asia, slid into a deep crisis with an unmanageable political economy. Afghanistan is also a good illustration of this syndrome.

The crises that are sparked by acute inequities resulting from the development process generally impact on the internal political process and democracy. Significant sections of the people are denied participation and alienation increases. Minorities are tyrannized and political power is increasingly wielded by military and bureaucratic oligarchies. The tendency for growing militarization and fragmentation of states along ethnic, religious or linguistic lines creates internal conditions for further external intervention. While Sri Lanka epitomized the crisis in its extreme form from the early 1980s, the writing on the wall was clear for other countries.

In this context, with women's concerns and the women's movement assuming greater importance, the gender equity crisis—another facet of South Asia's growing economic, social and political problems—came to be highlighted. In an attempt to further refine the thinking in *Towards a Theory of Rural Development* (De Silva et al. 1988), some scholars and activists in South Asia began collaborating on these issues. Here again, it was observable that there was an increasing body of positive evidence from women's movements and development experiments indicating that poor women contributed



significantly to economic and social development, particularly in the informal sector and represented a social response at the micro level to the crises in their lives. Furthermore, using the methodology of praxis they could overcome their double burden of being women and poor through better organization, by using local resources and knowledge and their own creativity.

Moreover, where women's small development actions initiated through praxis had support from sensitive macro institutions, they could go on to scale up and be sustainable. This revealed that the energy released through the women's movement in South Asia was being harnessed for a different kind of accumulation and sustainable development. Stronger links are necessary between the macro women's movements and micro grassroots experiments, and greater clarity is required in concepts and institution building.

## THE CONCEPT OF PRO-POOR GROWTH

Ongoing empirical research and conceptual work by a group of South Asian scholars and activists has recently attempted to further refine the methodology of praxis. This is important not only for attempts—partially to reverse the negative aspects of past development processes—but also for initiating the transition to a new complementary strategy of democracy and development, beginning at the micro level. This strategy does not preclude attempts to maintain the gains from past industrialization with suitable modifications and damage limitation policies, so that in effect, a more complex 'walking on two legs' strategy is effected.

Four issues can be highlighted, as far as action at the macro level is concerned, for reversing past processes and reinforcing the new processes at the micro level. First, the crisis that is already upon South Asia makes it imperative for these countries to adopt a different and more complex development pathway that is more democratic and equitable. Second, a strong critique of the dominant development paradigm shows that neither in its own narrow ideological and social-economic terms nor as a political response to the wider crisis is it sufficient. Therefore, this paradigm cannot be followed uncritically. Third, it is possible to articulate in an unambiguous manner, elements in a micro-level strategy (one, of course, based on participatory

development and praxis), which can limit some of the damage of past strategies and also go a long way towards alleviating the worst forms of poverty and dehumanization in South Asia. It can be demonstrated that this process, once initiated at the micro level, can provide a significant element in a transition to a more complex sustainable development strategy moving on two fronts—macro- and micro-level processes already underway—and can also refocus praxis and identify the new capacities and institutions that need to be evolved.

The crises that South Asian countries face—no longer only the poverty crisis, but also now the ecological crisis, ethnic violence, gender conflict, militarization and external destabilization—are not isolated phenomena. They are interrelated both to each other and to the fundamental development intervention that was initiated after decolonization. Taken together, they have deep consequences for the fragile democratic processes at work and for the tasks of nation building and regional co-operation.

The emerging alternative school does not pretend to substitute a comprehensive and elegant alternative theory as such to the dominant classical, neoclassical or Marxist theories. Rather it proposes that the methodology of praxis and the instrumentality of participatory action research that goes with it can help in moving the development intervention, initially at the micro level, towards development in wider human terms and in a more democratic manner, thus making both processes more sustainable. A great deal more coherence will be possible to be given to rudimentary theorizing as the process of learning on the ground continues.

Development is a political process. Without a relevant pluralistic theory of political economy with which to understand the reality on the ground or the strategic options, only an intellectually and operationally fragile development process can be achieved. It is not however, a matter of substituting a new, elegant theory for the old.

An attempt has been made to identify several new elements in a conceptual framework and raise several issues that require further clarification through action research. To reinforce the positive processes, new, more coherent conceptual framework and interdisciplinary analytical tools are required on the one hand, as well as collective rethinking by those engaged in social praxis on the other. Social praxis can be achieved only by further releasing the creative energies of the people who are now being marginalized, and by mobilizing them along with local resources and knowledge for the all-round development of their lives.

South Asian scholars have located the methodology of praxis and Participatory Action Research (PAR) instrumentality unambiguously in the context of the development theory and practice. They have also identified development as a political process and not merely a technocratic exercise. For the past 15 years since the methodology was first identified in the contemporary South Asian context of 'Towards a Theory of Rural Development' and later in the series of follow-up studies, it has been considered a maverick methodology by the development establishment. The rhetoric of participation has been widely used by scholars and practitioners all over the world, both in theory and in practice without their making explicit its methodological basis or its point of departure from existing development theory.

Neither have the implications of participation for more democratic political formations been fully analyzed. Today, with the mounting crisis of development and the crisis of the state and civil society, past attempts at development theories are also in disarray. This re-statement of the emerging new premises for development thinking and action, as they are manifested in the positive experience of new people's movements and participatory micro-level development experiments, may therefore be timely.

From the critique of conventional thinking and the negative experience of the past 40 years, it is not a major step towards new premises of action. People who are impoverished and marginalized by current growth processes are seen in the methodology of praxis as the prime movers of history in future. Further refinements are necessary to generalize the basis of action that has been taken on possible ways to reinforce ongoing people's action. If the release of the creative energies of the people is a critical factor, the question is, what is needed to initiate a process to enable them to use their full creativity and realize their true self-worth?

Once this is achieved, the further task of building organizations to sustain and multiply the process could be left to the internal dynamics of the process itself. The essence of it is the mobilization, conscientization and organization of the people, in that order. This process could proceed from being a countervailing force to ensuring both material benefits and greater social justice and equality.

An attempt is now being made to reinforce the possibilities of finding some points of commonality in the diverse people's movements that are emerging in South Asia. One clear message is that

with the wide range of social processes on the ground and the cultural variation in these countries, mechanistic approaches to the study of social processes are misplaced. Similarly, an unconscious application of Western standards and value judgements to non-Western situations has little relevance. Today, even among Western intellectuals, there are fundamental differences as to what is development and what is democracy and the connections between the two. In the present uncertain intellectual climate, there are hazards in evaluating societies in transition and the emerging social processes without agreeing on some broad new valuational framework, methodology of analysis and institutional basis. This chapter is a small contribution to the discourse among South Asian scholars and experiments, and through these, the larger issues of rethinking development and democracy in all countries.

## REVISITING THE CONCEPT OF PARTICIPATION

To date, the South Asian Perspectives Network Association (SAPNA) has avoided any formal definition of the term 'participation' while analyzing the 'success cases' of participation of the poor in development and drawing the lessons from the ground, as 'participation' is a process that reflects the vibrant stirrings and responses of the poor to the various crises in their lives at the grassroots. It is a multi-faceted social phenomenon that has many overtones. These stirrings and responses can be probed and understood, but cannot be defined mechanistically. Because of a lack of definition, this vibrant collective activity, sometimes spontaneous, sometimes catalyzed, not always homogeneous, has been co-opted to suit objectives that are not directly related to participation of the poor as subjects in development.

In this chapter, an attempt will be made to give a categorization of participation as a critical element in the process of social change and identify some of the positive political, economic and cultural characteristics of the process. This will help understand what the process is about and what it is not. For instance, it is not mere formal participation as in representative democracy. It is also not a manipulated 'toolkit' approach where the poor get together

hurriedly, meeting to receive welfare, safety nets and charity from outside sources.

Participation is generated by continuing praxis, that is, by an action–reflection–action process, undertaken collectively, not individually, with a great deal of internalization and learning of lessons as the process evolves. It involves three interpenetrating processes and phases consisting of mobilization, conscientization and organization in that sequence. The conscientization or awareness creation is a continuous process of reflection on their own experiences, problems and responses. It is from this learning that comes the realization that they can transform their reality through their creativity, knowledge and resources to which they are entitled.

This collective reflection by the poor also results in participatory monitoring and evaluation of processes they have themselves initiated. This participatory monitoring also results in a self-corrective mechanism before the process is distorted. This kind of participatory monitoring is also necessary for sustainability as these develop a collective perception of difficulties, a sharing of knowledge.

Building organizations of the poor also empowers them to resist the exercise of power by vested interests who exploit them in a variety of ways. Countervailing power by the poor is part of the vigilance of the poor against sharpening contradiction between rich and poor and abuse of formal power. Politically, it increases their capacity to resist such abuse.

In economic terms, it enables them to keep their surplus in their own hands and to initiate a new accumulation process at the base of the economy. This is a critical element in generating pro-poor growth and expanding work opportunities for the poor.

Organization development by the poor must evolve in a proper sequence and be preceded by mobilization and conscientization. If organizations emerge directly from mobilization without conscientization, it becomes mechanical and ‘top down’ and does not lead to the longer-term objective of sustainable poverty eradication.

These organizations not only help the poor to investigate and understand their reality, but also to assert their right to resources to which they are entitled, and solve many of their problems at their level creatively.

Participatory processes sometimes arise spontaneously as the people struggle against various oppressions. More often, sensitive intermediaries who are identified with and committed to the poor facilitate these processes.

The knowledge system of the poor is a vital input into cost effective pro-poor growth. It also provides time tested, culturally relevant technology. Some of this knowledge can be used as it is; some of it may have to be given modern scientific validation in its own environment. As traditional knowledge and modern knowledge interact, new knowledge is created by different groups—both poor and non-poor—resulting in new scientific responses.

Participatory development is an essential instrument for bringing out the knowledge of the poor. This knowledge and technology that goes with it also relate to wiser non-predatory use of natural resources by the poor. Use of available natural resources, recycling of waste, preventive healthcare were all part of this knowledge system.

## RELEARNING PRAXIS

There is now a sufficient body of experience at the micro level in South Asia to understand how the new development pathway functions at the base of the economy with participation of the poor as subjects and how the processes can be initiated or reinforced and multiplied. The material basis for seeing how the poor respond to the multiple crises in their lives while also being involved in new forms of accumulation by using primarily local resources, knowledge and their own creativity that can sustain their economic and social needs, is much clearer. The assertions on the macro framework conditions and micro-level practices that follow are based on this available experience.

1. The basic issues raised by the lack of sustainable development for eradicating the worst forms of poverty in South Asia during its first half century of post-colonial independence are too fundamental to be resolved by marginal tinkering with the dominant two-sector growth model and adding some elements of redistributive justice, welfare and charity to it, to tranquilize or compensate the poor.

A more coherent and complex conceptual framework needs to be evolved. When such a framework emerges, it will not constitute

a general replicable 'model' in the conventional sense as each country and socio-cultural environment has its own specificity. The new framework will be informed by the nature of the specific social transition the country is going through. It would be based on a holistic approach and evolved from the still inadequate inter-disciplinary analytic tools that would be available. It should reflect the perceptions of the poor. This is an extremely difficult intellectual exercise requiring a collective re-conceptualization of the macro-, micro-level development processes underway, so that countries can move on to two separate but interrelated fronts, the modern industrial base, as well as on a clearly articulated micro grassroots level, poverty eradication. Theory will follow practice as the two legs of the strategy evolve and the linkages between them are established. This is also a part of the new social praxis.

2. The elements in this two-pronged strategy relate to aspects of a political process of social change in South Asia, where it is necessary to maintain the gains from modernization without adverse effect on the poor, as well as initiate the process where the poor participate as subjects of development. Since the poor are efficient and need not be the problem but can be part of the solution, the process needs to start here. The approach cannot be viewed as being apolitical. There should be no attempt to obfuscate the real issue, which is one of political power and which manifests itself even at the village level.
3. Development problems cannot be solved by means of rigid ideological orientations and purely technocratic prescriptions of the past. Given the similarity of the crisis of confidence in South Asian countries—with regard to the inadequate open economy strategies, the welfare state and inter-penetration of socialist experiments—these countries need to find alternative driving forces and accumulation processes for growth and social change through a different people/nature/knowledge relationship than that which currently pertains to industrialized countries because their pattern and phase of evolution are basically different from the industrialized countries.
4. The micro-level experiments that are in evidence do not constitute a monolithic movement inspired by a single unifying ideology—though most of them involve people's participation in varying degrees and the harder processes are sustainable.

They are located mainly in political and economic spaces in pre-capitalist or semi-feudal national structures that are locked into a global system in a dependency relationship. There is a great deal of isolation among these activities so that even when the political or economic space exists or suddenly widens through fortuitous circumstances or the emergence of a charismatic leader committed to this kind of change, they are unable to move beyond the narrower confines of their immediate activity and relate to the wider macro-social processes.

5. What they have in common is that they are working on sustainable development problems and have a basic commitment to, and identify with, the following minimum valuational framework:
  - (i) Equal rights for all—political, social and cultural;
  - (ii) Equality of access to and rational use of resources;
  - (iii) Real participation in all social decisions—work, welfare, and politics;
  - (iv) End of the division between mental and manual labour; and
  - (v) Use of total knowledge system, which ensures greatest technological choice.

This valuational framework was unambiguously translated into a broad perspective on development by the SAPNA group in the mid-1970s as follows:

The main objectives of an alternative approach to development can be briefly summarized. The main objective is human development. The strategy seeks the total fulfillment of human beings both in relation to finer value as well as to their economic aspirations. All this is to be achieved primarily through the release of their creative energies. People must be liberated themselves and must feel at home with whatever process is initiated, which must progressively satisfy their needs and they must participate in decisions that affect them.

Self-reliance and the development of the collective personality of men and women is naturally a basic element of this new strategy, which is characterized by the innovative genius of the people in shaping their development. It is an expression of their faith in their own abilities. This implies the elimination of 'dependency' relationships, irrespective of whether they are



of a national or international character, and development through a country's own efforts, recognizing the value of mutual assistance. Self-reliance is not to be confused with a narrow concept of self-sufficiency or autarky and elements of necessary interdependence can be expected to flow from the process as it unfolds.

To achieve these objectives, the conditions for social and economic progress are simply those which release the energies and creativity of the people and mobilize these for the all-round development of their lives.

A social transformation of enormous magnitude has to be envisaged. (Wignaraja 1988).

6. It is now accepted that social praxis is a dialectical process requiring action–reflection–action as a continuous process. Initial perceptions are refined into further concepts as the process unfolds. It is also an alternative process by which sustainable development is initiated by the people. Grand macro-plans are pre-determined, and prescriptive plans and the project approach play at best, a minor part. What is required of an appropriate macro–approach at this moment of time is a sensitive support system that is neither manipulative nor non-co-operative.
7. To be part of a wider social process, these grassroots experiments themselves need to be selectively linked, first within countries—horizontally among themselves and then vertically with committed individuals and groups, wherever they may be, to build alliances and coalitions. The linkage can even go beyond national boundaries to groups in similar or neighbouring countries. Since there are positive and negative aspects of linkage of these isolated activities, the process has to evolve slowly.

Groups that consider themselves involved in promoting social change for the benefit of the people in South Asia must link with each other in order to become a countervailing power; otherwise an isolated experiment which may be interesting in itself is unlikely to become a social force.

8. A micro-level movement or development experiment may also continuously advance vertically in an upward spiral towards participatory self-reliant development for a particular group in a particular location. Apart from linking with each other

for the reasons mentioned above, these activities must also multiply and cover larger numbers of people and geographical locations. A key element in multiplication is the training of the catalysts; first, the training of the facilitators who can initiate the process, then of the local level development activists whose leadership capabilities can be developed for the benefit of their own communities.

Since Paulo Freire first enunciated conscientization methodologies for political struggle, a great deal of experimentation and refinements have been undertaken in training methodologies for animators, development cadres and activists. Several effective training/sensitization programmes are in operation. This training is completely different from the training imparted in formal training centres by pre-packaged lecture methods, as in the case of most extension workers and other development personnel. The training implies sensitization to develop an identity with, and commitment to, resolving the development problems of the people. This requires them to have a deep awareness of why the problem exists. This is not a mere charitable instinct or an arrogation of expert knowledge to themselves. The new training methodology for facilitators and animators is organic to the praxis and cannot be separated mechanistically from the reflection and action, which are the more obvious elements of the process.

9. At the international level, the participatory approach to development in the widest sense, as enunciated here, must enter into the North–South dialogue and global negotiations. The North–South dialogue is needed more than ever before as the crisis intensifies, but its substance must have a basis in the reality at the village and local levels in all countries. It also cannot be based on *a priori* theorizing on how the global order should work and let this perception inform people's responses at the local level. The best effect of the North–South dialogue is to offer 'more of the same', and provides no real alternatives to the reverse flow of resources from South to North. In fact, for the most part, the prescriptions amount to a little more aid or trade, or the addition of another sectoral institution.

If sustainable development in wider human terms is to result, a flexible global system with national counterparts is needed to be evolved to supplement and support the micro-level

development efforts identified here and be mutually reinforcing. Putting a sensitive support system in place would require structural changes at the macro level both within countries and at the global level, as well as, the initiation of a selective de-linking process at the global level, with an orderly re-linking into a new international order. A mere statement of a new international order by itself means little unless alternative development strategies are pursued within the countries and supported sensitively from outside.

## AN ALTERNATIVE CONCEPT OF RESEARCH: PAR

The participatory development concept and the methodology of Participatory Action Research (PAR) is built with the view that South Asian societies are not homogeneous entities, nor do the people have a harmony of interests. As the process of polarization sharpens, those with power oppress those without. Pre-capitalist forms characterize the labour process. The landless labourers are involved in a wide range of contradictions with the landlord. Even the poor tenant may be dependent on the landlord not just for possession of land, but also for credit, tubewell water, tractor rental and transport for carrying the produce to the market. Again the poor peasant may have apparently no surplus available to buy fertilizers, level his land, or get irrigation water. Yet, poor peasants in a particular village may collectively have access to unutilized, dispersed resources, which through organized efforts and use of upgraded indigenous technology, could enable them to increase their productivity, income and surplus.

Similarly, organized pressure by poor peasants on the local administration or landlords could get them cheaper credit, better health facilities and rent bargains. In short, in the nexus of contradictions between those who have power and those who do not, in a situation where the local state apparatus is not uniformly strong, there may be considerable space for the poor. It could be argued that in the circumstances indicated above, it may be possible to undertake small actions for specific development, namely, small scale production activities, irrigation projects, fertilizer manufacture, use of

indigenous technology for the provision of clean drinking water, primary healthcare and preventive medicine at the village level and marketing activities.

At the same time, development action groups could, through mobilizing their members, bring pressure to bear on the landlords or local administrations for better tenancy rights, eliminate unpaid labour services, or get better rental bargains, all of which increases their income. Similarly, marketing intervention can provide an entry point for keeping the people's surplus in people's hands and preventing those in power from appropriating disproportionately larger share of the surplus. Group saving schemes can then begin a process of asset creation and reinvestment.

A participatory process implies that in achieving these relatively limited tasks, the people would acquire greater technical expertise, building on their own knowledge and an associated scientific awareness of their economic, political and physical environment. At the same time, the achievement of specific objectives for improving their resource position through collective effort would impart greater confidence and community consciousness.

Ideas regarding upgrading of indigenous knowledge and technology, organization and conceptualization of experiences could be provided by Participatory Action Researchers. These action researchers would be a new breed of 'organic intellectuals'. They would be identified and absorbed in the culture and knowledge system of the people and also be equipped with scientific training. Such researchers, while engaged in the struggle alongside the people, would be interacting with their creative ideas and knowledge and at the same time helping to conceptualize the results of their collective social, political and productive efforts.

The concept of research cannot be separated from the concept of participation. The concept of research used here is to look at research itself as praxis. The research issues to be focussed upon are operationalized into social action. Research needs to be rooted in the process of a community actualizing its potential; it must be socially actionable, transformational in character and ultimately enhance social life.

The view of research poses a challenge to the researcher, for research now is no longer value-free or neutral in its impact, but organically linked with the process of transforming the existing social conditions that are often unjust and in some cases dehumanizing

in character. The political space available for such research is bound to vary from one country to another depending on the repressive character of the state machinery. In a repressive state, some fundamental questions arise on the need, role and scope for such research. On the one hand, the researcher is confronted with the extremely difficult task of creating space for his work. On the other hand, when the state threatens creativity and even life itself, the social life-enhancing functions of research become a part of social struggle to achieve human dignity, and protection and legitimacy for the researcher become important issues.

PAR evolved as an alternative social research methodology through action research in countries in South Asia over the past decade. PAR attempts to combine social investigation, analysis and change (of reality) in a single process.

Social research and action for change are conceived as one rather than two separate or fragmented phenomena. People (particularly the poor) should become active partners in research rather than being passive objects of the research.

The crisis of mass poverty and human and environmental degradation in all countries of South Asia amidst affluence and minority power is generating various responses from different action groups: spontaneous peasant struggle and initiatives by people's and workers' organizations, by non-governmental organizations made up of persons from different ideologies, all trying to reverse past process and bring about a change, initially at the micro-level. These micro-level people's movements can become a social force through horizontal and vertical linkages.

As the understanding of the failure of formal politics and economics has increased, it has become increasingly clear that praxis as an alternative approach and a style of development thinking and action has to be reinforced. It is unambiguously a process of building people's power for development as an alternative to the existing dominant power, of peoples' praxis as against elite praxis. It encompasses not only people's action rooted at the local level, but also the activities of numerous other socially committed groups in the society, and not the least, of the work of organic intellectuals engaged in socially relevant research as against elitist research. It would also, at an appropriate time, require remoulding of elites and building the support system of the macro-national and global levels.

The next two chapters will elaborate on two critical elements essential to further catalyze and reinforce the people's praxis already underway.

First, there is a need to use the historical and cultural traditions of the people as instruments of conscientization for social change. Connecting people to their knowledge system in ways through which they can experience their dignity, self respect and authenticity as human beings is considered a critical first step towards praxis and PAR. This step is essential in societies where there is a need to decolonize the minds of the people and where repressive institutions continue to prevent the release of the creative energies of the people.

Second, it is a basic axiom articulated in this book that all people have creativity, dignity and strength no matter how they are sustained. If this creativity is not manifested in their current behaviour, or if it is not spontaneously released in response to the various crises, including the survival crisis, it can be awakened by the appropriate stimulation. The latter is confirmed by the principle of dialectic movement applied to human behaviour. A sensitized facilitator and animator can catalyze the process. The animator thus becomes a second critical element in praxis and PAR. A conceptualization of this role has been attempted on the basis of field experience in South Asia.

## LESSONS FROM THE GROUND AS COMPULSION

The report of the SAARC Independent South Asian Commission on Poverty Alleviation (ISACPA) provides the point of departure for this chapter. The poverty commission was not an isolated activity, but part of an attempt to identify an overall approach to the pattern of development and a strategy for the eradication of the worst forms of poverty within a reasonable time horizon, which was relevant to the South Asian region as a whole. The multifaceted crisis in South Asia—political, economic, social and ecological—had begun to emerge in 1990. The heads of state felt in 1990 that no South Asian country could meet these external and internal challenges without closer economic and political co-operation at several levels with the South Asian region.

The South Asian Association for Regional Cooperation (SAARC) countries have a new 'paradigm' to offer. This paradigm has been built up in response to this region's effort to meet the 'Challenge of Poverty' and is based on the lessons of experience on the ground. It is not an attempt at *a priori* theorizing. The challenge of poverty in this region is quite serious: The region consists of about a fifth of total population of the world of which about 40 per cent is below the poverty line. About a third of the total population in this region is unemployed. Social unrest arising from the existing incidence of poverty and unemployment is already quite high. If this society disintegrates, it is likely to destabilize not only South Asia but also the whole world.

Let us find out what this SAARC paradigm has to say. Then we shall explain why we call it 'a new development paradigm' (NDP).

First, in the context of the contemporary SAARC countries (India, Bangladesh, Pakistan, Nepal, Sri Lanka, Bhutan and Maldives), the new paradigm insists that we set our thinking 'right'. Previously, we thought we have to raise the rate of growth first in order to reduce poverty in the subsequent period through a 'trickle-down process'. Under the new paradigm, this 'wisdom' is questioned. We have tried to raise the growth rate per annum in South Asia for several decades in the past mainly through this conventional process. We have so far failed in this effort primarily because our savings rate (as percentage of GDP) has been inadequate relative to our investment needs. We have also tried the alternative solution of breaking the vicious cycle of poverty by raising the quantity of foreign assistance to complement our low domestic savings but instead of raising the growth rate, we have mostly raised our debt burden and sharpened some contradictions within our societies in the process. Can we explain our conduct to our future generation? Is there any guarantee that we would do better in the future if we pursue the same process with greater rigour and 'efficiency'.

The new paradigm tells us that since we have so far failed to reduce poverty by accelerating the growth rate first, let us now try another approach: eradicate poverty first and see if it can push us to a higher growth path as a by-product. Does this approach make any sense?

How do we reduce poverty before raising the rate of growth? The economic process suggested in the new paradigm is:

1. Recognize that the poor, by and large, are 'efficient'. They are not only surviving but also contributing substantially and creatively to the Gross Domestic Product (GDP) growth in our countries with very little income in their hands. If they had more income and assets, they could, presumably, contribute more.
2. The 'efficiency' of the poor increases further when they can be organized. Organizations of the poor open up the chances of bringing their creativity into the mainstream of development. More specifically, organizations give them the ability to borrow money without collateral, generate self-employment and, at the same time, initiate a dynamic process of capital accumulation through increased savings and increased investments.
3. With the savings constraints substantially broken, poverty reduction via generation of self-employment increases investment, income and savings. To sustain this momentum however, the process needs what has been termed as 'sensitive support' from the government.
4. The sensitive support network that the new paradigm advocates has many components, most important of which is 'credit intervention' followed by:
  - (i) access to other resources;
  - (ii) innovative procedures to make the market 'friendly to the poor' (usually the conventional market is 'unfriendly' to the poor; it raises the prices of inputs without raising the prices of outputs, particularly when subsidies are withdrawn under the pretext of structural adjustment reform without adequate homework);
  - (iii) promotion of gender equality (usually poor women are more efficient, particularly as savers); and
  - (iv) increased investment in human resource development (particularly in education and health).

The above economic process can then be reinforced by a new political and social process. The 'political process' would have the following ingredients:

1. There has to be increased 'devolution of decision making powers' in favour of the poor, particularly in areas that concern them most. The poor should be encouraged to identify their



- problems, prepare projects/programmes and consolidate these into bottom-up programmes/plans. The government officials have to be trained, where needed, to act as catalysts/facilitators (but not as the 'benevolent guardians' which is presently the case).
2. The 'right of the poor to fulfillment of their basic needs', has to be recognized along with their 'rights to resources, information and justice'. The right to basic needs has been included in the 'constitutions' in some countries of this region, but without the right to resources and information, the poor will not have the means to generate self-employment. Without self-employment, they will have to depend mostly on 'safety nets' or the government/Non-governmental organizations (NGOs) for meeting their basic needs. As far as the efficient poor are concerned, they do not need safety nets, they need resources to stand on their own feet through their dynamic accumulation process.

The above political process has to be complemented by a social process. The 'social process' would imply that:

Poverty, employment and social disintegration (if any) would be attacked at the grassroots through community organization. Once a community organizes, individuals become 'responsible' to help each other. This social process can be supported by a 'new value system' that complements the conventional 'competitive spirit' of the individual and the nation with the obligation of 'sharing and caring'. This value teaches the individual that his/her own welfare is a necessary but not a sufficient condition for the development of the nation. For a sufficient condition, s/he has to be 'responsible' for the welfare of his/her fellow citizens. Previously most of us thought that this is a desirable objective but not practicable. The rational individual earns money for his/her own consumption, not to give it to others in charity. The new development paradigm teaches us that this value system emanates dynamically wherever there are successful cases of poverty alleviation through social mobilization. And further, it enhances, not reduces, economic growth.

So the SAARC paradigm has not only an economic but also a political and social dimension. They reinforce each other. The integration of the values of sharing and caring through dynamics of community organization shows that it is possible to bring 'ethics' into both economics and politics. This in turn leads the society to greater

social cohesion. This process of integration of economics, politics and social development is yet to be found in conventional economics. So we call the SAARC prescriptions for development, a 'New Development Paradigm' (NDP), that shows how we may reduce poverty to achieve growth with greater social integration. Another way of stating this is to say that through this paradigm, the objectives of growth, human development and greater equity can be achieved as part of the same process, and need not be trade-offs.

We have only given a very brief description of the main ingredients of the new paradigm. It needs a lot more flesh. This is part of the future action research agenda and learning process. The above ideas for future socio-political and economic development were inputs in the discussion on poverty, unemployment and social disintegration at the Social Development Summit in March 1995 at Copenhagen.

## ANNEXURE

### Participatory Monitoring and Evaluation Process

Irrespective of whether they emerge spontaneously or the activities start with a particular entry point, the evolution must be seen as a self-generating process where each stage is built on the collective experience of the previous stage. This is how the process is made sustainable. Thus, this collective experience needs to be continuously assessed and corrective actions taken systematically while the problems are still small and manageable. This is the task of monitoring and evaluation.

Conventional evaluation requires an outside evaluator who, in a sense, exercises control over the process. But in a situation of participatory development, internal evaluation provides the necessary control and reinforces the capacity for self-management. The internal motivational objective is to raise the understanding of the experience by the poor through collective assessment, improved articulation, problem solving and commitment to the tasks they have set for themselves. They also learn from their total experience and derive a political resolve towards group action for overcoming difficulties and achieving their objectives. Individually, this is also what is meant by 'empowerment'.

The commonly approved pattern of evaluation and monitoring is a hierarchical one. The style is that of instruction/inspection. Information regarding an activity is generally picked up through inspection by an outsider to the process. Therefore, it is subjected to selection and scrutiny

at various levels in a given hierarchy and is finally carried to the top for decision-making. The reflection/decision-making power is distanced from the real sense. The corrective action as visualised by authorities is thereafter transmitted through a series of instructions. They are pushed down with the weight of administrative authority. It is not surprising, therefore, that what the concerned people at the lowest level perceive is not the rationality of the decisions but the oppressiveness of authority. The strength of participatory monitoring lies essentially in reversing this process.

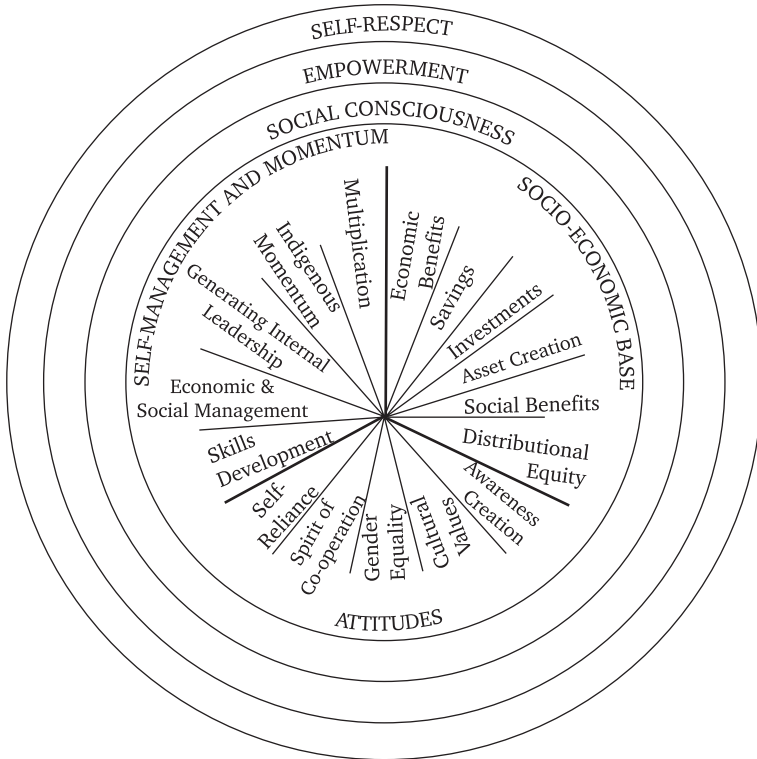
In this kind of monitoring, information on activities rests with the people. They, on their own initiative, seek help and assistance from the administrative power. The organizational structure does not lay down any 'duties' for the functionaries except for responding to the needs of the poor when they get articulated. The decision-making therefore, rests in the immediate vicinity of the 'information'.

The specific criteria to be used for participatory evaluation cannot be laid down in a prescriptive manner. However, a set of criteria, derived from the experiences on the ground which though not all quantifiable, measurable and observable, is indicated visually in the form of Sociogram (see Figure 3.1) for monitoring the total social mobilization process for poverty alleviation.

The criteria in the sociogram are all interrelated and mutually reinforcing. However, they deserved to be presented separately not only for their own sake but also more importantly, because they contribute to each other's growth and thereby to the total process. If one element in the process is not moving forward, it can easily be identified and strengthened. The three major plans that deepen social consciousness and lead to the empowerment of the poor is attitudinal change, the capacity for self-management and the economic and social base of the poor. It is axiomatic that the economic base of the poor has to be improved over a period of time through a dual process of savings investment and asset creation and the emancipation of the poor from economic and social bondage, to enable them not only to be more productive and keep the surpluses in their own hands. The establishment of a self-reliant activity base will mutually reinforce the process of promoting positive attitudinal values. Conscious attempts to diagnose, assess and mutually stimulate such values will bring them to the fore and will contribute to turning them into a driving force for further action, contributing to a deepening expansion of the process itself. Ultimately, the process as a whole, which starts with the release of the creativity of the poor, has to be judged by the increase in their social consciousness, empowerment and self-respect.

The question may be asked: Can such different criteria as listed above be aggregated in order to obtain an assessment of overall progress of the project?

As we have stated, the different criteria may all be considered important and mutually reinforcing. There is no room therefore, for a linear tradeoff

**Figure 3.1 Sociogram for Participatory Monitoring**

Source: ISACPA 1992.

between them, hence the use of relative quantitative weights for aggregating them into a single indicator or progress. Some criteria may have greater priority in certain stages of development of the project than others; but, among the criteria appropriate for each stage, there must be a significant progress in terms of each for balanced development of the project.

Moreover, an aggregation of the above criteria alone would be akin to a 'physical mixture' which would, however, be unable to indicate whether the necessary qualitative change is taking place that is analogous to the 'chemical compound'. The basic question to ask is whether, as a result of progress being made in the several dimensions discussed above, a change is taking place in the social consciousness of the target group. The development of social consciousness that consists of (i) an understanding of exploitation in the society, and (ii) liberation from psychological dependence on the rich and powerful which makes exploitation possible, requires social education—analysis of experience, concrete action,

reflection—and deriving lessons from experiences of other societies. Without social education, a mere decrease in the dependency relation in the economic base will not reduce dependency in the superstructure or raise social consciousness.

Finally, there is the question of the fundamental task—enhancement of political power of the target group. The test of this is whether the principal process of exploitation of which the target group is the major victim is being reduced by virtue of the increasing strength that the group derives from the project, and whether conditions are being created to move towards asserting the group's power as direct producers in the society.

Then the question is not only that of a physical mixture (criteria for economic base, attitudes, and so on) nor of a qualitatively different chemical compound (social consciousness), but also of changing the 'genetic mould' of the society, altering the course of social processes through an interaction pattern that would now be fundamentally different.

This in the final analysis, is the ultimate aggregator.

Progress made in terms of the criteria represented in the smaller circle is to be viewed within the framework provided by the two outer bands of progressively larger circles, representing social consciousness and political power respectively. Progress in these indicators is measured along the width of the respective bands (again scaled from zero to ten) as shown in the sociogram (De Silva et al. 1988: 274).<sup>1</sup>

Such a graphical representation of project performance would serve, it is suggested, as a meeting point for the convergence of the participants' individual understanding of what progress is being made, and thereby would 'objectify' the evaluation for record as 'collective memory'. The process of trying to arrive at a consensus about the various dimensions of the sociogram should itself be intensely educative for the participants. It should stir up minds, and help to improve the articulation of the various criteria and promote the corresponding values themselves. A visually represented consensus on performance in a project may help to mobilize energies to correct deficiencies identified thereby; an assertion of success through such a meeting point may inspire greater efforts to promote further the objectives of the project. In this way the sociogram may serve both as a rallying point, as well as provide guidelines for the poor community groups for their holistic task of social and economic development.

## NOTE

1. When the original sociogram was incorporated into the 1992 Report of the Independent South Asian Commission on Poverty Alleviation, a few minor refinements

were introduced at the suggestion of several SAPNA network members who were in the Commission. The refined version is reproduced in this book.

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## **Knowledge, Power and Action: The Role of Participatory Action Research**

*D.L. Sheth*

The gap between the world of knowledge and the world of action, although perennial, is probably widest in the area of development. In no other field is there such a sharp divergence between rational statements about what is objectively possible to achieve, about the direction in which development changes should take place and the real-life processes that criss-cross the lines of development and non-development, change and status quo. Although, paradoxically, it is in the area of development that the justification of knowledge is often sought through action. While the codified knowledge about development seems to have increased a great deal, the reality of under-development of the vast populations of the world is left far behind.

It will be wrong to characterize this situation as one involving the usual time lags, either between knowledge and action or between 'developed' and 'developing'. It is not a question of chronological time it takes knowledge to translate into action or the time that an 'under-developed' society takes to become 'developed'. It is about the gap that has now become more or less a permanent divide between verbal, abstract and formal knowledge pertaining to what development is and should be, and the ways in which development is being actually realized or not realized. The failure to bridge this gap has given rise to a sense of distrust, even cynicism, among social activists and action groups about the role of knowledge in changing social reality.

It is in this context that Participatory Action Research (PAR) is being increasingly looked upon by some activists and action groups as a means of bridging the gap between knowledge and action, between development and under-development. But its conception is

yet not clear. Several questions arise and what position the activists and action groups take vis-à-vis these questions will determine their approach to participatory research.

1. Is PAR primarily a form of action in which knowledge is generated through 'learning from experience' and through analyses of actions already undertaken? Or, is it primarily a mode of understanding social reality, an instrument of knowledge that enables a choice of right action in a given situation?
2. If PAR is conceived as a form of action, is it merely an improvement on the bureaucratic method so that the goals of 'development' are achieved more efficiently? This is to say, is it a method that seeks to explicate the goals of development (which are more or less given) to the people but in the process invites their participation in achieving them?
3. If PAR is to be looked upon as an instrument of social knowledge, is it merely an improvement on the prevalent method of social science, the survey method, so that feedback from reality could be used for perfecting the knowledge process?
4. Or, the whole question of participatory research should be approached not merely as an issue of 'method', either for social sciences or development, but as a process that aims at changing both the nature of social knowledge and the nature of development itself?

In brief, whether PAR will be used for 'efficient' realization of the 'given' goals of development or for initiating thinking and action for an alternative process of development will depend on the kind of knowledge system on which the PAR is premised.

In this chapter, I intend to argue that if PAR is meant really to serve as an interface between the worlds of knowledge and action so that fresh thinking on the goals and processes of development becomes possible, it will have to be dissociated from the prevalent structures of knowledge and power. In my view, there is a real danger that if we do not have a clear idea about how these structures operate in the field of development, and about an alternative system of knowledge and values on which we would need to base PAR, it will be absorbed by the present system and be reduced to being yet another 'method'. This, while it can serve the prevailing social



sciences and development establishments, will hardly be of any use to these action groups that have turned to PAR in search of alternatives.

## POSITIVE KNOWLEDGE AND PAR

Such a danger arises from the ways in which today's predominant paradigm of knowledge influences the world of action by 'legitimizing' one type of social action and de-legitimizing the other. This is the paradigm of positivist knowledge. Much of the thinking about 'methods' in social sciences tends to take place within the framework of positivist knowledge, and it is important that PAR is clearly located outside this knowledge system. The need to do so will become clear if we examine the nature of positivist method in the practice of social sciences today (hereinafter referred to as 'the method').

The practice of social science, broadly described as 'the scientific method' is derived from the view of social reality 'out-there', which can be observed and described like a 'thing' in physical facts about the reality: That which is not observed does not exist or exists only inferentially and can only be known in terms of what is observed.

Such a view of knowledge and the method of acquiring it has far-reaching implications for the world of action, especially for the kind of thinking and action it promotes or inhibits in the field of development. In what follows, I intend to examine some of these implications with a view to determining the role of PAR in promoting thinking and action for alternative development.

First, the commitment of positivist knowledge is to the 'method' and not to the reality, which it seeks to observe and 'explain'. In this sense, the reality's sole purpose is to serve the knowledge process. The reverse proposition, if any one at all thinks of it, becomes incidental to the agenda of social sciences. It is put outside and far away from the knowledge system. Any commitment to the social reality as such, although it may occur 'unwittingly' is to be avoided assiduously in the practice of positivist knowledge, for it 'interferes' with the notion of 'objectivity', which guides the process of observation and analysis. This notion, however, is based on a firmly held belief that it is possible for a researcher to free himself completely from

the interests and values he may possess as an individual or a member of a group. It is this belief that makes it possible for the method to transform the researcher's unstated motives, interests and values into statements of 'facts' about the reality.

Since action on the part of the researcher or the 'subject' pollutes observation of the reality, signals arising from the action world are treated as noise factors. The elimination of such noise factors is sought to be achieved with the help of the 'method'. By using filters provided by the categories of formal logic, the 'method' helps the researcher to select those chunks of reality which, when subjected to observation and analysis, are amenable to an 'objective' treatment. Such a 'made to order' reality is the only reality the 'scientific method' admits of, and 'objectivity', which is claimed to be the prime value of the 'method', lies in detaching not only the observation process but knowledge itself from the reality, of which it is supposed to be a systematized construct. Objectivity of the scientific method, thus, is a composite of the language and procedures used by the researcher and sanctioned by the canons of formal logic. It has little to do with terms in which reality itself exists or the internal principles on which its existence rests.

Such a commitment to formal knowledge informs much of the thinking and activity in the field of development. The 'model' of development, being a product of this knowledge process, lacks any commitment to changing the reality. For, in this scheme, reality cannot become anything different from what can be inferred from directly observed facts about it. In this sense, the course of development is straight-jacketed in the terms defined by the method used by the 'models'. If, however, the course meanders away from the straight and narrow, which it always does, the change by definition, becomes 'non-developmental' and such facts about it are banished as being extraneous to the 'models'. Models or theories of social change when based on such 'uncommitted' knowledge cannot be expected to influence the reality in any other way except the one prescribed by the system within which the models are made or unmade. At best, such model building contributes to the internal debate within social sciences; at worst it serves as instruments of the status quo.

Second, the method tends to dehumanize the relationship between the researcher and other human beings who are called 'subjects'. The researcher's relationship with his subjects is meant to be non-interactive, a one-way process in which the researcher approaches

his subjects as if they were speaking machines programmed to speak a language which the researchers' instruments can codify. To change the metaphor slightly, for the researcher, reality is dumb and the 'subjects' are its tongues by means of which he induces reality to speak to him. The relationship is of a man and a machine and not one between one human being and another.

Further, the 'method' does not require the researcher to refer his 'reconstruction' back to reality for validation. Instead, validation is sought through the internal consistencies of observed facts. But this is already assured by the categories used for observation. In this sense, the validation of positivist knowledge lies primarily in the language structure of the researcher and not in the reality. Any other kind of knowledge is considered 'un-validated' and 'unscientific' knowledge on which no planned policy or action can be based. The kind of reality such 'un-validated' knowledge may refer to is treated as 'unreality' (as if it does not exist) or 'counter-reality' representing 'irrational' elements of the reality that must be eventually brought under the control of 'rational' knowledge.

It should be clear from the above discussion that the role of the 'researcher' in a genuine PAR enterprise will have to be conceived in radically different terms from those implied by the positivist knowledge system and its 'method'. Any 'modification' of his role, say modified role as a 'catalyst', is important but limited in value. Even in his modified role as a 'catalyst' practising PAR, a researcher is often expected to orient his operations to the positivistically generated knowledge. He is expected to unfold to the people a deeper understanding of reality that is inherent in the method. The resultant fitting of reality to preconceived categories is called the researcher's 'reconstruction' of reality. But the 'reconstruction', once arrived at, acquires an existence of its own, apart from and independent of both the researcher and his subjects, to which neither have any commitment or responsibility. It is in this sense that in the positivist practice both the researcher and 'subjects' have no freedom of action either to view or change reality outside the perimeters set by the method. All other manifestations of reality, not represented in the 'reconstruction' are de-legitimized simply because the 'rationality conceived design' of observation and analysis cannot explain them. The researcher is expected to treat such manifestations of reality as being not amenable to his 'design'; not as a limitation of the method, but as evidence of 'irrational' and 'unrealistic' modes of cognition,

of which, he may be a victim. It then becomes his duty to social science to overcome such modes of cognition.

This modification of the method in terms of researcher as a catalyst in PAR, it is expected, would stimulate the right kind of responses from the people in the process of development and also provide 'feedback' from reality to the researcher himself. Although a significant advance from the conventional social science practice, such a view of PAR operates essentially in the positivist frame of knowledge and the idea of 'development' sanctioned by it. Consequently, the goals and values of development represented by development models remain non-negotiable. The result is that emphasis is placed on issues relating to maximizing satisfaction and benefits, and minimizing costs for the individuals and groups involved rather than on redefinition of goals themselves.

If PAR is to deal with issues of alternative paradigm of knowledge and action, it needs to be made part of a collective process of generating and using knowledge and not merely of what is called 'its application at the action level'. PAR will then become a joint endeavour in which both the researchers and the so-called subjects become co-explorers of the human condition. My contention is that, even in the field of knowledge, genuine and equal 'give and take' between the so-called experts and people is possible if their roles are located in a system in which knowledge is viewed not as an instrument of power, but as a process of mutual enlightenment and emancipation.

## KNOWLEDGE, POWER AND SOCIAL ACTION

It is in the logic of the 'method' to produce a monopoly of knowledge. Knowledge is alienated from those for whom it is meant to be used and is concentrated in the hands of 'experts' and 'specialists'. The power of such knowledge, in the ultimate analysis, lies not in the appeal it can have for the subjects or in the 'authentication' it may find in their individual biographies, but in the efficacy of instruments of coercion, control and mobilization that are available in the power system, outside the knowledge system. The knowledge system thus provides a justification for the power system; for, the

knowledge system has no means to devise institutional and other means for use of knowledge it has thus generated. It is for this reason that a policy epistemologically critical of positivist knowledge and also devoid of a critical analysis of how it is internally linked with the institutional structures of power is incapable of initiating any thinking or action on alternatives.

The use of positivist knowledge is determined neither by the researchers nor by the subjects, but by the institutions of the power structure. Since products of positivist knowledge are alienated from both the researchers and the subjects, they became a charge of the political, bureaucratic and technocratic elites at whose command lies the coercive apparatus of the state. It becomes their 'business' to see that the 'subject' population is pushed towards the 'logical' course of development as delineated by positivist research. This is because such refined knowledge stakes claims about complete, or at least all 'relevant' knowledge of the reality. The model of development, based as it is on such knowledge, then becomes unidimensional and totalizing.

To be sure, control or coercion is not always applied to maintain the linearity of the developmental process upheld by positivist knowledge. Usually, the state with its 'extension' and mobilizational programmes of development uses large machinery that place emphasis on a methodology of 'involving people' in the process of development. Not frequently, the state machinery talks about 'felt needs', 'regional planning' and even participation of people in development. But all this is aimed at efficient realization of the given goals of development. In the process, the 'rational' and 'scientific' knowledge, in its attempts to influence reality depends not on rationality but on manipulation and coercion.

Thus viewed, in the positivist paradigm, the relationship between the researchers and subjects, and more generally between knowledge and action, is an imperatively ordered structure in which the knowledge system has coagulated into a power system. Promoting participation of people in formulating goals, initiating process and suggesting indicators of development is, thus, hardly an issue for any 'method' based on positivist knowledge. If PAR is to become an alternative paradigm both of knowledge and action, the knowledge it generates has to become the people's own knowledge. This can happen when people participate in the process of generating the

knowledge. The knowledge, thus generated, has its uses built into it, and consequently the structural separation between knowledge and action, between experts and people gets dissolved. They come to share a common commitment not only to social action but also to goals and values. Action based on such knowledge is by nature participatory.

Granting people such a role in the knowledge process through an alternative method like PAR will, however, not stop at challenging the existing paradigm of social knowledge. More importantly, it will threaten the power and interests it underwrites. Consequently, the pattern of developmental action, which at present is superordinated by the bureaucracy and technocracy, will also be changed.

But this assessment, the dimension of power and divergence of interests has received least attention in the discussions and practice of PAR so far. This is primarily so because PAR is still seen by its practitioners primarily as an alternative method of research or of development action and not as a means of freeing 'social knowledge' from the scientific grid, from the historical grip of viewing social phenomena in physical terms. This is also because imperatively ordered action and exacerbation of conflicts are the only two known ways by which the issue of power is tackled in a society.

There is probably a third way, the insights about which are found in the ideas of Mahatma Gandhi. By placing 'non-violence' (which is not just not killing but a disposition that is filled with love) as a supreme value at the species level, Gandhi recognized conflicts (both of interests and ideologies) at the societal level. That means, to resolve these conflicts for Gandhi, was 'Satyagraha' or insistence on the truth that resides not in any one of the contending parties but outside both of them: That truth could be approached by both of them through a quest for it, that is, 'Satyagraha'. The arbitrating authority in this process of resolving conflicts lies in the self—what Gandhi called the 'inner voice'—which if realized is unaffected by interests, emotions and even empirical knowledge and hence capable of making people act against their material interests and for collective well-being and spiritual growth. For the present, I have to content myself with only this digression on Gandhi, in whose thinking PAR may find a natural habitat.

As we have seen, the paradigm of positivist knowledge is simultaneously a paradigm of power and interests, one which is quite unsurprisingly, committed to the status quo. It is this simultaneity,

which ought to compel us to view PAR not as a 'methodological innovation' but as an enterprise in initiating an alternative process of generation and use of knowledge by which power shifts to the people. Such an enterprise will have to be based on an entirely different view of social knowledge from the one implied by the positivist and neo-positivist paradigms.

Positivist knowledge, advanced to free man from his physical and spiritual slavery, has itself entrapped and co-opted many South Asian scholars and intellectuals. This knowledge system and the technically oriented scientific methodology that goes with it can only reinforce the type of knowledge thrown up by PAR and praxis.

## Participatory Development Praxis in Pakistan's Punjab: A Case Study<sup>1</sup>

*Akmal Hussain*

### INTRODUCTION

A programme whose goal is nothing short of overcoming poverty in rural Punjab within a decade is historically unprecedented in this province in terms of both magnitude and complexity of effort. It was therefore clear from its inception that the Punjab Rural Support Programme (PRSP) would have to bring together a talented team of managers, each of whom could combine creativity with commitment. The challenge was to create a work culture in which this creativity and commitment could be sustained through an intensive work schedule and collective synergy. Since we were facing a unique set of circumstances in each of the eight regions where we started work, it was necessary to develop a management system that permitted sufficient space to each member of the team for independent thought and action, while at the same time, creating an environment for collective reflection and conceptualization through which we could deepen the quality of social action. This chapter attempts to present the principles underlying the management style and work procedures of PRSP, while also reporting on the strategic plan we devised through initial field visits, the objectives we specified for the programme (Box 5.1) and the remarkable results that were achieved in the first four months.

#### **Box 5.1 Mission Statement**

Overcome poverty in rural Punjab within a decade by actualizing the potential of the poor through a regional support system. This system shall be designed to enable organization of poor village communities through rediscovery of community consciousness and to provide access to skill training, credit and technical support. The purpose of such a support system is to initiate and sustain a process of diversified growth of income and the human, natural and economic resources of the poor.



## LANGUAGE, LITERATURE AND SOCIAL CHANGE

### Introduction

Overcoming poverty in rural Punjab is fundamentally a process of empowering the poor to actualize their creative potential. Such a profound social change to be sustainable has to involve tapping into the specific cultural well-springs of creative consciousness of the Punjab peasantry.

The peasants of Punjab may be poor, but they are inheritors of a rich cultural and philosophical tradition that is reflected in their forms of apprehending social life, their poetry and folklore. Through their forms of love and social action, the peasants of Punjab express their dreams and sorrows and create their individual and collective history.

The consciousness of the poor peasantry in rural Punjab has been deeply influenced by the Punjabi Sufi saints. This can be seen in the folklore and experiential reference points of contemporary language use in rural Punjab. Six interrelated elements of the Punjabi Sufi tradition may be relevant to the PRSP endeavour:

1. The growth of the self involves a transcendence of the ego through a relationship of love (*Ishq* in Punjabi) with the 'other'.

*Tuun hi tanna tuun hi banna*  
*Rum rum wich tuun*  
*Kahey Hussain faqir sien da*  
*Ma nahi sub tuun*

You are the woof and you the warp  
 You are in every pore  
 Says Shah Hussain Faqir  
 Naught am I, all is you  
 (Shah Hussain, 17th century)

2. The practice of *Ishq* involves combining passion with rigorous rationality.

*Hathi ishq mahawat Ranjha*  
*Unkess de de huriay*

Passion is the elephant  
 That Ranjha guides with his

Sharp spear of reason  
(Shah Hussain, 17th century)

3. The true stature of a person therefore is measured not in terms of what he owns, but what he gives to others.

Lakh crore jinha de juria  
*So bhi jhoori jhoori*  
*Bhatth pai teri chadar chiti*  
*Changi faqiran de bhori*

Those who have accumulated  
wealth in countless coins,  
That too is dust, mere dust  
Your clean white cloak is cast into  
the fire  
Better is the mud coloured one of  
The Faqir

(Shah Hussain, 17th century)

4. By the same token the more developed a person's consciousness, the more he locates himself in the collective being of the community

*Saadh Sangat dey ohley rehnday*  
*Budh tinhaan di soori*

The Faqirs have their being in the  
togetherness of the community  
For their consciousness is in full  
bloom

(Shah Hussain, 17th century)

5. The process of growth of the self therefore is progressive integration with the community:

*Shah Hussain Shahadat Paenn jo maran mitraan de aggay*  
Shah Hussain they have achieved eternal life, who die for their  
fellow men.

*Mitraan di majmani khatar dil da lahoo bali da.*

As an offering for your fellow men burn the blood of the  
heart.

(Shah Hussain, 17th century)

6. Dialogue is conceived by the Sufi as a process of mutually-fertilizing reflection, which so enters consciousness that it becomes the basis for existential choices and action.

*Gal oh keeti saaday khiyal pai  
Pai wo nibhai loriyay*

What you say has entered my  
consciousness,  
So, now my being seeks its  
fulfilment

(Shah Hussain, 17th century)

These elements of the Sufi tradition are deeply rooted in the consciousness of the Punjabi peasantry. They lie just below the surface of language use, in their silences, as much as the cadences of their speech. Najam Hussain Syed, (perhaps the greatest Punjabi Sufi poet of the 20th century) has referred to this subliminal consciousness of the peasantry:

*Kitay chup dhalaiaan utte dhol marindi-e-unnakhi*

Somewhere on the slopes of silence  
beat the drums of the unsaid

*Door kidaen chaitay de kandhiaan uttey rehi ranjhan taendi  
chhan*

Far on the banks of memory falls  
your shadow, Ranjha

*Chup ohley chaeh lai bhathe-e-unnakhi kolon buch buch langay  
saray*

Behind the coverlet of silence,  
the unsaid crouches, we slip past,  
trying to avoid it

(Najam Hussain Syed, 20th century)

Once this counter consciousness of love and relatedness, of integrity and creative action is brought to the surface, a new recognition and set of values come into play. The challenge in the dialogues undertaken by PRSP was to bring about this gestalt switch in consciousness through word, gesture and work procedures.

The awakening of this consciousness in however nascent a form was seen in the work of PRSP to be a material force for social change (Box 5.2). One of the important factors in the rapid growth and depth of Community Organization (CO) formation in the PRSP is that this consciousness was tapped during the dialogues.

### **Box 5.2 Deploying Consciousness for Social Change**

Six interrelated elements of the Punjabi Sufi tradition may be relevant to the PRSP endeavour:

1. The growth of the self involves a transcendence of the ego through a relationship of love (*Ishq*) with the 'other'.
2. The practice of *Ishq* involves combining passion with rigorous rationality.
3. The true stature of a person therefore is measured not in terms of what he owns, but what he gives to others.
4. By the same token, the more developed a person's consciousness, the more he locates himself in the collective being of the community.
5. The process of growth of the self therefore is progressive integration with the community.
6. Dialogue is conceived by the Sufi as a process of mutually fertilizing reflection, which so enters consciousness that it becomes the basis for existential choices and action.

## **PASSION, PARADIGM AND PRAXIS**

### **Consciousness, Organizational Structure and Work Procedures**

The defining feature of the programme is the passion, which impels those who work in it and those for whom we work. It is not just an emotion but a form of consciousness. It comes from transcending the ego and relating with the community through love. Thus, passionate consciousness is both a cohering force of the community and also the synergy through which the PRSP team engages in a process of action and reflection. This principle is the basis of the work culture and PRSP's methodology of action. It is illustrated by the dialogues that occur between PRSP personnel and rural communities on one hand and between the members of PRSP team on the other. The dialogues are designed to identify and actualize the creative potential of individuals.

The form of learning and creative growth pursued by PRSP through its dialogues has been called ‘prophetic’ as opposed to ‘messianic’ (Cooper 1971, Hussain 1974). The messianic leader/teacher/manager is one who claims to embody the truth and if his followers want to become something they can only be his shadows. By contrast, the prophetic leader/teacher/manager is one who abnegates his own exceptionality and recognizes each individual as the unique origin of change. The participants in the dialogues whether between PRSP and a community or within PRSP itself, are essentially co-equals in a journey of actualizing each other’s creative potential in the context of social change.

The organizational structure reflecting the messianic approach is hierarchic and restricts the space for independent thinking. Its work procedures involve issuing instructions or blindly implementing them. By contrast, the organizational structure associated with the prophetic approach is non-hierarchic, designed to provide space for thought and action by autonomous individuals in collegial interaction. Its work procedures, instead of being simple dichotomies between instructions and compliance, are designed for mutually fertilizing dialogues, action and collective reflection (Table 5.1).

**Table 5.1 Counterposed Approaches to Leadership/Management/Teaching**

<i>Messianic</i>	<i>Prophetic</i>
Leader/manager/teacher claims to embody the truth and if his followers want to be something, they can only be his shadows.	Leader/manager/teacher abnegates his own exceptionality and recognizes each individual as the unique origin of change.
Organizational structure is hierarchical in which space for thinking is restricted.	Organizational structure is collegial (non-hierarchical), designed to provide space for thought and action by autonomous individuals.
Work procedure involves issuing instructions or thoughtless implementation.	Work procedures designed for mutually-fertilizing dialogues, actions and collective reflection.

## Alternative Paradigms and the Methodologies of Action

The paradigm of the PRSP is a framework of thought and action that has been called Participatory Development (Hussain 1994). This is

exactly opposite to the paradigm that has been followed by development practitioners in Pakistan during the last 50 years. Since Pakistan's independence, the idea behind development actions was that the poor are victims to whom certain goods and services have to be delivered. This is the 'top-down' paradigm. In the past, governments at best tried to develop administrative mechanisms through which goods and services could be handed out to the poor. It is now widely recognized that such an approach has not worked because in the process of delivering goods and services, a large part of the resources get lost en route, while poverty is reproduced after some time (Hussain 2003, 2004). The problem of the lack of goods and services for the poor is the result of the fact that they are locked into a system of dependence at the local and national levels. The dependence of individual members of poor village communities originates in the fact that they are fragmented and alone. They have neither the skills nor the resources to increase their productivity, nor the organizational strength through which to acquire resources from governments, donors and the market. Participatory Development paradigm by contrast aims to enable the poor to organize, acquire new skills, increase productivity, achieve savings, and develop the ability to access training, technical support and credit from a variety of institutional sources.

## PARTICIPATORY DEVELOPMENT PARADIGM

### Elements of the Participatory Development Paradigm

Participatory Development (Hussain 1994) is a process that involves the participation of the poor at the village level to build their human, natural and economic resource base for breaking out of the poverty nexus. It specifically aims at achieving a localized capital accumulation process based on the progressive development of group identity, development of skills and generation of local resources. The essential feature of Participatory Development is social mobilization or the formation of group identity. This is done by initiating a series of dialogues with rural communities that can result in the

formation of community organizations. The beginning of the process is therefore the emergence of a nascent form of community consciousness. This is then deepened as the community identifies and implements projects for increasing income, acquiring new skills and begins to engage in collective savings.

As the sense of group identity is deepened, it gives a new self-confidence through which the community can engage in more ambitious projects involving collective action and management.

The concept of Participatory Development has three key elements:

1. Process: It is a process whose moving forces are the growth of consciousness and group identity and the realization in practice of the creative potential of the poor.
2. Empowerment: The process of reconstructing a group identity, of raising consciousness, of acquiring new skills and of upgrading their knowledge base, progressively imparts to the poor a new power over the economic and social forces that fashion their daily lives. It is through this power that the poor shift out of the perception of being passive victims of the process that perpetuates their poverty. They become active forces in initiating interventions that progressively improve their economic and social condition, and help overcome poverty.
3. Participation: The acquisition of the power to break the vicious circle of poverty is based on participation within an organization, in a series of projects. This participation is not through 'representatives' who act on their behalf but rather, the actual involvement of each member of the organization in project identification, formulation, implementation and evaluation. Decisions are collectively taken in open meetings of ordinary members at the village/*mohalla*-level organization and work responsibilities assigned on issues such as income generation projects, fund savings, conservation practices in land use, infrastructure construction and asset creation.

## The Dynamics of Participatory Development

The process of participatory development proceeds through a dynamic interaction between the achievement of specific objectives for

improving the resource position of the local community and the inculcation of a sense of community identity. Collective actions for specific objectives such as a small irrigation project, building a school, provision of clean drinking water or agricultural production activities can be entry points for a localized capital accumulation process. This is associated with group savings schemes, reinvestment and asset creation. The dynamics of participatory development are based on the possibility that with the achievement of such specific objectives for an improved resource position, the community would acquire greater self-confidence and strengthen its group identity.

## The Implementation Mechanism

A rural support system that enables:

1. Organizing village communities and rediscovery of community consciousness.
2. Access to credit.
3. Access to skill training.
4. Access to technical support from:
  - (i) Government departments
  - (ii) Donors
  - (iii) Other NGOs
  - (iv) Autonomous bodies

## AIM

To overcome poverty in rural Punjab within a decade by actualizing the potential of the poor through a regional support system. This system shall be designed to enable organization of poor village communities through rediscovery of community consciousness, and to provide access to skill training, credit and technical support. The purpose of such a support system is to initiate and sustain a process of diversified growth of income and the human, natural and economic resources of the poor.



## OBJECTIVES OF THE PROGRAMME

1. To organize approximately 1.63 million households into approximately 29,681 community organizations (COs) with around half of them being women's COs, in 13,629 villages to achieve 100 per cent coverage of the poor population in the target regions.
2. On the basis of a series of dialogues with COs, identify a portfolio of diversified income generation projects in agriculture, livestock, microenterprises and small scale infrastructure. Through implementation of these projects, achieve a 50 per cent increase in income levels of the poor population in the target region in five years on a sustainable basis.
3. Enable the provision of training to 107,372 men and women amongst the poor population in the target districts over the five-year period, in the following fields:
  - (i) Community Management
  - (ii) Livestock, Agriculture and Forestry
  - (iii) Poultry
  - (iv) Technical/Industrial Training
  - (v) Micro-enterprise Development
4. On the basis of social mobilization, skill training and provision of technical support, provide credit of Pakistani Rupee (PKR) 6.66 billion to PKR 486,240 beneficiaries over a five-year period, and achieve 95 per cent repayment.
5. Achieve a total savings fund of COs of approximately PKR 428.51 million in the target regions.

## VERIFIABLE INDICATORS

In a programme whose defining feature is to enable the formation of community organizations and the development of community consciousness, the most important verifiable indicator is the number of community organizations formed. A CO is deemed to have been formed only when it has acquired the ability to hold regular meetings (at least three) with proper documentation of the meetings and has opened a savings account with contributions from each of its members.

The number of CO meetings held (with over 60 per cent attendance) becomes the second indicator and the amount of CO savings is the third indicator of programme performance.

Household level portfolio of investment is developed by the regional teams through detailed dialogues with communities. These portfolios of investment indicate the income generating activities that households wish to undertake. The obstacles to undertaking such projects and successfully completing them are identified. The number of investment projects completed successfully thus becomes the fourth indicator of programme performance.

The basis of the credit appraisal of portfolios of investment is the assessment of their viability—first by the CO and then by programme staff members. Credit disbursements therefore represent collective evaluation of individual projects and become the fifth indicator of programme performance.

Training needs in the context of both household level projects and collective projects are identified as essential elements in the process of localized capital accumulation. Training needs are identified on the basis of dialogues between programme personnel and COs. The number of persons trained in various fields thus becomes the sixth indicator of programme performance.

Last, credit repayment performance indicates not only the success of income generation projects but also the capacity of the CO to bring to bear its collective identity in ensuring timely payback of borrowed money by the individual households.

In the long run, the ability of COs to design and implement collective projects and to resolve social conflicts at the CO level would become an important indicator of programme performance.

## PROGRAMME PERFORMANCE

### Programme Performance Dimensions

#### ***The Quantitative Dimension***

In the period July to October 1998, we have, by the Grace of God, not only established eight regional teams in our target divisions, but have

also formed 764 community organizations with a collective savings fund of PKR 2.578 million. We have disbursed PKR 22.41 million of credit to 1,403 beneficiaries in a wide range of fields including agriculture, livestock and micro-enterprises. The credit repayment is 100 per cent. We have trained 782 village level activists in fields such as community management, livestock, agriculture, poultry, public health and light engineering.

### ***The Qualitative Dimension***

A change is beginning to take place in the quality of life of the rural poor in the areas of our operation. I have had occasion to talk with communities in all the eight regions. The hope that we have kindled and the love that I have received from them has deeply moved me. Across the eight regions, the organization of poor village communities and the start-up of income generation projects have not only given a new confidence and collective purpose in many cases but have also significantly increased their individual incomes. Beyond the income dimension I have noticed, for example, in Multan a village community reported that they are beginning to settle their disputes within the CO and have even resolved amicably the disputes, which they had earlier registered at the local police station. A women's CO in the same area have set up a girls school indicating the beginning of collective action for the collective benefit of the community.

### ***Linkages For Technical Support***

The Department of Livestock and Dairy Development has been mobilized by our Regional General Managers (RGMs) to provide training to village activists in improved livestock management. The Department of Agriculture has been mobilized to give advice on pesticide use and the Department of Health has been mobilized to provide their expertise at a community managed health camp. Private sector firms such as AEFFCO have been linked up with PRSP, to conduct workshops with COs for training in soil testing and use of composite fertilizers for the precise nutrient requirements of each field. Similarly, Nestlé Milkpak has been approached to provide information on increasing yields of milch animals.

## Programme Performance and Verifiable Indicators

A total of 764 COs were formed during the period July–October 1998, including 542 men's COs, 211 women's COs and 11 mixed COs.

An indication of the management capability and early state of community identity formation is the fact that collective savings amounting to PKR 2.578 million were achieved, including PKR 2.397 million savings amongst male COs and PKR 0.18 million savings amongst women's COs. Repayment of credit so far is 100 per cent.

A total of 1,838 CO meetings were held with over 60 per cent attendance. Credit amounting to PKR 22.141 million was disbursed during the period, including PKR 20.878 million to male COs and PKR 1.263 million to female COs.

Totally 782 persons were trained in a variety of fields such as Community Management Skill Training (CMST), livestock, agriculture, industrial and technical.

## Software Development for PRSP

At PRSP, the importance of using Information Technology in financial and credit operations was felt at a very early stage. Under the guidance of the honorary Chief Executive Officer Dr Akmal Hussain, a computer specialist was appointed who was supported by the Computer Systems Department of Sayyed Engineers (Private) Limited<sup>2</sup> on a gratis basis, to cater to the specific features of PRSP operations. A decentralized accounting system in which social mobilization, CO formation and a wide range of individual and collective activities were important elements.

The Financial Accounting System has been installed in all regional offices. The development of a credit control system has been completed and trial run of this system is taking place. This system was installed in the regional offices in October 1998. A brief description of these systems follows.

### ***Financial Accounting System***

The Financial Accounting System of PRSP was installed at all regional offices in October 98. Financial data is being fed into this system

on a daily basis. This system is running free of errors since we received the computerized monthly Trial Balance report from all regional offices.

Three important reports will be generated from Financial Accounting System:

1. Trial Balance
2. Comparison of budgeted versus actual expenses
3. Month-wise comparison of actual expenses

### ***Credit Monitoring and Information System***

Credit control system is a core system for PRSP because it will not only help to record and maintain data, but it will also help in analyzing the information like technical appraisals and the sources of incomes of the borrowers. The scope of this system is very wide since it is linked with financial accounting as well as social mobilization.

A significant advantage of this system is the ease with which loan repayment schedules can be prepared specifically catering to the gestation period of each project. Moreover, credit control officers will be able to inform and remind social organizers and subsequently COs about dates of their repayments a week ahead.

Technically, this system will consist of master databases of borrowers, COs where credit has been disbursed and two transaction files to record the disbursements and recoveries. The system will generate reports to summarize the loan information by types of loans, by COs, by social organizers, by field units or by regional offices. On the other hand, it will take care of the most complex jobs of the credit control officers like bank reconciliation, preparation of income statement and preparation of loanee ledger.

## **CONCLUSIONS**

In the period July–October 1998, we established, by the grace of God, not only eight regional teams in our target divisions but have also formed 764 community organizations with a collective savings fund of PKR 2.578 million. We have disbursed PKR 22.41 million of credit to 1,403 beneficiaries in a wide range of fields including agriculture, livestock and micro-enterprises. The recovery rate of credit so

far is 100 per cent. Training has been imparted to 782 village activists in community management skills, agriculture and livestock.

Underlying the quantitative dimension in terms of verifiable indicators was the fact that a perceptible change in the quality of life of the rural poor had occurred in the areas of our operations. Individuals, who previously felt isolated, helpless and incapable of taking initiatives were organized, acquired new skills, increased incomes and access to both markets and government departments. This qualitative change following community organization and collective economic initiatives gave a sense of empowerment to the poor.

Having achieved improved access over both the market and the local state and having embarked on a process of income generation, savings and investment, the poor achieved a new confidence in themselves and a new hope in their future. For example, small household *durri* (hand-woven cloth carpet) producers in one region were locked into an exploitative relationship of dependence on *arhtis* (intermediary between the individual producer, craftsman and the market. In the context of this paper, the *arhti* conducts a 'putting out' system whereby he provides to the *durri* producers the thread, the weaving equipment and subsistence *rashans* [subsistence items] and in return appropriates, at a predetermined price, the *durris* from the producers, and then sells the *durris* at a much higher price in the market). The *durri* manufacturers were provided with raw materials at higher than the market prices by the *arhtis* and *durris* were acquired by the *arhtis* at less than market prices. After PRSP intervention, these *durri* manufacturers now buy raw materials and sell *durris* independently leading to an increase in their incomes typically from about PKR 2,500/- per month previously to about PKR 4,500/- per month now. Similarly, in other regions, poor households set up small village retail shops, acquired buffaloes, small goats, set up bicycle repair shops and *chikkh* (screen used as protection against the sun and made from stitching together thin slivers of bamboo) producing units. A total of 1,403 households benefited from such interventions. Beyond the income dimension I noticed, for example, in Multan a village community reported that they were beginning to settle their disputes within the CO and even resolved amicably the disputes, which they had earlier registered at the local police station. A women's CO in the same area set up a girls school, indicating the beginning of collective action for the collective benefit of the community.

We have also succeeded by the grace of God, in establishing linkages with government line departments and the private sector to bring

their expertise to bear for poverty alleviation at the village level. Beyond the income dimension I have noticed, for example, in Multan, a village community reported that they are beginning to settle their disputes within the CO and have even resolved amicably the disputes that they had earlier registered at the local police station. A women's CO in the same area has set up a girls school indicating the beginning of collective action for the collective benefit of the community.

In short, across the eight regions of Punjab, the seeds of community organization, improvement in incomes, skills, systematic provision of technical support at the village level and a change in social consciousness have been planted. We may be witnessing the tentative beginning of a silent revolution in the lives of the rural poor in Punjab.

## NOTES

1. This case study is based on a report to the Board of Directors on the performance of the first four months of the Punjab Rural Support Programme, an institution I had volunteered to establish as its first Honorary Chief Executive Officer, during the period May to November 1998. The programme involved social mobilization for poverty alleviation amongst rural communities in eight districts of Punjab, using the participatory development methodology.
2. The support of Mr Irfan Saeed and his team of Software Experts at Sayyed Engineers (Private) Limited for the development of customized software for PRSP is gratefully acknowledged.

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## **Social Mobilization and Keeping the People's Surplus in People's Hands**

*Susil Sirivardana*

### INTRODUCTION

We South Asians are especially fortunate in having a unique set of opportunities for understanding and internalizing the critical elements of social mobilization. From 1975 to 2000, that is, over a 25-year continuum, we have been the beneficiaries of an evolving and maturing discourse rooted in practice on the ground by the poor. The pioneer conceptualists of such texts as *Towards a Theory of Rural Development* (1988) engaged themselves as a team in an excellent and enduring process of Participatory Action Research (PAR) in their original study called *Bhoomi Sena*, which is an inquiry into a large tribal community in Maharashtra, India, which is a South Asian milestone. This study is so finely analyzed and richly conceptualized that the standards set have stood the test of time as an example of the core methodology of social mobilization. It has prevented the subsequent discourse from ever descending into dogma, while facilitating continuous learning and deepening of the discourse. Two subsequent companion studies *Women, Poverty and Resources* (1990) and *Participatory Development: Learning from South Asia* (1991), sustained and added value to the premises and content of social mobilization articulated in the pioneer study. This was followed by another collective South Asian milestone *Meeting the Challenge* (1991), which is the report of the Independent South Asian Commission on Poverty Alleviation, appointed by the heads of state of SAARC in 1991. This report saw 15 carefully selected South Asians with a distinguished experiential track record in anti-poverty



work, bringing their collective experience and wisdom to bear on structural poverty within the context of multifaceted and systemic crisis enveloping every South Asian society and coming up with the strategic option of articulating a second pro-poor macroeconomic policy for poverty eradication using social mobilization as the core methodology, in parallel to the first policy leg of a reformed liberalization/open economic policy. The learning and advocacy has been sustained up to date in subsequent publications, of which this is the latest in the series.

This quest over 25 years has been a sustained attempt at building coherence through critical investigation, learning and re-learning, and we would be justified in acknowledging the strategic elaboration of a South Asian school of thought on the praxis of participatory development in macro-micro terms. The following key lessons and key attributes come out strongly from the discourse:

1. Structural poverty can be eradicated through the agency of the poor themselves acting as subjects and not objects.
2. There is a participatory process for doing so, which is holistic.
3. The process is realized by a core methodology called social mobilization with permissible variations.
4. Social mobilization is endogenous, self-reliant and achievable with modest and already available resources.
5. The poor are efficient and can contribute to growth through their own value addition to growth, and thus are a part of the solution and not the problem.
6. The whole process has to come out of bold, value-driven, innovative political premises for restructuring South Asian society on the basis of carefully conceived transitions, rooted in a new civilizational synthesis of spirituality, ethics humanism, democracy, justice, equity, pluralism and culture. This vision was brilliantly captured by Rabindranath Tagore in this poem 'Where the Mind is without Fear' from his book *Gitanjali*.

*Where the mind is without fear and the head is held high;  
Where knowledge is free;  
Where the world has not been broken up into fragments by narrow  
domestic walls;  
Where words come out from the depth of truth;  
Where tireless striving stretches its arms towards perfection;*

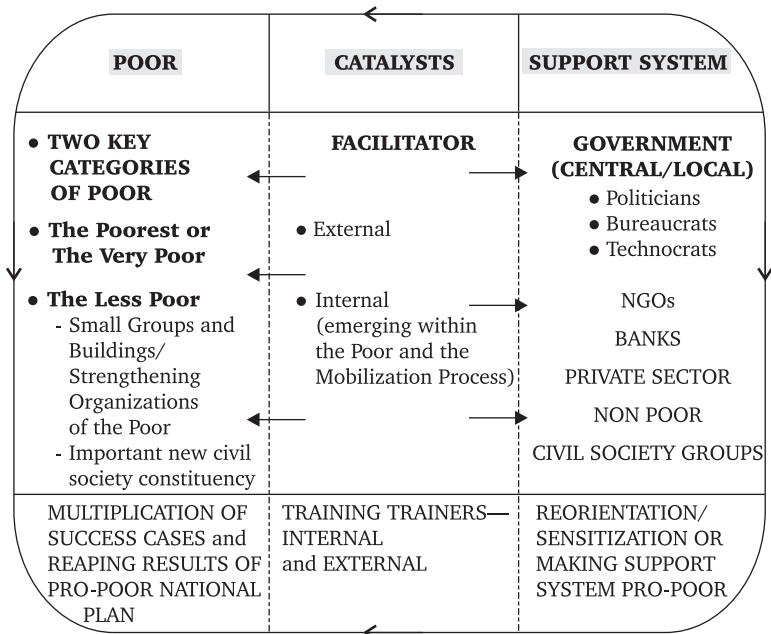
*Where the clear stream of reason has not lost its way into the dreary  
desert sand of dead habit;  
When the mind is led forward by thee into ever-widening thought  
and action  
Into that heaven of freedom, my father, let my country awake*  
(Tagore, 1982:27–28)

## PROCESS, ACTORS AND DEFINITION

Figure 6.1 attempts to illustrate the key actors in the social mobilization process and also capture its participatory pro-poor dynamics.

The figure attempts to mirror the dynamics of social mobilization. Of the three vertical columns, on the extreme left is the Poor, on the right is the Support System, and in between, is the Catalysts. While conventional development has only the two columns of the

**Figure 6.1 The Social Mobilization Process and Key Actors**



Source: De Silva et al. (1988: 11–36).

Poor and Support System, participatory development situates a new third element, the Catalysts, who simultaneously interact with both parties (note the grid of lateral arrows). The row at the bottom indicates the prime role or function of each constituency. In the case of the Poor, it is to multiply the success cases. For the Support System, it is to reconvert and re-mould its members to be sensitive, to be pro-poor. In the case of the Catalysts, the task is to train trainers of facilitators and internal facilitators because they are needed in huge numbers. This total and complex process is termed the process of social mobilization.

The following is a definition of social mobilization:

Social mobilization and the process of participatory development (PD) that goes with it, when methodologically correct, result in a situation where the poor are enabled to build their own organizations to contribute to growth and human development with greater equity in the distribution of the results. It is based on the observable evidence that the poor are efficient—a new accumulation process as observable in the poor people's sector of the economy, which can supplement the public sector redistribution with growth process, the private sector growth and trickle-down process. This accumulation process is accompanied by empowerment of the poor and building self-help organizations and new countervailing social movements that reinforce democracy and are positively transformational in character.

The social mobilization process is of a particular quality and character. The resultant action research and consciousness raising process involve a holistic appraisal of the whole life situation of the poor in terms of their core problems and their own memory of self-reliant responses. Out of this emerge immediate collective actions by organized groups or communities, which help build up identity and confidence. When this process of conscientization is deeply felt, it is internalized and becomes transformative. Therefore, social mobilization that is qualitatively deep and internalized is transformative; where it is limited to being rhetorical and mechanistic, it is non-transformative. When this kind of transformative social science action research methodology is used and mobilization is sustained both at the grassroots and the policy levels, and the 'success cases' are multiplied, as has been done in several cases on the ground in South Asia, the result is a new social movement. As the process evolves, not only do the poor assert their rights to resources, demonstrate a more critical social consciousness and become

active agents of the solution, but the attitudes of the elites also get remoulded. Institutions in the mainstream, when oriented, can provide sensitive support to multiply the process.

## Nine Elements in the First Mobilization

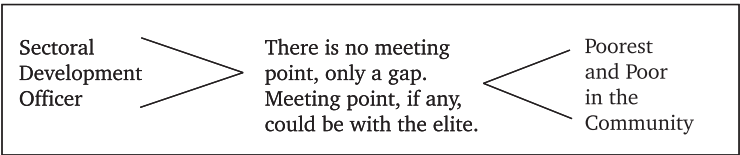
The social mobilization process could be best understood as unfolding in several cycles in a spiral. Hence, for convenience as well as clarity, we can present it in terms of several iterative mobilizations. The exact number of mobilizations required by a particular poor community before it graduates from poverty would depend on a mix of factors making up its own specific micro reality. Provided the elements in the core methodology are effectively employed, the community will graduate themselves into the next higher level or notch out of poverty.

The following elements generally belong to the phase of the first mobilization:

1. **Selecting the external facilitator** who must have graduated out of a sound process of training on the ground in rigorous social mobilization.
2. **Selecting the working location**, or, it may already be selected for the external facilitator by the state or the programme being implemented. Actual selection is a process in itself. It is neither ad hoc, nor sudden. The facilitator must have the sensitivity to select a poor community that will be responsive to an intervention. Sustained dialogue and gaining trust is important.
3. **Facilitator goes with empty pockets.** He or she is not a Santa Claus carrying gifts to the poor. He/she has only his/her commitment and expertise in social mobilization. That is why he/she becomes more credible to the poorest. The rapport built up by an effective facilitator and its absence in the case of a normal petty state official is seen in Figures 6.2 and 6.3.

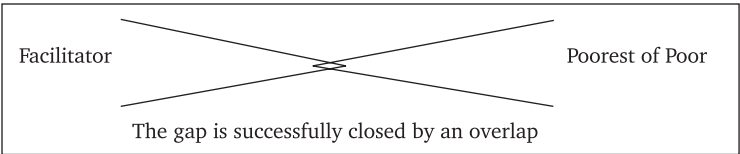
During this whole encounter, the facilitator never tells his/her community partners what to do. Rather, they come to understand and realize within themselves how they were being made poor by the economic relations they were engaged in, how they get into debt, how their own savings could act as a positive counter, and so on.

**Figure 6.2    The Conventional Bureaucratic Relationship**



Source: Adapted from De Silva et al. (1988: 11–36).

**Figure 6.3    The Alternative Social Mobilization Relationship**

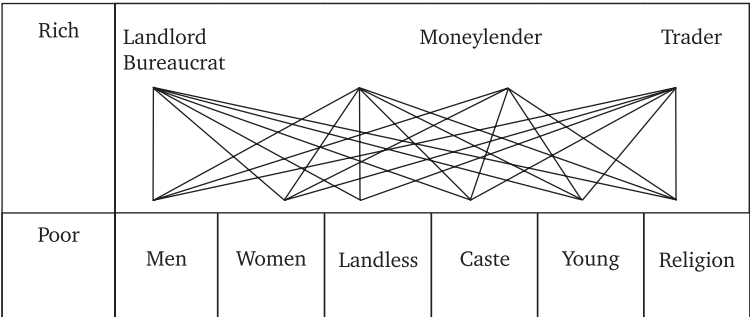


Source: Adapted from De Silva et al. (1988: 11–36).

- 4. **The facilitator identifies the poorest and the less poor** through persistent dialogue and study.
- 5. **Facilitator catalyzes the process of the poor investigating their social reality**, with collective groups of the poorest. This is done by understanding the contradictions in the village or settlement and the entry point (agriculture or health or water supply) used. The facilitator is aware of the contradiction tree (see Figure 6.4).

The facilitator will gradually communicate to the groups of the poor how to calculate for themselves the simple arithmetic of surplus leakages in relation to their flows of normal consumption expenditure and/or their role as poor producers/hired

**Figure 6.4    Understanding the Contradiction Tree**



Source: Adapted from De Silva et al. (1988: 28).

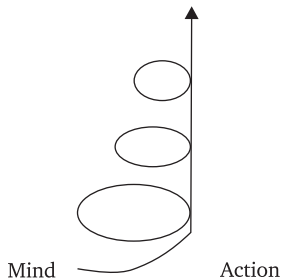
labour in the production/labour cycles. Soon they will master this vital technique of perceiving the exact mode of leakage, and hence the source of their impoverishment.

For the first time in their lives, there is the shock of critical recognition by the poor that poverty is actually created and not a given or an act of fate. Further probing and discussion reveals more clearly the poverty-causing forces in the village and the exact quantification of what they are losing and when and where.

6. **Next, is a short step to searching for ways and means of arresting the rot (conscientization).** By now, small groups have formed. There is a new sense of mutual trust, respect and solidarity. There is a new curiosity to think and ask questions that they had never asked before. Knowledge System—their creativity and criticality is harnessed for the first time. The group looks for the best way to counter the leakages and overcome their problems. Hence, there is an interaction between their minds and the external environment. They begin to perceive resources in a liberated manner. This is illustrated below by the spiral arising from the conjunction of mind and action (Figure 6.5).

This absolutely key and vital mode of the first mobilization is called conscientization. A great deal of social mobilization that we come across has no conscientization dimension. Where the incentive is a subsidy or some financial reward, no conscientization takes place. For social mobilization to be rigorous in the sense we understand it, the vital phase of conscientization is an essential compulsion.

**Figure 6.5 Spiral Arising from the Conjunction of Mind and Action**



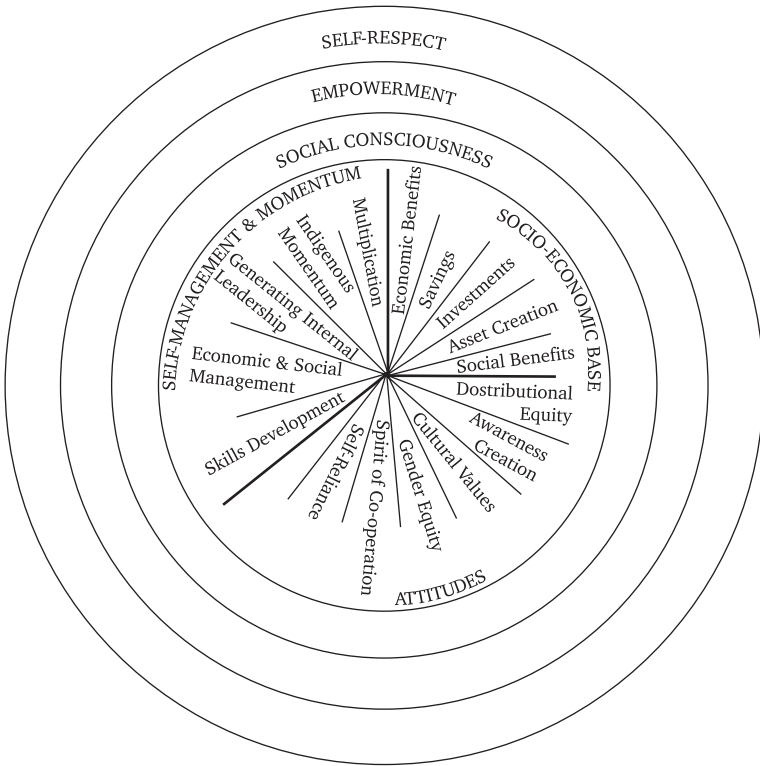
Source: Adapted from De Silva et al. (1988: 28).

7. **Simultaneously, the facilitator engages the support system also in a parallel dialogue.** The dialogue also extends to the groups of poor. The support system is now talking to an increasingly aware, critical and active group of poor. They are demanding and asserting their claims to resources meant for them. Or, it may even be the forming of linkages that did not exist before. For example, a link with a bank.
8. **Participatory Monitoring and Review by the Poor with the Support of the Facilitator.** The first version of the sociogram on participatory monitoring (see Figure 6.6) was worked out in 1978 in the Bhoomi Sena Study. Subsequently, it has been revised and improved. Up to date, it has been the clearest expression of the holistic self correcting process, that is, participatory monitoring.

This is where the poor reflect and evaluate the strengths and weaknesses, limitations and potentials of action taken by themselves. They learn lessons for the next round of action. This is also a vitally neglected mode.

9. **Savings and credit begin.** The poor have hitherto believed that they just cannot 'save'. How can they even think of saving when they are so dependant on others for their subsistence? But as the days become weeks and weeks become months, they realize to their utter astonishment that each of them has accumulated small sums of actual money in their individual passbooks. This is the first realization that the poor *can also* save. Second, the process of accumulation of savings in the group is exponential. This engenders a new belief in the value of savings. For those who have never had their own ready saved cash, this is a powerful emotion. There is something more. As the savings process evolves, they begin to discuss the issue of giving credit out of their own accumulated savings. Once this process becomes mainstream, another completely different dimension begins to stir them—they realize that with their own money they are beginning to acquire an identity, a psychological identity.

The sociogram is an instrument for communities and social mobilizers to use for monitoring the performance of their mobilization processes. The sociogram is to be read moving outwards from the centre. The starting point is the centre. The inner circle has three

**Figure 6.6 Sociogram for Participatory Monitoring**

Source: ISACPA 1992.

segments: socio-economic base, attitudes and self-management and momentum.

These are the three fundamentals for social mobilization. Each of the three segments has within them sub-segments that are the components of the respective segments. These components have been derived from actual practice. These are the ones that experience on the ground has shown to be the most relevant. The sociogram is used by putting it up in front of the group or the community and discussing performance of each component and giving a value (a score) from one to 10 for each. When all the components have been given their score, the community can get a holistic picture of their stage of development in respect of each. That is how they will resolve to improve their performance in a component where the score is low.



The four circles are indicative of the ideal process of evolution of a sound social mobilization process. The result of the first level of success is raised social consciousness. Thereafter it is a short way to encompassing empowerment and self-respect.

## Eight Elements in the Second Mobilization

1. This is a deepening of the first mobilization, and also possibly a multiplication and/or expansion of it. It is a result of the action–reflection discipline that has become normative.
2. Most importantly, during this second cycle, new questions are asked by the poor of themselves about the need for new forms and levels of organization. This is the result of raised consciousness and awareness of deeper and more hidden problems and the need for more innovative action. For example, a farming group may seriously see the need to address the question of marketing. This is a very complicated issue, which has to be analyzed and deconstructed with great care and effort.
3. Internal Facilitators (IFs), begin to emerge at this phase. They come from the most advanced and aware individuals who have participated in the collective self-mobilization process. These IFs now take on some of the routine functions formerly executed by the facilitator.
4. Gender dimension: Gender is one of the inevitable areas of change arising out of holistic and transformative change. Such change is pervasive and encompasses roles, self-identity, family roles and relationships, social identity, all of which collectively help bring about a fuller and deeper understanding of the whole person at one level and the whole person in human relationships at another. The result is a modern understanding of gender without any diminution arising from feudalistic attitudes and myths.
5. Technology dimension: The technology dimension is connected to production and means of production of a poor family. The new knowledge and inquiring spirit arising from the methodology of Social Mobilization makes them aware that there are hidden dimensions to technology which they must be fully clear about. Why do technology practices keep on inflating in value so that they eat into their profit margins? How does

this happen and could it be the source of a new dependency? If so, are there technologies which are alternatives to the so-called modern ones? What is the nature of such alternative technologies? For example, in agriculture, eco-agriculture derived from upgraded traditional farming practices, seeds produced by the farmers themselves, using their own traditional pest and disease control techniques, are being increasingly widely discovered and used throughout the world.

6. As the poor community shows increasing self-reliance, initiative and self-confidence, especially in savings, credit, and so on, they acquire a new identity. The prejudice and stigma attached to being the poor and marginalized begin to change and erode. For one thing, they possess more cash and purchasing power.
7. Participatory monitoring and review continues.
8. Linkages with support system increase. Personnel of it now come more frequently to the village. They cannot be ignored or taken for granted now. The fact of identity and organization enables them to now walk into any office or bank or co-operative and negotiate with them, demanding their attention.

## Seven Elements in the Third Mobilization

1. Further deepening
2. Further independence
3. Further empowerment and assertion. May interface with local government (LG).
4. More responsibility borne by IFs.
5. Facilitator can begin to withdraw; need not be there full time.
6. Support system now increasingly responsible and responsive.
7. Poor now have money. All round physical and spiritual development has to be sustained.

## SOCIAL MOBILIZATION AND GOVERNANCE

- The challenges implicit in the reform of governance—the pitfalls: why and how attempts have failed; some of the current

struggles, for example, sensitizing in participatory development, sensitizing in local level participatory planning work done with urban communities (the reputed case in India for the poor and public to access official information as a matter of right).

- Some of the positive reasons why bureaucrats should opt for the participatory development paradigm.

First, bureaucrats understand that their role is to enable and facilitate and not to dominate and pre-empt decision-making by the poor. Bureaucrats do not grow food; they enable the farmers to make the correct decisions for them to succeed in growing the food. This is a liberating and complementing relationship. Liberating, because they do not have to become policemen over errant farmers. Complementing, because this relationship is one of handholding and partnership building. Second, through this paradigm, bureaucrats can achieve and over-achieve maximum results because the level of participation by the poor and the level of sensitive support by the bureaucrats is of an unusually high order. The old top-down methodology on the contrary, is full of conflict and tension because it is based on deploying official power rather than using free human communication. Third, bureaucrats themselves can achieve rare levels of personal satisfaction by seeing the successes of this approach.

- The link between PD and LG/decentralization and devolution.

The process of PD is by definition a devolved and decentralized process. That is, it has to happen at the lowest possible level of action, which is the ground or community level. The process starts there and gradually moves upwards to higher and higher levels. But the starting point is the base level. Hence there is a natural overlap between PD and LG decentralization. Second, in governance terms, LG is the level that deals with the base level. It is in intimate contact and daily interface with the grassroots communities. Hence LG is the natural and obvious candidate for practising good governance through understanding the dynamics of PD. There is a third reason. In pre-colonial times, the base level was the important arena for action and production. All South Asian societies therefore have time-tested traditions of devolved governance and decision-making. It is with colonialism that we moved away from the base and moved

towards centralization. We have neglected this aspect for such a long time that we need to refocus on the virtues of real devolution and decentralization. Fourth, this is the level at which small numbers can manage and implement change. It is much easier to achieve results when numbers are small.

## SOCIAL MOBILIZATION AND IMPLICATIONS FOR SOCIETAL REGENERATION

Even after 60 years of their independence, most countries of South Asia are intensely debating the issue of 'societal regeneration'. This term has a very wide application. It generally comprises the areas of social relations, social institutions, social ethics, governance, ecology, quality of life, and inner spiritual life and human satisfactions. We see a potentially very close link between this aspect of societal regeneration and social mobilization. Two points would help to clarify this relationship. Social mobilization is by definition transformative and holistic. Thus it captures the whole of the complex reality and leaves nothing out. It is in that sense an open-ended methodology. Whatever the respective community wishes to insert onto its agenda, it can insert. There are no outsiders to censor such a wish. They are their own masters. The second aspect is that social mobilization is all about using human creativity to reconstruct and regenerate lives and societies.

With this background, we would like to make a broad assertion. As we see it, this opens the path for a process of societal regeneration converging, at one and the same time, on three interconnected agencies. That is the agency of the self, the agency of civil society and the agency of the state, in that order. You will realize that this is not the conventional order we think in, because all the time we are making prescriptions for society and the state and remain silent about the self. We also know that this conventional prescription has not led to anywhere near the desired levels of change. It is this failed experience of the past which indicates that we have got the sequence of applying the mobilization process wrong. First and foremost the focus must be on the self. It is only after we have achieved personal change that we can advocate it convincingly to others.

When we change ourselves, we willy-nilly change civil society. Finally we come to changing the State. After experiencing the struggles for changing the self and civil society, we are in a much better position to advocate change of the State.

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## **Strengthening the Base through Participatory Democracy for Transition to Sustainability**

*Shrikrishna Upadhyay*

### **CONTEXT**

South Asian countries, including Nepal, are trapped in the vicious circle of poverty and many of their citizens are therefore, looking for quick-fix remedies and 'tool kit' solutions. The failure of the old development paradigm, that of top-down approach of development has prompted many organizations to look for alternative and more promising models for poverty alleviation. Among these organizations, Support Activities for Poor Producers of Nepal (SAPPROS-Nepal) is on the constant lookout for the appropriate development model to combat rampant poverty in the country. This chapter attempts to show how SAPPROS is carrying out a participatory approach, facilitating building of local self-governing institutions of the poor within a short period and providing technological and social support to them sensitively. Within a 3–4 years period, a cost effective pattern of pro-poor growth was demonstrated in Chitwan district of Nepal. Today, a sustainable process has been facilitated with the objective of eradication of the worst forms of poverty in this remote and poorest district of Nepal.

The most recent estimate of poverty in Nepal by the Living Standard Measurement Survey (LSMS) conducted by the Central Bureau of Statistics (CBS) in 2004, indicates that 32 per cent of the Nepalese live in a state of absolute poverty. This high level of poverty is construed as resulting from several factors such as big family size, lack of education and health, lack of productive resources, lack of income

generating activities, lack of good governance leading to unfavourable terms of trade, lack of technical knowledge and skills, lack of awareness and social evil, lack of social capital, women's exploitation and lack of gender sensitivity, lack of food security and spatial poverty resulting from the lack of infrastructure. These poor are excluded from the mainstream of development. The top-down approach of development propagated by successive governments reflects anti-poor strategies, thus perpetuating poverty. What is needed is a participatory mechanism of building the self-governing organizations of the poor so that they can take their own decisions in matters relating to their livelihood.

Although Chitwan district as a whole stands in a relatively less poor rank and is a more homogeneous community, the tribal Chepang population supported by SAPPROS are by far the poorest and most disadvantaged. The literacy rate of these Chepangs is a mere 2 per cent. They produce on an average less than three months' food requirement from their meagre, unproductive, hilly land and hence they have to rely heavily on forest products. Some of them still live in caves, run away from strangers and live a most primitive form of life.

## CONCEPTUAL FRAMEWORK AND METHODOLOGY

The SAPPROS methodology of participatory development responds to this situation. For this, it is necessary to create organizations of the poor through which the poor can act as a countervailing force to the systematic tendency of dependence and inequality perpetrated in many developing economies. An Independent South Asian Commission on Poverty Alleviation (ISACPA) has stated that social mobilization is the key to achieving growth with equity and human development. A correct method of social mobilization is to induce the creation of self-governing organizations of the poor. Such a methodology, which is called Participatory Action Research (PAR), has been successfully developed and practised in South Asian context. The method essentially begins from the understanding of the social contradictions between the rich (and powerful) and the poor. The underlying assumption is that in the nexus of such contradictions,

there could be considerable space for the poor to develop locally effective countervailing forces. This then permits them to assert their right to resources to which they are entitled, and in turn lead to pro-poor growth using their creativity, local resources and local knowledge.

The process facilitated by SAPPROS starts with a series of sensitization workshops by the facilitator to understand the ground realities. In such workshops, there is vigorous interaction among the poor, sharing information on why they are poor, identifying their common needs and reaching an understanding on the norms of co-operative actions. These workshops are followed by further discussions on how they can overcome their problems. The participants then initiate various activities for individual and common benefits. In the process of these activities, homogeneous groups are formed and sustained. These may either be Savings and Credit groups (S/C) or simply user groups of either some infrastructure or both. Once formed, there is a need to strengthen and further empower these groups through technical and infrastructural support by the sensitive, responsive, external facilitator and social mobilizer.

The new breed of organic intellectuals interact with their creative ideas and help the poor to investigate and conceptualize the results of their collective social, political and productive efforts. This external facilitator will also identify and train internal facilitators. This will ensure continuity of the social mobilization process when the external facilitator progressively withdraws from SAPPROS. The local organization of the poor thus developed is then linked with various service providing institutions such as local bodies, banks, line agencies, the Community Based Organizations (CBOs) and the private sector. Thus evolves self-governing and empowered organizations of the poor, which can mobilize members to assert the right to resources they are entitled to and pressurize the local administration to have better terms of trade for their products. The above PAR methodology can help enhance social capital, rediscover the traditional knowledge system and use it to reconstruct a sense of community identity. It is in effect, the result of social innovation and new coalitions between the poor, an NGO like SAPPROS and various organizations in the local government, banks, technical service providers and donors.

Of special importance is the process of sensitization or social mobilization because the creation of empowered institutions of the poor



hinges largely on the effectiveness of this process. First, the facilitator has to acknowledge that the poor have their own knowledge system and creativity, that the poor are not objects but subjects of the process and that the indigenous institutions based upon local culture and traditions can support the poor. There may be various categories of the poor such as poor, less poor and ultra poor. The small farmer poor can be an elite for the ultra poor and a similar pattern of contradictions as that between the rich and the poor may result. The categories of the poor therefore needs to be determined and organized separately until they are empowered and can join in the common interest apex organizations or federations for larger and larger co-operative development activities.

The mobilization process involves the external facilitators who then generate internal facilitators. The social energy is created through a spiral process. The real entry point generating this social energy will depend upon the felt need and the commitment of the group.

The beginning is made by literacy training and sensitization, which helps the poor to reflect upon and release the genesis of their respective poverty. They understand the needs of savings and indulge in this activity in groups. Savings are generated from reducing non-essential household expenditure, increased income from adoption of improved technology and also from plugging some leakages of the surplus from their work. They then embark on social activities like health and education to enhance the quality of their lives. This is followed by the acquisition of additional technical services for various income generating activities. In the process, the poor will realize the importance of enhancing the natural resources base available to them in their own environment for sustainable development. The adoption of alternative sources of rural energy is a typical case in point. These are interrelated activities.

## FROM SOCIAL MOBILIZATION TO SUSTAINABLE ORGANIZATIONS OF THE POOR

SAPPROS model of grassroots-level institutional development For poverty eradication has five interrelated support components. These are:

1. Organization development
2. Infrastructure development
3. Resource generation
4. Income generation
5. Environmental sustenance

SAPPROS study has shown that the cost of delivery of extension services under the Agriculture Perspective Plan (APP) was Nepalese Rupees (NPR) 15,000 per family per year whereas the cost of delivery of holistic services including institution development, infrastructure and human resource development under SAPPROS model comes to only about NPR 3,000 per family per year. Similar results are observed in building infrastructure projects using capacity of people's organizations.

Since capital has been a constraint for the promotion of income generating activities, a self-governing savings and credit system has been designed using local savings. Training is provided to the group members to manage credit and savings operations effectively. Environmental programmes that also include health and sanitation awareness creation, preservation of forest, dissemination of alternative energy technologies, watershed management, soil conservation, and so on, are being launched. Main thrust is given to integrate various environmental activities with community development programmes and reduce the dependency of ever increasing population upon existing forest and agricultural land for food and energy, thereby minimizing the depletion of natural resource base. This process is very different from conventional delivery of microcredit, before the poor have been made aware of their reality and saved even from very low income levels.

## Case Profile in Chitwan and Makwanpur Districts<sup>1</sup>

### ***Kuringhat***

The area office of SAPPROS in Kuringhat, Chitwan district, located in almost the middle of the Prithvi highway (105 km west from Kathmandu), was implementing Participatory Chepang Development Project (PCDP) with financial assistance from Danish International Development Agency (DANIDA) in seven Village Development Councils (VDCs) of Chitwan (Darechock, Chandibhhanjuang and

Lothar) and Dhading (Pida, Mahadevasthan, Dhusa and Jogimara) districts since September 1996. The residents in these VDCs are mostly Chepangs (81 per cent) with a total population of 12,618 constituted into 2,152 households.

Before the implementation of PCDP, the average literacy rate in the VDCs was approximately 2.7 (with very low female literacy). No female had passed high school from these VDCs, while only nine males had passed. Many households had no access to safe drinking water. The sources of drinking water were also far, causing the women to spend enormous time and energy to collect water. The cropping system was traditional (local variety cereals with low productivity) and without irrigation. Very few households grew vegetables in kitchen gardens. Only 10 per cent of the households produced enough food and income to sustain the family throughout the year. Three-fourths of the households faced food deficit for more than six months in a year. Trained and skilled manpower was barely available. Moneylenders were the source of credit, who charged as high as 60 per cent interest per annum.

### ***Manahari***

The area office of SAPPROS in Manahari, Makwanpur district, is located on the East–West highway between Bharatpur and Hetauda on the bank of river Manahari. This office is implementing Participatory Tribal Development Project (PTDP) with financial assistance from DANIDA in seven VDCs of Makwanpur district (Manahari, Raksirang, Kankada, Sarikhet, Handikhola, Kalikatar and Bharta) since November 1998. The total population in these VDCs is 56,607 constituted into 9,016 households with an average family size of 6.3 members. Total cultivated area in these VDCs is 6.64 ha (79 per cent of the total land) of which 50 per cent is with Tamangs and 20 per cent is with Chepangs (also called Praja). Among the non-tribals, Brahmins/Chhetris are in majority (17 per cent).

Before the implementation of PCPD, the average literacy rate in these VDCs was approximately 18.3 per cent. Of the school enrolment proportion in the 6 to 15 age group, 62 per cent dropped out. Of the total 498 high school graduates in these VDCs, only 32 per cent were from the tribal population. Total formal employment numbered 1,018 people with 278 in government services, 522 in private services and 218 in India.

Many households had no access to safe drinking water. The sources of drinking water were also far, causing women to spend enormous time and energy to collect water. The cropping system was traditional (local variety cereals with low productivity). The cropping intensity was 158 per cent in irrigated areas and 136 per cent in non-irrigated areas. Only 34 per cent of the households produced enough food and income for more than 6 months a year. Trained and skilled manpower was barely available. Moneylenders were the source of credit, who charged as high as 60 per cent interest per annum.

1. With the group credit scheme, dependency on moneylenders has been reduced to a great extent. This group credit scheme is operated with the savings generated by the members, and has reached nearly NPR 2 million. The moneylenders also reduced their interest rates from 60 per cent to 24 per cent due to competition.
2. The average household income has increased by NPR 6,199 primarily through the cultivation of different vegetables, mainly in the off-season. The nutrition and food security system has also improved by 30 per cent vegetables consumed at the household level. A total of 1,049 m.t. of vegetables valued at NPR 9.04 million were produced. The increased income has enabled the members to save more for future investment and security.
3. The drinking water schemes saved an average of 2.6 hours per day of women's time per household, which was used in other productive activities and in the care and education of children.
4. The literacy rate has increased from 2.7 per cent to 9.4 per cent. Women's literacy rate has increased from 0.5 per cent to 10.3 per cent.
5. The level of confidence among the group members has increased tremendously particularly towards improved farming and livestock rearing.
6. The earlier desperation is transforming into hope for the future.
7. On-farm fodder tree plantation has increased to 26 ha area which has not only provided fodder for the animals but also has helped in mitigating soil erosion on sloped terraces.
8. The addition of 365 latrines and 96 smokeless stoves has improved the health and sanitation situation. This is also supported by basic health education provided by the community health workers.

## Multiplication of the Process

Furthermore, it has been able to replicate experience gained so far in different but flexible environments and develop sustainable models for eradicating poverty in rural areas.

Based upon the experience in Chitwan, Gorkha and Makwanpur districts, SAPPROS decided to expand the programme to cover 19 out of 75 districts of the country. SAPPROS catalyzed self-reliant community linking to other programmes and presently it is working in eight districts of the country (see Figure 7.1).

SAPPROS has 314 qualified and dedicated staff with over a decade of field based experience in grassroots-level organizational development and related aspects of rural service delivery. SAPPROS has so far covered a total number of about 500,000 population with various income generating, infrastructure development and social programmes.

## PARTICIPATORY MONITORING AND EVALUATION

A Participatory Monitoring and Evaluation (PME) process has a very important role in making participatory programmes successful. Evaluation must be self-generating, where each stage is built on the cumulative experience of the previous stages. This collective experience should be continuous and corrections should be systematic from the beginning of a problem so that it will be manageable.

In conventional hierarchical pattern of external evaluation and monitoring, the instruction/inspection is done by an outside agency. The decision-maker is far from the actual scene. The corrective actions as realized by the authorities are pushed down through series of instructions. In such cases, the corrective actions may not respond to the real problems of the targeted people. This will certainly be less effective.

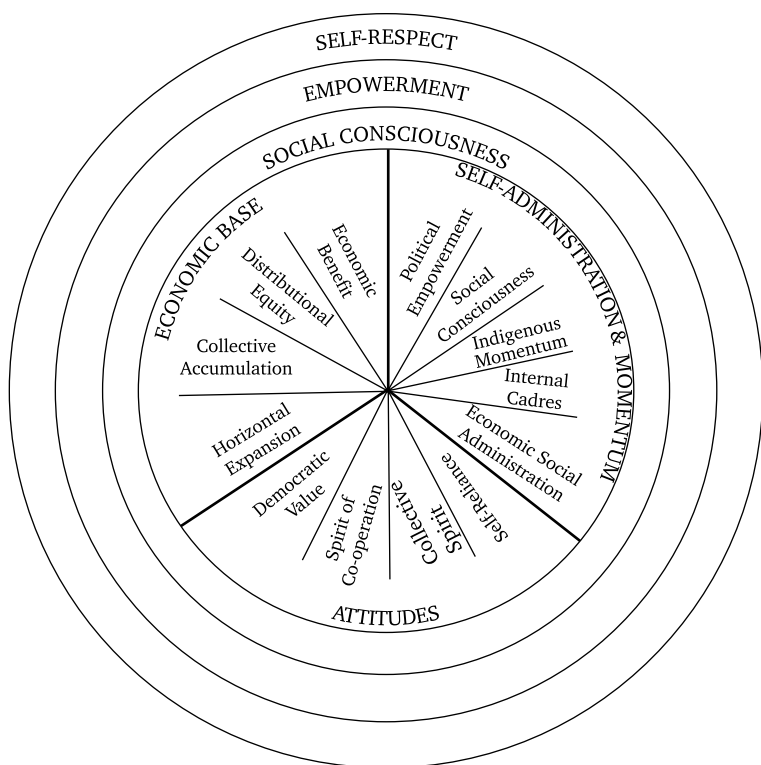
A PME process is free of such limitations. This is due to its people-based policy. Decision-making is based on the concerned people. SAPPROS will assist the community only when it is demanded.

The specific criteria to be used for participatory evaluation can-not be laid down in a prescriptive manner. However, a set of criteria derived from the experiences on the ground, which though not all quantifiable,

\* Source: SAPPROS-Nepal.

are measurable and observable, is indicated visually in the form of a sociogram (Figure 7.2) for monitoring the total social mobilization process for poverty alleviation. This sociogram was first evolved by South Asian Perspectives Network Association (SAPNA) and then included in the report of the Independent South Asian Commission on Poverty Alleviation.

**Figure 7.2 Visual Presentation of the Sociogram**



Source: ISACPA 1992.

The criteria in the sociogram are all interrelated and mutually reinforcing. However, they deserve to be presented not only for their own sake, but more importantly because they contribute to each other's growth and thereby to the total process. If one element in the process is not moving forward, it can easily be identified and strengthened. The three major planks that deepen social consciousness and lead to the empowerment of the poor are attitudinal change, the capacity for

self-management, and the economic and social base of the poor. It is axiomatic that the economic base of the poor has to be improved over a period of time through a dual process of savings, investment and asset creation, and the emancipation of the poor from economic and social bondage to enable them to be more productive and keep the surplus in their own hands. The establishment of a self-reliant activity base will mutually reinforce the process of promoting positive attitudinal values. Conscious attempts to diagnose, assess and mutually stimulate such values will bring them to the fore and will contribute to turning them into a driving force for further action, contributing to a deepening expansion of the process itself. Ultimately the process as a whole, which starts with the release of the creativity of the poor, has to be judged by the increase in their social consciousness, empowerment and self-respect.

## COMMUNITIES ARE AT THE BASE OF SOCIETY

Nepal has the tradition and culture of sharing, caring and participation in community development work. People have been managing natural resources water, forest, and building and maintaining infrastructure projects for generations using local skills and knowledge. Because of absence of effective state structures in the villages, people had incentive to get organized and provide public goods and services on their own. People have contributed voluntary labour called *Shramdan* to build schools, roads, irrigation systems, and so on.

There are, for instance, thousands of community forestry groups effectively managing forests without any outside support, even from the government. Similarly, infrastructural services such as drinking water supply, irrigation, rural roads, electricity and education have been effectively provided with community initiatives. Now, this institutional model has been accepted as an effective model of service delivery and is being supported by various organizations including the government. Community mobilization builds common bonds, trust and reciprocity which strengthens social capital. This sort of participation results in grassroots-based democracy, with economic democracy and helps build sustainable peace.

Based upon the experience in Gorkha and Chitwan districts SAPPROS replicated the model to remote districts of the country,



covering many households. Since food insecurity for the poor existed in those districts, food for work programme was implemented with World Food Programme (WFP) support. This enabled the poor farmers to build irrigation infrastructure through community approach and increase farm production with the use of improved agricultural technology, insuring long-term food sustenance. Now, SAPPROS and other NGOs have implemented poverty reduction programmes in the remote districts of mid- and far-western regions to bring poor out of extreme poverty. SAPPROS has supported the creation of a local NGO called Manahari Development Institute (MDI) to continue the replication process within Makwanpur district and expand to other adjoining four districts where majority of Chepang and Tamang population, the indigenous people, live. The coverage will be 26,000 households with various forms of interventions. Because of positive impact on income and quality of life of poor, several donors including Poverty Alleviation Fund (PAF) and United Nations Development Programme (UNDP) have now started to support MDI initiatives on the ground.

Similarly, these other community organizations can be supported and reinforced.

## **POVERTY ALLEVIATION FUND NEPAL: AN OPPORTUNITY FOR LINKING DEVELOPMENT WITH EQUITY AND PARTICIPATORY DEMOCRACY**

The Independent South Asian Commission on Poverty Alleviation (ISACPA), 1991 realized that we need proper and sensitive support systems for the poor if poverty is to be eradicated within a given time frame. Service delivery studies conducted by SAPPROS in the years 2000 and 2001 found that community based institutional models were best in terms of cost effectiveness, efficiency, sustainability and local ownership. This provided strong arguments in favour of setting up an independent and autonomous institution to support poverty alleviation initiatives on the ground and therefore, Poverty Alleviation Fund was set up in the year 2004. PAF believes in mobilizing, conscientizing and organizing the poor so that poor become subjects and not objects of development. PAF targets the poor communities

based upon food insecurity, level of income, assets, availability of public services, and social exclusion based upon ethnicity, caste and gender. The target households are organized into groups after rigorous social mobilization following SAPPROS methodology and funding is provided directly to community organizations. Partner organizations including NGOs perform the facilitation role, which includes organizational development, technology provision and linkage building. PAF believes in holistic model of social mobilization that integrates provision of all services in an integrated manner through community organizations. Initially the programme was started in six poorest districts, but has now been expanded to 42 districts covering almost 100,000 households. The World Bank provided a grant of USD 40 million for the first phase of the project for 3 years, which ended in July 2007.

PAF has prepared a long-term vision plan for eradicating poverty from Nepal by 2025 covering all 75 districts. It will cover almost 1.2 million poor households and bring them out of poverty. The World Bank has initially committed to provide an assistance of US\$ 100 million in 2008 for the programme. PAF is not a conventional credit model or another service delivery model; it is an empowerment model that develops the inner strength and capacity of the poor.

The approach of PAF will build the strength of the poor communities and enable them to become part of the mainstream of the society. Inclusionary approach of PAF will result in strengthening the base of participatory democracy with economic democracy and help lead to a sustainable transition to peace.

## SUSTAINING THE TRANSITION TO PARTICIPATORY DEMOCRACY

Nepal has sustained the transitional stage after the bloody conflict which took the lives of nearly 15,000 people. The eight party coalition signed a peace accord and a Constitutional Assembly was elected to draft a new constitution for abolishing the feudal monarchy and devolving power at various levels of government. Nepal needs to recognize the role of people's organizations in supplementing pro-poor

growth with equity to reinforce the political and economic base for democracy. Recognition of this aspect will enable it to strengthen grassroots-based institutions so that the fruits of development are enjoyed by the masses of poor people. In other words, this will enable economic democracy and political democracy to go hand in hand.

This can help remove sources of conflict that are deep in the society, prevalent due to exclusion of certain sections of the society and leading to social tensions. State has to become more compassionate and forward looking, recognizing the potential strength of the people and build the structure based upon inner strength of the society. Though Nepal is diverse in culture, tradition, language and religion, people have lived in harmony for generations. This cultural reality needs to be recognized for building a new peaceful Nepal. The top-down delivery system which was based upon patronage and favour needs to be replaced by a rights-based approach and poor's right to live and prosper with dignity and self-respect. Lessons from the ground indicate that the material basis on the ground exists in 'success cases' and Nepalese people's movements to build a strong base for participatory democracy, which in turn can sustain the peace process in the long run (Wignaraja Unpublished).

## NOTE

1. The profile of SAPPROS and these cases are elaborated in greater detail in Upadhyay and Koirala 2004.

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## **Part III**

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Sensitization and Training of Facilitators  
through Praxis and PAR



## Introduction

Lessons from the ground show that the core methodology of social mobilization with participation of the poor as subjects in the process needs to be catalyzed and multiplied by a 'sensitized'/'trained' facilitator, who can ensure an additional component to pro-poor growth, as well as strengthen the movement towards political democracy with economic democracy.

In some situations, the process has started spontaneously and people's struggles have thrown up internal facilitators and catalysts who can mobilize, conscientize and organize the people, particularly the poor. In most situations, however, an external facilitator/catalyst is necessary to initiate the process and build institutions to sustain and scale up the process. Once the process has matured, the external facilitator can withdraw, leaving internal facilitators to continue.

Chapter 8 represents an actual case study in sensitization/training of facilitators in an innovative partnership between the SAPNA network and one of the newest UN agencies, the International Fund for Agricultural Development (IFAD), with a direct mission aimed at eradication of the worst forms of global poverty. It also reflects the need for sensitizing policy makers and programme staff in government and donor agencies to reorient their own staff.<sup>1</sup>

Critical concepts in sensitizing/training the facilitators include the use of the people's knowledge system to build innovative, technological capabilities and widen the range of cost effective technological choices. They are also introduced to a better understanding of the compulsions for seeking alternative driving forces for accumulation, even in narrower economic terms, having non-predatory relationships with nature and a new sense of purpose and values.

The persons selected for sensitization and training must identify with and have commitment to the poor if they are to release the energies of the poor, help them understand further the scientific validity in use of local resources and keep the surplus from their hard work in their own hands. Also included is the methodology of participatory monitoring, where, through praxis and Participatory Action Research (PAR), the facilitator and the poor are able to take self-corrective actions as the holistic poverty eradication process and required changes unfold on the ground.



## NOTE

1. The classic example of this need was seen where policy makers and administrators had to undergo the same training as the catalysts in the Saemaul Undong (Villagization Movement in South Korea). See: De Silva et al. 1988

## REFERENCE

1. De Silva, G.V.S., Wahid-ul-Haque, Niranjan Mehta, Md. Anis-ur-Rahman and Ponna Wignaraja. 1988. *Towards a Theory of Rural Development*. Lahore: Progressive Publishers.

## **An Illustrative Case Study of Experiential Learning and Deep Immersion Training**

*Ponna Wignaraja and Madhu Subramanian*

### **THE ROLE OF THE FACILITATOR**

If the poor are to participate as subjects in eradicating the worst forms of poverty in their lives in a given time frame, they need to build their own organizations. They cannot get out of the dehumanising poverty as individuals because of the sharp contradictions in their societies and dependency relationships. They can only do this collectively through group action.

It is clear from the lessons on the ground that these participatory organizations of the poor for sustained development action and poverty eradication requires a deeper consciousness creation, awareness creation among the poor of their reality, building their own collective organizations, which then help them to take self-reliant actions and move from dependence to self-reliance and from 'objects' to 'subjects' of the process.

This process rarely emerges as a spontaneous phenomenon. An organization of the poor could emerge in these rare occasions as a result of continuous struggle against oppression or a sustained protest movement. Today, with the sheer magnitude of the poverty problem, a faster process of multiplication of 'success cases' has to be found. The poor need to be stimulated and assisted to initiate such processes. In order to undertake self-initiatives for change, the poor need to understand the socio-economic reality in which they live, perceive possibilities for bringing about changes in that reality, develop capacities to translate the possibilities into concrete actions

and manage the actions. This is not a matter of 'skills' training in the narrow sense of technical skills or a soft 'tool kit' manipulative process in the name of 'participation'.

All categories of the poor need to develop their intellectual skills (to investigate, reflect upon, analyze and understand) as well as their practical skills (to organize, implement and manage actions). Their own knowledge, systematized and given some further scientific validation, is a critical input and has for too long been ignored.

This defines the role of the outsiders, that is, to assist the poor in bringing out and systematizing the intellectual and practical knowledge needed for their self-initiated development process and building stronger sensitive support systems/partnerships over time.

To elaborate further:

Facilitation is a process of assisting the poor to develop their intellectual capacity to investigate the reality of their life-situations, analyze the relevant issues and understand the factors creating poverty and deprivation, and through such understanding, to perceive self-possibilities for change. They are conscientized and their awareness is raised when they understand the reality and perceive possibilities for changing that reality. The outcome of facilitation is conscientization. Facilitation is the outcome of a specific mode of interaction between the facilitator and the poor. The essence of this interaction mode is the evolution of a subject-to-subject relation between the two parties (replacing the conventional subject-to-object relation). The poor have a knowledge base rooted in experience, practice and living with nature and society. This knowledge has its own validity and relationality. On the other hand, facilitators bring with them knowledge derived from formal education. These are two different knowledge streams, each having its own scientific basis. The delivery approach to development seeks to transfer formal knowledge to the poor and disregard the poor's own knowledge as unscientific or irrelevant. It is a subject to object relation. On the other hand, a participatory approach seeks to achieve an interaction between the two knowledge streams, creating a mutual learning process. It is an interaction between the two worlds, capable of systematizing the knowledge of the poor, creating new knowledge and generating seeds of change. Facilitation also seeks to break the dichotomy between subject and object and to evolve, as far as possible, a relationship between two equals.

Such an interaction mode requires the adoption of a dialogical approach and even these steps cannot be taught or applied mechanically. Teaching, instruction and transfer of skills will be replaced by

discussion, dialogue, simulation of self-reflection and analysis, and sharing of experience and knowledge. The starting point for this purpose should be an attempt to initiate a dialogue with the poor on the reality of their life-situations. The reality that people face (poverty, under-development and deprivation) should be posed to the people as a problem for their investigation and as a challenge for them to respond to, by raising key questions like:

Why do we have low income?

Why is our production low?

Why do we buy our needs at high prices and sell our produce cheap?

Can we not find new kinds of work in the informal sector?

What access do we have to different kinds of resources?

Why do we eat certain kinds of food?

The facilitator has to stimulate/provoke the poor to come out with ideas, issues and factors that they perceive as barriers in improving their livelihood. They must internalize how the surplus from their hard work leaks out through existing institutions—hence become aware of the need for creating their own institutions as counter-vailing power by keeping their surplus in their own hands.

Dialogue with the poor must lead to a revaluation of the poor people's own basic perceptions of issues pertaining to their life situations. Dialogues enable the poor to systematize their own experiences. Besides, the interaction with the facilitator enables them to improve their knowledge base by absorbing the relevant formal knowledge brought in by the facilitator. The outcome is a synthesis of their own and formal knowledge. From such problematization, analysis and knowledge creation that follows, they will begin to perceive self-possibilities for change, which form the basis for their actions to change the reality. Hence, actions are rooted in the investigations and analysis carried out by the people themselves assisted by the animator. This approach may be contrasted to the normal run of development projects where the underlying social analysis for projects is carried out by outside professionals and the poor, at best, involved in the implementation phase of the projects.

Facilitation is a necessity but not necessarily a sufficient condition to enable the poor to undertake and manage development actions to transform their realities. It also helps the organizations of the poor to assert their right to resources to which they are entitled and keep their surplus in their own hands. A host of factors operate to keep

the poor passive rather than active. Given their behaviour patterns (often non-innovative and non-experimental in nature) and the lack of experience in undertaking self-initiatives for change, it will take time before they begin to develop confidence in their abilities to bring about changes. Hence, an external input in the form of facilitation is often required to assist the poor to initiate actions for changing their conditions. Facilitation, by breaking mental barriers, begins to show possibilities for change. Facilitation is also an attempt at assisting the poor to overcome practical barriers to action.

The external facilitator with his more formal education, wider knowledge of socio-economic contexts and links with the governmental machinery and service delivery personnel should also be able to orient the support system to sensitizing support to the organizations of the poor for multiplying their successful experience to cope with their practical problems.

A facilitator needs to interact with organizations of the poor further by assisting them to:

1. acquire basic management and, where necessary, technical skills, building on their own knowledge;
2. develop contacts with formal service agencies, institutions and bureaucracies relevant to their action programmes, and to develop skills and knowledge required to deal and negotiate with them;
3. improve their access to material resources such as credit available within the socio-economic system; and
4. translate their developmental ideas into concrete activities and programmes and to work out the implementation plans (a kind of consultancy role).

Progressive redundancy is an important characteristic of the external facilitation role. Facilitation should be transitional in character, that is, it should become progressively redundant over time as the poor develop their own capacities to initiate, undertake and manage their development. The facilitator's interaction with the poor must lead to capacity build-up among the people and a crucial test of a facilitator's success must ultimately be his ability to render his role redundant over time within a given community or village so that he is released to start similar work in another village. Self-liquidation (the ability of a facilitator to phase out from a given village) becomes important in two respects:

1. To ensure that the poor become self-reliant—they develop the capacity to manage their actions without critical dependence on the facilitator.
2. To ensure multiplication of the participatory development process in such manner that the facilitator is released to move into other villages to start similar work.

This is a fundamental characteristic of the interaction mode for participatory development as distinguished from other modes of intervention implied in the notions of bureaucracy, vanguardism and paternalism, which, in one way or another, tend to perpetuate dependency and only marginal movements towards transformative social change.

A further point of clarification is necessary. Initial facilitators are generally external. The successes of their efforts are seen in the generation of internal leaders and facilitators from within the poor communities that enable the external facilitator to make his role redundant over time. Poor people's development processes create a wide range of opportunities for the poor people, even without formal education, to develop their dormant skills and talents. Investigation and analysis of reality, exploration of self-development possibilities, translation of the possibilities into concrete action plans, implementation and management of actions, development of links with formal agencies, bargaining for resources and services and reflection and review of actions are among the many activities that the organization of the poor will actively be involved in a process of participatory development. Involvement in such a wide range of actions provides a training ground for internal facilitators to emerge from the poor themselves. These are new organic skills. Organic intellectuals, planners and managers emerge from among the poor itself. The external facilitator must identify such emerging abilities, hold meetings and discussions with them, and assist them to improve their knowledge and abilities so that they develop the capacity to eventually replace him/her. The ratio of internal to external facilitators must progressively increase over time, which is, in fact, an indicator of the success of a process of this nature.

It may be noted that self-liquidation does not necessarily mean a complete withdrawal of the external facilitator from a given location. It should rather be taken to mean the evolution of a state of non-dependence on him/her, with the poor able to act more or less

autonomously such that they are no longer dependent on the external facilitator to initiate, undertake and manage development actions. The external facilitator may continue to keep contacts with them, provide advice at their requests and assist them in other ways, but the facilitator's constant presence must no longer be a requirement. He/she must shift his/her role from that of a facilitator to a visiting adviser and perhaps a trusted friend.

## TRAINING THROUGH DEEP IMMERSION

### Restating the Objective

The objective is well captured by the title *Experiential Learning and Deep Immersion*.

This particular step in further learning and further unlearning derives from the concluding reflections of an earlier training programme where the group wrested with the issues of (i) attributes of *rigorous* social mobilization (SM) as opposed to soft mobilization, (ii) attributes of *holistic* social mobilization and (iii) the meaning of *conscientization dimension*. While there was considerable unlearning regarding the inadequacy of heavy doses of sectoral training, especially of the short-term variety, as a magic wand to raise the consciousness of the poor, yet the cognitive challenge—the intellectual transition—of reaching clarity remained unfulfilled. Therefore, it was very natural that the proposal to ‘study how the Participatory Institute for Development Alternatives (PIDA) methodology unfolds on the ground’ emerged from the whole group during the final discussion on the follow-up to the earlier training programme. In other words, the group felt that they wanted to ‘touch-feel-and-smell’ the whole process first hand and in a context where they will be able to interrogate it as they observe it. That was the concrete context from which the objective was crystallized.

This crystallization may be expressed as follows:

Eradicating poverty underscored the paramount need to produce hundreds and thousands of committed facilitators who identified with the poor. How do you produce them? Was there a way of meeting this challenge? Can such rigorous facilitators be trained? Those were

the issues. The premise of the deep immersion was that you could, provided you get the methodology right and did not indulge in pseudo or 'took kit' approaches such as Participatory Rural Appraisal (PRA), Rapid Rural Appraisal (RRA) where the poor are brought together mainly to receive inputs of one kind or another.

## Preparatory Steps

The initial invitation letter to participants also contained a detailed set of guidelines for preparation, setting out the questions the intended participants should ask themselves to make themselves aware of the range of issues involved in coherent social mobilization.

The next step was to courier to each acceptor of the invitation, a dossier of study material. These were documents that each participant had already heard about or even had read in the course of previous SAPNA dialogues on social mobilization. The material was limited to what was considered *compulsory* for the planned exercise.

It was repeatedly stated that what was required was to enable each participant to learn in a reflective manner each step, each nuance, each sequence, each perception in the hard methodology practised on the ground which was synthesized in Chapter 3 of the SAARC Poverty Commission (1992). This had to be done in a painstaking and concentrated manner, critically and empathetically absorbing the pedagogic content of the process. Very definitely, therefore, they were not coming to observe or have superficial exposure of 'success cases'. Their purpose was not general exposure, observation or learning. Instead, their focus was on highly particularized and internalizing processes relating to social mobilization training methodology. The idea was that each case could not be replicated, but the process could be multiplied under different socio-political circumstances. It was for this reason that the major allocation of time in each phase—8 days out of 14—was devoted to field interactions and outside of this, there was intensive discussions each day of 10–12 hours in plenary or small groups.

The following report takes the reader through the various phases of deep immersion training/sensitization and experiential learning of facilitators. The deep immersion was undertaken in two field locations—one in Chitwan district of Nepal and the other in Hambantota district in southern Sri Lanka.



**Report on the collaboration between the  
South Asian Perspectives Network Association  
(SAPNA) and the International Fund for  
Agricultural Development (IFAD) for Training  
of Facilitators for Poverty Eradication<sup>1</sup>**

**An Exercise in Experiential Learning and Deep**

**Immersion Training  
(18 February 2002 to 13 August 2002)**

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February, 2002

Dear Participant,

It is our experience that development initiatives for rural poverty reduction fail because programme or project beneficiaries are treated as mere objects rather than subjects with dignity, creativity, productive skills and entrepreneurial capabilities. While development efforts may have succeeded in providing some opportunities to improve their livelihoods, they have often failed to enable the poor to take full advantage of them. This stems from the lack of control accorded to the poor to plan and manage their resources, and the fact that they are not given a voice in decisions that affect their lives.

Finding significant barriers in its efforts to break the prevalent exploitative power structures, IFAD has learnt that the empowerment of the poor can only be achieved with rigorous dialogue and sensitization across-the-board. IFAD itself needs a greater understanding of community institutions, networks, norms and values to enable the poor to capture the benefits of development and build their capacities to help themselves. Project staff at local and national levels need to be sensitized and trained to act as catalysts and motivators, in turn facilitating training and technical support to meet the needs of the poor. Lastly, in order to consolidate this process, there is a need to ensure that the needs of the poor are infused into district and national level policies and institutional culture.

Towards this end, IFAD and SAPNA have agreed to undertake a ‘Pilot Capacity Building Programme to Enhance Social Mobilization in IFAD Projects in Asia and the Pacific Region’. The main objectives of the programme are to:

1. Enable the staff members of IFAD projects to develop and employ rigorous social mobilization and participatory development methodologies.
2. Enhance the capacity of local institutions to undertake participatory monitoring and to build innovative partnerships.

The programme will be implemented in three parts, with two ‘Deep Immersion’ exercises in different ‘success case’ projects, and a follow-up in an IFAD project location. This training will not merely be an exposure visit, but rather a process of intellectual self-challenging to get closer to IFAD’s role as a facilitator, and its responsibility in providing strategic support for a process of real participatory development with the poor as subjects.

I am very happy that you are participating in this initiative, and hope it will give you new insights into how to improve the well-being of the poor in a sustainable way through innovative rural development programmes.

Yours truly,

Phrang Roy

Director—Asia and the Pacific Division, IFAD

## INTRODUCTION

### Background

That the South Asian nations are in crisis is, at best, an understatement, thanks to the ever-growing problem of poverty that is making the region increasingly ungovernable. The latest estimates by World Bank puts the people suffering from abject, dehumanizing poverty in South Asia at 670 million and virtually every country in the region is experiencing, in one way or the other, the repercussions of having such a soft underbelly.

Equally understating will be to state that past efforts based on welfare and trickle-down paradigms have failed to solve the poverty crisis. The top-down, sectoral interventions based on 'delivery of inputs' approach, if anything, has only worsened the situation.

The alternatives in the form of structural adjustments and liberalization too have only helped push more and more into poverty as well as widen the disparities between the haves and have-nots.

Virtually every player in the development arena is, consequently, looking for non-violent alternatives for sustainable development. It is in this context that the strategy for eradication of the worst forms of poverty in a given time frame through social mobilization based on Participatory Action Research (PAR) methodology, advocated by South Asian Perspectives Network Association (SAPNA) for over the past 20 years assumes significance.

Social mobilization, as innumerable experiments across South Asia and elsewhere point out, is based on the tenet that the poor are creative and if mobilized through a process of sensitization and conscientization, can overcome the dehumanizing poverty and lead a life of self-respect and dignity. The process of sensitization, conscientization, mobilization and organization enables them to be subjects of their own development and in such a scenario growth, equity and development need not be trade offs.

Key to the above process is a catalyst in the form of a sensitive, committed and trained facilitator. Considering the enormity of the problem, developing such a cadre of facilitators would assume high priority in any serious effort at poverty eradication. The deep immersion training in social mobilization for representatives of civil societies drawn from SAARC nations of India, Pakistan, Nepal,

Bangladesh and Bhutan, held in Nepal from 18 February to 2 March 2002 marked such an effort. This is a brief report of the proceedings of the programme.

The deep immersion was jointly organized by the International Fund for Agricultural Development (IFAD), Rome, South Asian Perspectives Network Association (SAPNA), Colombo and two of SAPNA's core members—the Support Programme for Poor Farmers (SAPPROS) Nepal and the Participatory Institute for Development Alternatives (PIDA), Sri Lanka.

The International Fund for Agricultural Development is a multi-lateral donor agency set up specifically for poverty eradication. The agency is active in South Asian countries, supporting major initiatives for poverty eradication. Recent evaluations seem to indicate that these interventions may not have achieved the desired results due to strategies based on welfare paradigm that the agency has been following. This realization and subsequent efforts at redesigning some of the major programmes have been the *raison d'être* for the deep immersion.

SAPNA is a network of organizations, scholars and action researchers striving to eradicate the worst forms of poverty in a reasonable time frame, and has been a pioneer in developing the PAR methodology for social mobilization in South Asia. Training of trainers in Social Mobilization (SM) is a major programme that SAPNA is engaged in.

SAPPROS Nepal, the third organization in the deep immersion is a national NGO in Nepal and a major partner of the SAPNA network. It has been successful in bringing changes in the lives of thousands of some of the poorest families in Nepal through its SM efforts.

PIDA Sri Lanka is a national NGO established in 1984 and working in several provinces of Sri Lanka through the methodology of PAR for poverty eradication with the poor as subjects.

## Objectives

The objectives of the programme were:

1. Training/reorientation of project level staff of IFAD projects in the methodologies of rigorous social mobilization, participatory development with the poor as subjects and enhancing local institutional capacities.

2. Drawing lessons for policy dialogue from two 'success cases' on the ground, and best practices for poverty eradication in a given time frame through innovative partnerships.
3. Providing insights for the development of state and national programmes and policy.

## List of Background Reading

### ***Material Provided to the Participants***

- IFAD Regional Strategy Paper for Asia and Pacific.
- Failure in Sustainability of Delivered Projects: SAPPROS Evaluation of IFAD Hill Track Projects in Nepal.
- Governance, Decentralization and SAPPROS Experience in Poverty Alleviation in Nepal (with script of Video 'A Life of Dignity').
- Sri Lanka: 'Bare Hands' Approach to Releasing the Creativity of the Poor (with script of Video 'Ranna Story: The Bare Hands Approach').
- SAPPROS Experience in Agricultural Technologies with Irrigation in Lamitar and Basantpur.
- Draft Report on SAPPROS Experience in Integrated Natural Resource Management.
- Report on Analysis of Farmers' Co-operatives.
- SAPPROS Experience in Application of Sociogram.
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## REPORT OF PHASE-I

### The Programme and Deep Immersion Schedule in the SAPPROS 'Success Case' in Chitwan District, Nepal, 18 February to 2 March 2002.

The deep immersion exercise was the first phase of a three-phase programme between IFAD and SAPNA to strengthen and redesign IFAD's antipoverty programmes in South Asia in line with IFAD's newly released vision document. Accordingly, the participants were drawn from personnel actively involved in implementing various IFAD programmes across South Asia. In addition, SAPNA also nominated participants from its own network across South Asia as Resource Persons. Altogether 32 participants drawn from all over South Asia took part in the programme. (The list of Participants and Resource Persons is in Annex-1).

The programme started off with an orientation session on 18 February evening, in which Dr Ponna Wignaraja, Chairman, SAPNA explained the objectives of the overall training programme as well as the methodology of experiential learning being adopted in the programme. Attention of the participants was also drawn to the extensive amount of reading material provided, which would help the participants revisit and internalize the concepts even after the deep immersion programme was over.

The programme was drawn up around five clusters of issues as follows:

1. The failure of delivery approach
2. The fundamentals of an alternate paradigm
3. Revisiting the alternate paradigm through analysis of success cases on ground
4. The roll of catalyst/facilitator in social mobilization and their training
5. Participatory monitoring and evaluation



The concerns of gender equity, technology, sustainable use of natural resources and building partnership were cross cutting in nature and as such not limited to any particular session.

Finally, the participants were to draw up tentative action plans on how the experiential learning through this deep immersion would be put to in practice in their own work environment.

### ***Detailed Programme***

18-02-2002	12:00 pm	Arrival of Participants in Kathmandu Briefing the Participants about the Programme by Dr Ponna Wignaraja, Chairman, SAPNA
	6:00 pm	
19-02-2002	8:00 am	Departure to Hotel Narayani Safari, Chitwan
	4:00 pm	Revisiting IFAD's Vision and SAPNA's Approach
	6:00 pm	Failure of Delivered Projects
		(i) SAPPROS evaluation of IFAD Projects in Nepal (ii) SAPNA evaluation of DERBA project in Sri Lanka
20-02-2002	8.30 am	What Did We Learn on Unsustainability of Delivery Approach; Discussion in Groups
	4:00 pm	Perspectives in Pro-poor Growth, Rigorous Social Mobilization and Participatory Development (Susil Sirivardana, Associate Coordinator- SAPNA)
	6:00 pm	Success cases in Social Mobilization and Participatory Development with Poor as Subjects (Discussion and screening of Videos) (i) Chitwan, Nepal (ii) Ranna, Sri Lanka

21-02-2002	8.30 am	First Field Visit: Initiation of Social Mobilization
	4:00 pm	What Did We Learn? Discussion on Mobilization, Conscientization, Building Organizations of the Poor and Role of the Facilitator
22-02-2002	8.30 am	Lessons Learnt for Initiating and Implementation of Sustainable IFAD Activities and Processes: Discussion in Country Groups
23-02-2002	4:00 pm	Presentations in Plenary
	6:00 pm	SAPPROS Experience in Use of Sociogramme for Participatory Monitoring and Evaluation: Discussion
24-02-2002	8.30 am	Second Field Visit: Discussion with Makwanpur Dist. Development Council
	4:00 pm	What Did We Learn? Discussion on Linkages between Decentralization of Governance, Devolution and Pro-Poor Growth
25-02-2002	8.30 am	Third Field Visit: Appropriate Technology and Natural Resource Management, Application of Sociogram
	6:00 pm	What Did We Learn? Discussion on Sustainable Institution Building, Gender Equity, Choice of Technology and Knowledge Management
26-02-2002		Lessons Learnt for Initiating and Implementation of Sustainable IFAD Activities and Processes: Discussion in Country Groups
27-02-2002		Fourth Field Visit: Building Sustainable Organizations of the Poor for Generating Pro-poor Growth

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28-02-2002	9.30 am	What Did We Learn? Discussion on Final Field Visit on Building Countervailing Power
	10.30 am	The Evolution of a Facilitator: Experience Sharing by Khop Narain Shrestha, SAPPROS
	11.30 am	IFAD The New Vision and Strategy for South Asia Presentation by Ms Atsuko Toda, IFAD
	12.15 am	Bangladesh Rural Advancement Committee (BRAC)—Learning from 25 years of Experience in reaching the poor by Mr Fazlul Haque, Manager Training Division, BRAC
	4.15 pm	Training Facilitators in Social Praxis: Presentation by Madhu Menon, Kerala Institute of Local Administration (KILA), India
	5:00 pm	Revisiting the Fundamentals of the Alternate Paradigm
	7.15 pm	Revisiting the Success Cases Screening of the Videos
01-03-2002	9.30 am	Meeting of the SAPNA Consultative Committee of the Sub Network of Organizations involved in Training of Trainers in Rigorous Social Mobilization
	10.30 am	Organizationwise Preparation of Follow up Action Plans
	2.30 pm	Visit to International Centre for Integrated Mountain Development (ICIMOD)
02-03-2002	9.30 am	Preparation of Follow up Plans Continued
	4.00 pm	Presentation of Written up Action Plans
	4.30 pm	Conclusion
03-03-2002		Participants Leave for Own Countries

**Expected Outputs**

Upon successful completion of the programme the participants will:

1. Develop a clear understanding of the process of social mobilization and participatory development through experiential learning.
2. Be able to:
  - Design, redesign and implement sustainable training programmes and to enhance local institutional capabilities.
  - Undertake participatory monitoring.
  - Help build innovative partnerships between various development partners such as civil society, state, and the like.
  - Train staff in participating planning and monitoring.
3. Be sensitive on link between governance decentralization and sustainable pro-poor growth.

**The Setting**

The deep immersion exercise was carried out in the backdrop of Chitwan district in Nepal, home to some of the poorest households (mostly tribal) in South Asia. SAPPROS interventions in Chitwan for over the last five years have benefited over 50,000 families, helping them move out of destitution into a life of greater dignity and self-respect.

## Unsustainability and Inadequacy of Delivery of Inputs Approaches

**19-02-2002**

The sessions on 19 and 20 February mornings focused on the failure of dominant welfare paradigm in addressing the poverty issue. The primary inputs for the deliberations comprised of:

1. an IFAD commissioned study of hill area development projects in Nepal (Box 8.1).

2. an evaluation of Norwegian Agency for Development Cooperation (NORAD) funded project in war-torn Northern Sri Lanka (Box 8.2).

The reports were presented by Dr Govind Koirala of SAPPROS and Mr Velupillai Subramaniam of PIDA, Kandy, both members of the respective study teams (the printed reports were made available to the participants as reading material in advance, along with the invitation).

### **Box 8.1 The Hill Options Study in Nepal**

Dr Govind Koirala of SAPPROS, Nepal who was a key member of the team that evaluated over 200 cases of service delivery based projects in Nepal presented the findings of the study that vindicated the adage that the more things change the more they remain the same. The study titled 'Hill Options Study' took a hard look at the various development initiatives in the past for the development of high-land areas in Nepal.

The study covered 32 of the 52 districts of Nepal with substantial hill population. The basic premise of the study was that institutions are crucial for development and that success as well as sustainability of the development efforts depended on the nature of institutional arrangements and the extent of their involvement in various stages of a development programme.

Examining a range of cases under various institutional arrangements in the sectors of agriculture, animal husbandry, infrastructure, drinking water, irrigation and power generation, the study came to the conclusion that both in terms of process as well as efficiency, the most successful institutional model or combination of institutions were the ones involving Community Based Organizations (CBOs). The strength of CBOs was the participation of beneficiaries in almost all phases of project planning and implementation. This resulted in lower costs, greater transparency, higher quality of implementation and more sustainability.

On the other hand, the government agencies were the least preferred institutional models for a variety of reasons such as non-suitability, rigidity, lack of transparency, corruption, and so on. Yet, they were handling most of development activities in the areas studied.

The study also identified certain sector specific weaknesses such as agenda set by experts and not by users (agricultural research), rigidity of technology (extension) and poor access to the needy. Expensive, complex systems that the community found difficult to operate and maintain even when much more cost-effective, simple and user friendly technologies were readily available (infrastructure), pseudo participation to meet project guidelines, lack of capacity building (drinking water), cost inflation, technical inadequacy of monitoring and evaluation machinery, weak identification of beneficiaries, and so on, were also common.

A telling comment to the impact of insensitive delivery of services has been the fact that over USD 34 billion having been invested in drinking water schemes, which is sufficient to ensure ample supply of drinking water to every Nepalese household, 40 per cent of Nepalese do not have access to safe drinking water.

### **Box 8.2 The Development and Rehabilitation (DERBA) Project in North-East Sri Lanka**

The DERBA project funded by NORAD began in 1989 in Batticaloa district of Sri Lanka with the objective of rehabilitation of the victims of the ethnic conflict in Northern Sri Lanka as well as reconstruction of Batticaloa district. Social mobilization was a major component of the programme. The programme implementation over the last nine years had not made the project sustainable.

In the first stage from 1989 to 1992, NORAD identified the Eastern Rehabilitation Organization (ERO), a consortium of 19 NGOs to implement the programme. However the NGOs were mainly relief-giving NGOs and had little experience in social mobilization or development. The NORAD entrusted the implementation of the programme to a government agency, the Batticaloa Integrated Rehabilitation and Reconstruction Project (BIRRP). Curiously, the social mobilization even at this stage was being carried out by ERO with funds being channelled through BIRRP. ERO's efforts at social mobilization during this phase was merely to appoint a cadre of 82 untrained persons as social mobilizers. In the third phase, the BIRRP evolved from a purely rehabilitatory agency to DERBA, a project office for delivery of inputs to the affected people. As of now, there are 841 groups and 106 Self Bank Societies in the 12 district divisions of Batticaloa.

The DERBA project, upon evaluation has been shown to be one of the scores of projects across South Asia that claim to be practising social mobilization. In reality, it was a mechanistic approach at organization without any consideration to conscientization and mobilization, which should precede organization. The project staff was not conversant with the concept of SM at any level. Repeated evaluations during the last nine years have resulted only in cosmetic changes in management of the project and not in content. As a result, hardly any impact could be discerned on ground even after twelve years of implementation. Some of the more specific findings were:

1. There was hardly any attempt to harness the locally available resources as well as technologies for the benefit of group members, though the valuation team found quite a few such opportunities.
2. The savings bank setup also had a similar story to tell, inadequate as they were to meet the credit requirements of the group members and to make a real impact on the lives of people, even when the members were prepared to contribute more to the savings bank.
3. There also were little efforts to involve the support system in the programme even though many agencies were willing to co-operate with the programme. Thus many of the needs such as housing, water, skill training, loans, and so on, which could have been made available to the poor through support system involvement remained outside the reach of the needy.

The two presentations above, formed the basis of preliminary discussions in the plenary as well as more in-depth reflection in group discussions on the following day when the participants broke into broad country groups to draw their conclusions on the illustrative cases presented as well as critically reflect on own projects.

**20-02-2002**

The conclusions presented later in the day helped the participants to understand that many of the lessons from the two cases presented were applicable to their own projects as well. This was a shock as well as an eye opener to many who till the moment held their projects as highly commendable models in poverty eradication. Some of the major weaknesses of the dominant paradigm identified were:

1. Top-down approach in project planning and implementation
2. Not based on reality as well as needs of primary stakeholders
3. Sectoral, non-holistic approach
4. Rigidity and non-transparency
5. Participation of primary stakeholders as objects and not as subjects

The end result was the exclusion of the real poor for whom the project was planned in the first place, alienation of the poor from common property resources leading to ecological unsustainability and widening gap between the rich and the poor.

That these observations were not lost entirely on the top management of IFAD and that it was precisely for these reasons that the participants were invited to the deep immersion exercise to take a close look at an alternate paradigm became evident from the letter of Dr Phrang Roy, Director, IFAD (see box on page 139) wherein he shared the above concerns.

## **The Fundamentals of an Alternate Paradigm of Participatory Development**

Development of a collective understanding about the failure of dominant development paradigms led to the question as to what could be a viable alternative. In the post tea session, Susil Sirivardana, Vice Chairman of SAPNA presented the fundamentals of an alternate paradigm for sustainable development. Before going into the core methodology of the new paradigm, he elaborated on the key concepts that set the new paradigm apart from the dominant ones.

First, in the context of the contemporary SAARC countries, the new paradigm insists that we set our thinking 'right', Sirivardana stated. Previously, it was thought that we have to raise the rate of growth first in order to reduce poverty in the subsequent period

through a 'trickle down process'. Under the new paradigm, this 'wisdom' is questioned. In South Asia, we have tried to raise the growth rate per annum for several decades in the past and have so far failed primarily because our savings rate (as percentage of GDP) has been inadequate relative to our investment needs. We have also tried the alternative solution of breaking the vicious cycle of poverty by raising the quantity of foreign assistance to complement our low domestic savings but instead of raising the growth rate, we have mostly raised our debt burden and sharpened some contradictions within our societies in the process.

The new paradigm tells us that since we have so far failed to reduce poverty by accelerating the growth rate first, let us now try another approach: eradicate poverty first and see if it can push us to a higher growth path as a by-product. To achieve this, the economic process suggested in the new paradigm is:

**1. Recognise that the poor, by and large, are 'efficient'.**

They are not only surviving but also contributing substantially and creatively to the GDP growth in our countries with very little income in their hands. If they had more income and assets, they could presumably contribute more.

The 'efficiency' of the poor increases further when they can be organized. Organizations of the poor open up the chances of bringing their creativity into the mainstream of development. More specifically, they give them the ability to borrow money without collateral, generate self-employment and, at the same time, initiate a dynamic process of capital accumulation through increased savings and increased investment.

With the savings constraints substantially broken, poverty reduction via generation of self-employment, increased investment, income and savings can take place. To sustain this momentum, however, the process needs what has been termed as 'sensitive support' from the government.

This sensitive support network that the new paradigm advocates has many components, most important of which is credit intervention followed by (i) access to other resources, (ii) innovative procedures to make the market 'friendly to the poor' (usually the conventional market is unfriendly to the poor, it raises the prices of inputs without raising the price of output, particularly when subsidies are withdrawn under the pretext of structural adjustment reform without adequate homework),



(iii) promotion of gender equality (usually poor women are more efficient, particularly as savers) and (iv) increased investment in human resource development (particularly in education and health).

The recognition that the poor are efficient entitles them to their fair share of resources and the new paradigm, in recognizing that often more is taken away from the poor (exploitation of natural resources—to which the poor also have equal rights—to the benefit of a few is one instance) also insists that there be a net transfer of resources to the poor.

This recognition of the efficiency of the poor and further net transfer of resources can lead to a new accumulation process at the base of the economy. In addition to the accumulation by the public and private sectors, the process leads to a three sector growth model, with the poor also contributing, instead of the conventional two sector model. The above economic process can then be reinforced by a new political and social process.

2. It was stated above that the poor are efficient and when organized, this efficiency increases. However this does not mean that the state has no role to play. The mobilization process can be accelerated if the organized poor are ensured the political space to participate in the development process as subjects. For this, there has to be increased 'devolution of decision-making powers' in favour of the poor, particularly in areas which concern them most. The poor should be encouraged to identify their problems, prepare projects/programmes and consolidate these into bottom-up programmes/plans. The government officials have to be trained, where needed, to act as catalysts/facilitators (but not as the 'benevolent guardians', which is presently the case).
3. The 'right of the poor for basic needs', has to be recognized along with their 'rights to resources, information and justice'. The right to basic needs has been included in the 'constitutions' in some countries of this region but without the right to resources and information, poor will not have the means to generate self-employment. Without self-employment, they will have to depend mostly on 'safety nets' of the government/NGOs for meeting their basic needs. As far as the efficient poor are concerned, they do not need safety nets, they need resources to stand on their own feet through their dynamic accumulation process.

The above political process has to be complemented by social process. The 'social process' would imply that Poverty, employment and social disintegration (if any) would be attacked at the grassroots through community organization. Once a community organizes, individuals become 'responsible' to help each other. This social process can be supported by a new value system' that complements the conventional 'competitive spirit' of the individual and the nation with the obligation of 'sharing and caring'. This value teaches the individual that his/her own welfare is a necessary but not a sufficient condition for the development of the nation. For a sufficient condition, s/he has to be 'responsible' for the welfare of his/her fellow citizens. Previously, most of us thought that this is a desirable objective but not practicable. The rational individual earns money for his/her own consumption, not to give it to others in charity. The new development paradigm teaches us that this value system emanates dynamically wherever there are successful cases of poverty alleviation through social mobilization. It further enhances, not reduces, economic growth.

So, the SAPNA paradigm has not only an economic but also a political and a social dimension. They reinforce each other. The integration of the value of sharing and caring through the dynamics of community organization shows that it is possible to bring 'ethics' into both economics and politics. This in turn, leads the society to greater social cohesion. This process of integration of economics, politics and social development is yet to be found in conventional economics. So we call the SAPNA prescriptions for development, 'a New Development Paradigm' (NDP), that show how we may reduce poverty to achieve growth with greater social integration. Another way of stating this is to say that through this paradigm the objectives of growth, human development and greater equity could be achieved as part of the same process, and need not be trade-offs.

Central to the new paradigm is a holistic perspective about the concept of participation, for, it is sheer pretension to think that the multifaceted crisis of South Asian countries can be easily overcome or that the reshaping and development of these societies in a more balanced and sustainable way can be undertaken without the participation of the people, particularly the large numbers who are poor and vulnerable.

Participation, in the new paradigm is not the 'participation' by 'beneficiaries' in externally led 'projects' for receiving benefits but a much broader holistic concept of informed participation in matters that affect their lives as subjects. In short, participatory development and democracy are considered identical concepts. If participation means democracy, representative democracy as now practised is singularly limited form. People participate in elections. But such formal participation is mere tokenism unless power is shared, particularly at local levels. Participation also means trusting the people and commitment to a more egalitarian society that would ensure equal access to resources, not only to land but also to education, food and health. Where formal power is in the hands of a few and power is not shared but grossly misused, participation in the first instance results in building countervailing forms of power, leading ultimately to a healthier democracy.

Furthermore, if development results from releasing the creative energies of the people, particularly the poor and the vulnerable, then they must be the final arbiters of their lives. Participation and self-reliance are thus interrelated. This form of development goes beyond considerations of equity. To participate, people need to form their own organizations. The poor need, through their own organizations, to counter the socio-economic reality around them and forces that keep them in poverty. Such participation then opens up possibilities for people to bring about changes in their conditions through their own reflections and collective actions. This constitutes a learning process, a process of further consciousness-raising and self-transformation. In this sense, participation is also a basic human need.

### ***Social Mobilisation and Participation of the Poor as Subjects***

The point of departure of the PAR methodology from the dominant ones was the identification of the actors. As a result, much of the resources transferred to the poor hardly reach them. Given the physical and psychological barriers, even the fraction that actually reaches the poor is not optimally utilized.

Centuries of oppression has restricted the mental space of the poor so much so that the reality perpetuated by a highly skewed

power structure is accepted unquestionably. Also, the client–patron relationship cultivated by the dominant elite including support system have rendered them incapable of having a dialogue with the support system as equals and articulating their needs clearly.

The alternate paradigm in recognition of the above weaknesses considers a third group of actors as crucial to the process of poverty eradication. These are trained, sensitive and committed change agents called facilitators/animators with a high level of identification with the poor.

These catalysts are often initially external. However, as the process gains momentum, a cadre of internal animators evolve from the process, taking over the functions from the external facilitator.

The catalysts, on one hand interact with poor, sensitizing, conscientizing, mobilizing and organizing them through a sustained process of dialogue (and not through quick-fix, tool-kit approaches), which enable the poor to re-perceive their reality, understand that it can be changed, if not individually, then collectively and initiate collective action to change their reality.

On the other hand, the facilitator also interacts with the support system on behalf of the poor, eventually reorienting the support system in favour of the poor.

### ***The Contradiction Tree and Building Countervailing Power***

The principal responsibility of the facilitator/ animator is the mobilization of the poor. To this end, it is imperative that both the facilitator and the poor understand village reality as it exists. As already stated, rural communities are hardly homogeneous entities. In general it can be observed that there are two major classes of people:

1. The dominant elite comprising the landlord, the money-lender, the trader, the upper castes and the bureaucrats.
2. The dominated poor comprising labourers, lower castes, small farmers, the landless as well as women and youth of these households.

The poor are dependent on the rich for their survival. This dependency relationship is more often exploited by the rich to their advantage, thereby effecting leakage of whatever little surplus the

poor generate and keeping them in perpetual poverty. Moreover, the poor compete among themselves for scarce resources, thereby adding to their deprivations.

This dependency relationship depicted as the contradiction tree that evolves out of unequal power relationships must be understood by the catalyst as well as the poor themselves as the major factor keeping them in perpetual poverty, for it is ultimately only through changing the power structure can the poor come out of poverty.

This critical awareness brought about through sensitization and conscientization is the starting point of mobilization for poverty eradication. The poor realize that poverty is a socially constructed reality and therefore can be deconstructed and again reconstructed. They further realize that individually they may be powerless, but collectively they can act creatively to bring about changes in their lives, and start looking for space to act. Thus creativity of the poor is the starting point in social mobilization.

### ***The Unfolding Spiral: Conscientization and Pro-poor Growth***

As the poor understand their reality, they begin to perceive self-possibilities to deal with the factors in their poverty, and thus change the reality. Alternative possibilities of action will be explored and the feasibility for such actions will be examined using the poor people's own knowledge and experiences and drawing from the knowledge available from outside. Resource requirements and constraints for each action will be carefully studied. This is a process of the poor doing their own planning at the local level.

In order to initiate 'actions' the poor need to organize themselves in a manner (as decided by them) that best suits their purpose. They may decide to build new organizations of their choice or use existing organizations over which they have effective control as instruments of action. The important point here is the availability of organizational mechanisms and support systems in which the poor have confidence, over which they have control and which they can use for their actions.

Initially, the organizations of the poor will naturally tend to start with the problems and issues of immediate concern to them and which they can tackle with confidence. With increasing conscientization and experience gathered in action planning, they will tend to diversify their actions to include other aspects of their socio-economic lives. Self-initiatives are educational experiences which expand

people's horizons. New problems, issues and needs will be identified for investigation, analysis and initiation of actions. The success of one action creates the possibility of undertaking another, setting in motion a flow of successive actions. Furthermore, the process tends to multiply from one group to another and from one village to another. Successful actions of one group demonstrates to others in a village the possibilities of self-development. This organic evolution from simple actions (such as savings, sharing of labour, and so on) to more complex activities (such as collective marketing) both in time and space is depicted as the spiral, which aptly captures the seamless integration of different phases or stages.

After a point, people's groups tend to develop an urge to expand the process among others, for they begin to realize that it is only when several groups join hands and begin to act together that they will have the strength and bargaining power to tackle larger issues of common concern to them. Such actions lead to evolution of next levels of organizations such as the village level organization of groups and from there on to district level federations. The logical outcome of this process is empowerment of the poor, the growth of their capacity for self-development and the emergence of the poor as a counter power within the socio-economic system capable of asserting their rights and claims to improve their lives. As the sensitivity of the support system increases, the total social mobilization process becomes complete.

As the people's self-development process unfolds, people will begin to improve their capacities to conceive development ideas, plan, implement and manage development actions. A wide range of opportunities will be created for the practical expression and development of talents and skills that lie dormant among the poor. Leaders, intellectuals, animators, managers, and so on, will emerge from the action process, reducing over a time their dependence on outside catalysts. The poor will tend to become increasingly self-reliant in their thinking and action and begin to develop autonomous capacities for action. Thus SM leads to not only material benefits but also an expansion of values and capabilities.

Reflection on actions (Praxis), that is, to review and evaluate the ongoing actions as a regular practice is undertaken by the poor groups themselves and constitutes an important element in a participatory development process. Reflection enhances the knowledge and understanding of the poor and helps to improve the quality of their actions. Participatory monitoring permits self-corrective

actions to be taken while the problems are small. Participatory monitoring is a critical part of participatory development and cannot be separated from the total process of social development and participatory development.

### ***Participatory Monitoring and Evaluation Process***

Irrespective of whether they emerge spontaneously or the activities start with a particular entry point, their evolution must be seen as a self-generating process where each stage is built on the collective experience of the previous stage. This is how the process is made sustainable. Thus, this collective experience needs to be continuously assessed and corrective actions taken systematically while the problems are still small and manageable. This is the task of monitoring and evaluation.

Conventional evaluation requires an outside evaluator who, in a sense, exercises control over the process. But in a situation of participatory development, internal evaluation provides the necessary control and reinforces the capacity for self-management. The internal motivational objective is to raise the understanding of the experience by the poor through collective assessment, improved articulation, problem solving and commitment to the tasks they have set for themselves. They also learn from their total experience and derive a political resolve towards group action for overcoming difficulties and achieving their objectives. Individually, they cannot go very far, given the magnitude of the problems they face. This is also what is meant by empowerment.

The commonly approved pattern of evaluation and monitoring is a hierarchical one. The style is that of instruction/inspection. Information regarding an activity is generally picked up through inspection by an outsider to the process. Thereafter, it is subjected to selection and scrutiny at various levels in a given hierarchy and is finally carried to the top for decision-making. The reflection/decision-making power is distanced from the real scene. The corrective action as visualized by authorities is thereafter transmitted through a series of instructions. They are pushed down with the weight of administrative authority. It is not surprising, therefore, that what the concerned people at the lowest level perceive is not the rationality of the decisions but the oppressiveness of authority. The strength of participatory monitoring lies essentially in reversing this process.

In this kind of monitoring, information on activities rests with the people. They, on their own initiative, seek help and assistance from the administrative power. The organizational structure does not lay down any 'duties' for the functionaries except for responding to the needs of the poor when they get articulated. The decision-making, therefore, rests in the immediate vicinity of the 'information'.

The specific criteria to be used for participatory evaluation cannot be laid down in a prescriptive manner. However, a set of criteria, derived from the experiences on the ground which though not all quantifiable, measurable and observable, are indicated visually in the form of a sociogram for monitoring the total social mobilization process for poverty alleviation.

The criteria in the sociogram are all interrelated and mutually reinforcing. However, they deserve to be presented separately not only for their own sake but also more importantly, because they contribute to each other's growth and thereby to the total process. If one element in the process is not moving forward, it can easily be identified and strengthened. The three major planks that deepen social consciousness and lead to the empowerment of the poor are attitudinal change, the capacity for self-management and the economic and social base of the poor. It is axiomatic that the economic base of the poor has to be improved over a period of time through a dual process of savings, investment and asset creation and the emancipation of the poor from economic and social bondage, to enable them not only to be more productive, but also keep the surpluses in their own hands. The establishment of a self-reliant activity base will mutually reinforce the process of promoting positive attitudinal values. Conscious attempts to diagnose, assess and mutually stimulate such values will bring them to the fore and will contribute to turning them into a driving force for further action, contributing to a deepening expansion of the process itself. Ultimately the process as a whole, which starts with the release of the creativity of the poor, has to be judged by the increase in their social consciousness, empowerment and self-respect.

### ***Choice of Technology and Natural Resource Management***

A basic premise of the old framework of development was that there is only one relevant stock of knowledge (that is, the most modern knowledge and technology experimented and perfected in



industrialized countries). A transfer of this knowledge and technology to South Asian countries with necessary technical assistance and extension services, along with capital, was expected to solve the problem of poverty.

From the point of view of the poor, there is a wide range of technological choices for both development and poverty alleviation. There are at least five different basic stocks of knowledge to draw from.

First, there is the modern stock in industrialized countries that could be selectively used with appropriate adaptation and social control to prevent the perpetuation of dualism and impoverishment of the resource base in rural areas.

Second, again in the industrial countries, a stock of intermediate technologies, which may not be the most modern are available, but can also be selectively used so that only the appropriate and not merely the outdated technology is transferred.

Third, there exists a stock of knowledge available in the form of traditional technologies located in the different South Asian cultural settings. Some of these are half forgotten and would need to be retrieved and revived; some would also need to be upgraded and given modern scientific validation in their own environment before they can be used.

Fourth, a new technology is being created in South Asia resulting from a new and yet different research and development (R&D) system gradually being built up by committed and de-professionalized intellectuals, experts and the poor, living and working together. They are evolving more humane responses and appropriate technological solutions to the problems of the poor, helping them to maintain and improve the ecological balance, as well as all aspects of production. This fragile new R&D system can be reinforced through regional co-operation in developing labour-intensive cost-effective technological choices that could also lead to wiser use of natural resources.

Fifth, individuals and groups in industrial countries are rejecting modern technology *per se* and experimenting with technologies related to new values and new institutions that provide a glimpse of a different people/nature/technology mix. These experiments may yield a stock of knowledge more relevant for South Asian development in the long run and can reinforce similar experiments and emerging knowledge in South Asian countries.

### ***Role of the External/Internal Catalysts/Facilitators***

Having explained the core elements of social mobilization through PAR, Mr Sirivardana proceeded to explain the role of the facilitator in SM.

The process of participatory development (as described above) rarely emerges as a spontaneous phenomenon. The poor need to be stimulated and sensitively assisted to initiate such processes. In order to undertake self-initiatives for change, the poor need to understand the socio-economic reality in which they live, perceive self-possibilities for bringing about changes in that reality, develop the capacities to translate the possibilities into concrete actions and to manage the actions. This is not a matter of 'skills' training in the narrow sense of technical skills or a manipulative process in the name of 'participation'. All categories of the poor need to develop their intellectual skills (to investigate, reflect upon, analyze and understand) as well as their practical skills (to organize, implement, and manage actions). This defines the role of the 'outsiders', whether they be called catalysts, change agents, animators or facilitators, namely to assist the poor to bring out and acquire the intellectual and practical knowledge needed for their self-initiated development process. The role of the outsiders may be conceived as consisting of two main elements, namely animation and facilitation.

**Animation:** It is a process of assisting the poor to develop their intellectual capacity to investigate the reality of their life situations, analyze the relevant issues, and understand the factors creating poverty and deprivation, and through such understanding, to perceive self-possibilities for change. They are animated when they understand the reality and perceive possibilities for changing that reality. The outcome of animation is conscientization and awareness creation. Animation is the outcome of a specific mode of interaction between the outsiders and the poor. The essence of this interaction is the evolution of a subject-to-subject relation between the two parties (replacing the conventional subject-to-object relation). The poor have a knowledge base rooted in experience, practice and living with nature and society. This knowledge has its own validity and rationality. On the other hand, outsiders bring with them knowledge derived from formal education. These are two different knowledge streams, each having its own scientific basis. It seeks to achieve an interaction between the two knowledge streams, creating a mutual

learning process. It is an interaction between the two worlds, capable of systematizing the knowledge of the poor, creating new knowledge and generating seeds of change. Animation seeks to break the dichotomy between subject and object, and to evolve, as far as possible, a relation between two equals.

Such an interaction mode requires the adoption of a dialogical approach and even these steps cannot be taught or applied mechanically. Teaching, instruction and transfer of skills will be replaced by discussion, dialogue, stimulation of self/reflection and analysis, and sharing of experience and knowledge. The starting point for this purpose should be an attempt to initiate a dialogue with the people on the reality of their life-situations. The reality that people face (poverty, underdevelopment and deprivation) should be posed to the people as a problem for their investigation, as a challenge for them to respond. By raising key questions such as: Why do we have low incomes? Why is our production low? Why do we buy our needs at high prices and sell our produce cheap? Can we not find new kinds of work in the informal sector? What access do we have to different kinds of resources? Why do we eat certain kinds of food? The catalyst/animator has to stimulate/provoke the people to come out with ideas, issues and factors that they perceive as barriers in improving their livelihood. Dialogues with the people must lead to a re-evaluation of poor people's own basic perceptions of issues pertaining to their life-situations.

Dialogues enable the poor to systematize their own experiences. Besides, the interaction with the animator enables them to improve their knowledge base by absorbing the relevant formal knowledge brought in by the animator. The outcome is a synthesis of their own and formal knowledge. From such problematization, analysis and knowledge creation that follows, they will begin to perceive self-possibilities for change which form the basis for their actions to change the reality. Hence, actions are rooted in the investigations and analysis carried out by the people themselves assisted by the animator. This approach may be contrasted to the normal run of development projects where the underlying social analysis for projects is carried out by outside professionals and the poor are at best involved in the implementation phase of the projects.

Facilitation: Animation is a necessary, but not necessarily a sufficient condition to enable the poor to undertake and manage development actions to transform their realities. There are a host of factors

that operate to keep the poor passive rather than active. Given their behavioural patterns (often non-innovative and non-experimental in nature) and lack of experience in undertaking self-initiatives for change, it will take time before they begin to develop the confidence in their abilities to bring about changes. Hence, an external input in the form of facilitation is often required to assist the poor to initiate actions for changing their conditions. Animation by breaking mental barriers, begins to show possibilities for change. Facilitation is an attempt at assisting the poor to overcome practical barriers to action. The catalyst/animator with his/her formal education, wider knowledge of socio-economic contexts, and links with the governmental machinery and service delivery personnel should be able to assist the people to cope with their practical problems. Such facilitation can take several forms such as:

1. Assisting them to acquire basic management and, where necessary, technical skills, building on their own knowledge.
2. Assisting them to develop contacts with formal service agencies, institutions and bureaucracies relevant to their action programmes, and to develop skills and knowledge required to deal and negotiate with them.
3. Assisting them to improve their access to material resources, such as credit available within the socio-economic system.
4. Assisting them to translate their developmental ideas into concrete activities and programmes and to work out the implementation plans (a kind of consultancy role).
5. Facilitation can also result in the reorientation and sensitization of the support system as a result of the ensuing dialogue, apart from the more formal re-training of the support system staff.

An important characteristic of the animation and facilitation roles should be its transitional character, that is, its progressive redundancy over time as the poor develop their own capacities to initiate, undertake and manage their development. The catalyst/animator's interaction with the poor must lead to capacity build-up among the people, and a crucial test of an animator's success must ultimately be his/her ability to render his/her role redundant over time within a given community or village so that s/he is released to start similar work in another village. Self-liquidation (the ability of an animator to phase out from a given village) becomes important in two respects:

(i) to ensure that the poor become self-reliant, that they develop the capacity to manage their actions without critical dependence on outsiders and (ii) to ensure multiplication of the participatory development process such that the animator is released to move into other villages to start similar work.

This is a fundamental characteristic of the interaction mode for participatory development as distinguished from other modes of intervention implied in the notions of bureaucracy, vanguardism and paternalism which, one way or another, tend to perpetuate the role of the interveners. It is the generation of internal animators from within the village communities that enables the external animator to make his/her role redundant over time. Poor people's development processes create a wide range of opportunities for the people to develop their dormant skills and talents. Investigation and analysis of reality, exploration of self-development possibilities, translation of the possibilities into concrete action plans, implementation and management of actions, development of links with formal agencies, bargaining for resources and services are responses that the people would be actively involved in a process of participatory development. Involvement in such a wide range of actions provides a training ground for animators and facilities to emerge from the poor themselves. These are organic skills (organic intellectuals, planners and managers). The external catalyst/animator must identify such emerging abilities, hold meetings and discussions with them and assist them to improve their knowledge and ability so that they develop the capacity to eventually replace him/her. The ratio of internal to external animators must progressively increase over time, which is in fact an indicator of the success of a project of this nature.

It may be noted that progressive redundancy does not necessarily mean a complete withdrawal of the external catalyst/animator from a given location. It should rather be taken to mean the evolution of a state of non-dependence on him/her, with the poor able to act more or less autonomously such that they are no longer dependent on the external animator to initiate, undertake and manage development actions. The external animator may continue to keep contacts with them, provide consultancy services at their requests, and assist them in other ways, such as relating to the support system, but the catalyst/animator's constant presence is no longer a requirement. S/he shifts his/her role from that of an animator to a visiting consultant and perhaps a trusted friend.

The deliberations that followed Mr Sirivardana's enunciation of the core elements of the PAR methodology centred on several methodological issues like how to mobilize the poor separately as well as how to ensure the facilitator the freedom of action as is demanded in SM. Many raised doubts as to whether it was possible to mobilize the poor separately in a highly feudalistic society without inviting the wrath of the rural elite.

Dr Wignaraja, in his response to the above concerns replied that given the sharp contradictions that exist in South Asian societies, it is imperative that the poor should be mobilized separately. How it is done depends on the ground realities and requires lot of strategizing. However, it can be done, as was demonstrated by Syndicate for Enabling Human Resource for Empowerment (SEHER) in Balochistan, which is a highly conservative and feudalistic region in Pakistan.

On the other hand, if contradictions are not very sharp and disparity is not so glaring as in the case of many tribal societies, the whole community can be mobilized and organized.

The second issue of the freedom of the facilitator required lot of personal soul searching by everybody as to who he/she was. As a manager of conventional project one wouldn't be disturbed by failure of the intervention and the damage that it leads to. But a committed, sensitive facilitator would try to create space to act even within his limitations. Many around the table in fact had personal histories where they tried to create space to act, often leaving secure, well paid careers.

### ***Success Cases in Social Mobilization and Sustainability***

The session that followed showcased two success stories in two contrasting South Asian settings that demonstrated that SM through PAR can be applied in a variety of settings for eradication of the worst forms of poverty in a given time frame.

The first case was that of social mobilization by SAPPROS in tribal district of Chitwan in Nepal. That this was also the setting for the deep immersion was an incentive in the sense that the success presented could be studied in actual location.

## The SAPPROS Case in Poverty Eradication and Lessons from the Ground

The SAPPROS experience was presented by Dr Sri Krishna Upadhyay, Chairman, SAPPROS.<sup>2</sup>

Nepal, though endowed with abundant natural resources and historically free of colonial yoke unlike her South Asian neighbours, is one of the poorest countries in South Asia. An estimate by the Central Bureau of Statistics, Nepal puts 45 per cent of country's population in a state of absolute poverty in spite of massive inflow of aid and welfare support. The brunt of dehumanizing poverty is borne by the tribals in the remote areas of Nepal where the government is virtually non-existent.

A large number of tribals still survive on roots and tubers dug up from forests for the best part of the year as their ancestors used to. It was in such a context that SAPPROS, a national NGO established in 1991, and working towards eradication of poverty, initiated the PAR programme in the tribal district of Chitwan in 1997.

The social mobilization process of SAPPROS involves identification of the poor, sensitization, conscientization and organization. Other major components such as gender equity concerns, infrastructure development, resource generation, income generation and environmental sustenance are sensitively dovetailed into the mobilization process, ensuring participation of the group members as subjects in all the stages from planning to evaluation.

SAPPROS has been able to reach a total of 17,000 households (100,000 individuals) over the last five years.

The mobilization has resulted in a total savings of Nepal Rs 13 million and a capital base of nearly Rs 31 million. Irrigation and drinking water facilities have been developed. Access to better sanitation and education has been greatly improved. Through imparting skills training in agriculture, veterinary and primary healthcare to a cadre of village youth, access of the poor to scientific knowledge in health and livelihood sectors has been improved. Women led groups were dominant in many activities. Of greatest interest is the fact that a cadre of internal animators has been developed who can carry forward the SM process even in absence of SAPPROS. In due course, the community will be linked with support system and SAPPROS will make itself progressively redundant in the location.

As already presented, in a holistic approach with the poor as subjects, issues such as gender equity, appropriate technology, natural resource management and institution building and networking are not peripheral issues that can be addressed through separate projects. They are issues that cut across and run throughout the process. For instance, one of the groups in Lamitar has, through very simple technology of water harvesting, increased the area under irrigation. This has, incidentally also improved drinking water availability reducing the burden of women in the households. The water retention has charged the ground water table and as a result, the surrounding forest has also benefited. On the economic front, irrigation has enabled the poor families to switch from single crop subsistence farming to multi-crop commercial cultivation. As the marketable surplus increased, higher levels of organization such as co-operatives have been formed to tackle complex issues like marketing.

The second success case was that of rigorous SM by Participatory Institute for Development Alternatives (PIDA) in southern Sri Lanka. The Sri Lankan case, presented by Susil Sirivardana involved a trained facilitator entering a community, identifying the poor, investigating the reality, sensitization and conscientization using simple arithmetic and mobilization for collective action, and is a classical case in empowerment through bare hands approach.

The two cases though went a long way to show the practice of SM on ground and also to show that it is possible to eradicate the worst form of poverty in a given time frame, differed from each other in a few aspects as well.

The greatest difference was that while the Ranna story embodied the bare hand approach with facilitator having nothing to offer, the SAPPROS intervention channelled the resources meant for the poor to the locations in a sensitive manner. This ensures little loss of precious resources and can also accelerate the process considerably given the abundant base of natural resources available. What was remarkable is that in spite of having considerable resources at their command, SAPPROS has not given into the easier and the apparently more elegant approach of service delivery but has focused on building sustainable institutions of the poor and building their capacity for self-management before channelling resources to them. This has made the impact of SAPPROS intervention in the lives of a 100,000 poor in Nepal sustainable.



The oral presentations were followed by two video presentations of the above success cases. The videos illustrated the social mobilization process, the role of the facilitator, the building of organizations of the poor, reorientation of support organizations and new partnerships and sustainability.

The participants, having developed a fair understanding of the fundamentals of rigorous SM process and having familiarized themselves with SAPPROS intervention in the tribal area, were better placed to probe deeper into the process as they visited the field locations and appreciate the nuances. The field visits themselves were planned in such a way that starting with a relatively new location, each visit took them to a more mature location where the spiral had moved further.

### ***First Field Visit: Initiation of the Spiral (21-02-2002)***

For the first field visit to a location where the mobilization process was just two years old, the participants were divided into three groups that shared similar concerns. Thus three groups (India and Bhutan, Pakistan and Bangladesh, and Nepal and Sri Lanka) were formed. These groups were taken to Patihani, Mangalpur and Phoolbari respectively.

At the outset of the visit, the participants were briefed to focus on the following aspects during the field visit:

1. The scenario before intervention
2. SM and initiation of the spiral
3. Role of the facilitator

The group that visited Patihani listened to an unusual mobilization experience. This group of 58 women were mobilized and organized by a tribal area based NGO, Nepal National Tribal Development Organization, whose initial activity was holding adult literacy classes. From this, primary group for saving and credit evolved. In course of time, in order to promote micro entrepreneurship, the NGO got the group to register themselves as a co-operative and advanced a loan of NPR 50,000 at nominal rate.

Many of the members initiated income generating activities using the capital and the group managed to repay the loan in time. However, the NGO abruptly withdrew from the area and the group was

in a limbo without anybody to guide them. It was after a long search that they came across SAPPROS who decided to support them. After two years, the initial three groups of 58 members had grown to six groups of 111 members. The total savings as well as savings rate had increased and so had the loan off-take. A number of the women members had undertaken income-earning activities such as poultry or goat rearing.

Mangalpur was predominantly a farming area and group members, before intervention, had earned their living as agricultural labourers even though they had some cultivable land at their disposal. They were dependent on moneylenders and were highly exploited. Another feature of their earlier life was that in spite of being within easy reach of government support systems, they had hardly enjoyed any support so far.

Barely two years after SAPPROS intervention, there has been a sea change in the life of group members who, with technological and infrastructural support provided sensitively by SAPPROS, have moved from the status of landless labourers and subsistence farmers to commercial cultivators. The community feeling was much stronger than before and group members were confident and positive about their future. The next problem that the group had to resolve was that of marketing.

The location of Phoolbari was also similar in the background to Mangalpur. In Phoolbari, as a result of SAPPROS intervention, women groups have also evolved and are active in savings and credit. As in the case of Mangalpur, the farmers have moved from subsistence agriculture to commercial farming, as a result of which income has nearly tripled and so have savings. Living standards have improved, the groups have been linked to Village Development Committees (VDC) and are actively participating in local level planning.

The groups of participants reassembled in the evening to share their experiences about the field visits. Presenting their analysis in line with conceptual framework, the following observations were made:

1. The contradictions presented in the earlier session were discernable in all locations.
2. SAPPROS made it the point to mobilize the poor separately, which was key to the poor shaping own developmental agenda.
3. The unfolding of the spiral, starting with simple actions such as savings and moving on to more complex ones such as sharing

- of natural resources and local planning was evident though at two years the mobilization was quite young.
4. The collectivity of the poor and sensitive support from SAPPROS enabled the poor to harness the resources available in form of human capital, natural resources and technology to make substantial improvement in living standards without intensive use of capital, the most scarce resource for the poor.
  5. The material benefits were matched by spiritual benefits as well. Greater self-confidence, community feeling, favourable disposition towards self-reliance, enhanced skill and knowledge, and the like, were quite evident.
  6. Though too early to comment on sustainability and progressive redundancy, creative steps like identifying and training a cadre of multi-skilled internal animators were observed as conducive to achieving the said objectives.

On the flip side, the strongest criticism was that in spite of SM, the intervention had a very high welfare component with SAPPROS providing most of the resources in the form of funds and knowledge. The developmental agenda also was highly influenced by the NGO and its facilitators. In spite of the material and other benefits, there were little signs of empowerment in its true sense, with poor being able to articulate their priorities and set their own agenda.

Dr Wignaraja, mediating the discussion, observed that the deep immersion was still in the early days with just one field visit having been completed. The positive lessons from the first visit went on to corroborate the fundamental concepts of SM process. However, there could be some differences in the way rigorous SM was practised by SAPPROS, as compared to the bare hand approach. Given the reality of Nepal, with abundant natural resources and huge inflow of development aid, SAPPROS was judiciously employing the above strengths to marry local resources with appropriate technology, as a result of which major dents could be made in the poverty scenario in as little time as possible. The increase in income could be so huge that small leakages of surplus do not matter much. It must be borne in mind that SAPPROS still does not form groups by offering incentives. Also, Nepal is under tremendous pressure to reduce the poverty problem to manageable levels as soon as possible, evident from the growing insurgency in the hills.

***Lessons learnt for Initiating and Implementation of Sustainable IFAD Activities and Processes (22-02-2002)***

The day started with Dr Wignaraja flagging off the last major item in deep immersion exercise, that is, revisioning and redesigning the individual IFAD projects.

The experience of over half a century in ensuring development with equity in South Asia had brought forth some major lessons such as:

1. Money led delivery approach has clearly failed.
2. The disparities between haves and have-nots have grown beyond what the society can carry. Also, such inequality is morally unacceptable.
3. The dominant paradigms were based on knowledge systems that are irrelevant to South Asian contexts.
4. The approach similarly has been dependent on foreign aid and technology transfer, both expensive and in short supply.

The realization and subsequent search for alternatives were on as early as 1970s and the basic concepts were brought out in earlier SAPNA publications such as *Towards a Theory of Rural Development* (De Silva et al 1988) and *Women, Poverty and Resources* (Wignaraja 1990). However, they remained outside mainstream development thinking until the report of the Independent South Asian Commission on Poverty Alleviation (ISACPA), which reflected the above learning and was accepted unanimously by SAARC heads of states in 1992.

The concepts were once again presented to help deepen the understanding of the participants, following which participants broke into country groups for evaluation of own projects in light of the fundamentals.

**23-02-2002**

The day started with a brief review of the IFAD strategy for South Asia and Pacific. The strategy paper was quite unambiguous in recognizing that 'poverty reduction—and indeed peace, stability and sustainable economic growth can only be achieved by modifying the unequal power relations that contribute to generating poverty,

and by making a conscious effort to enable historically excluded people to exercise their full potential'.

Presenting an overview of the regional poverty situation, the paper observed that in spite of the impressive economic growth in the region in the last decade, growing income inequality, economic vulnerability and persistence of poverty remained harsh realities. Globalization and liberalization 'when accompanied by appropriate and pro-poor policies' can promote economic growth... also increases economic volatility, to which the poor are more vulnerable. Globalization, further, has not influenced the lives of poor living in the remote areas...in fact, it can erode many of the comparative advantages of such areas.

Having thus clearly articulated that the dominant paradigms of welfare and market led development have failed in addressing the poverty issue, the following critical elements of new strategy were outlined:

1. Development of less favoured areas where a high proportion of the rural poor live.
2. Enhancing women's capabilities in order to promote social transformation and agricultural development.
3. Reducing poverty by enhancing capabilities of indigenous people.
4. Building coalitions of the poor.
5. Peace initiatives.

It could be observed in recognizing the weaknesses of the past development efforts that poverty was due to powerlessness and that empowerment through social mobilization and building organizations of the poor was the most viable alternative to eradicate the worst forms of poverty, there was a lot of agreement between the IFAD strategy and the SAPNA vision.

Following the discussions, the individual IFAD projects represented in the workshop were presented, along with the constraints they faced in switching to a more participatory approach.

Most of the presentations reflected the fact that since the development agenda was set by an outside agency, the projects were, for most part top-down and target bound. This left very little space for the poor to set own agenda or, in other words, to own the process.

The second major constraint experienced was that the field personnel, including the participants were hardly equipped to facilitate a SM process.

The near universal obsessions of donor-led projects such as the over emphasis on mechanistic use of tool kits like the PRA techniques as well as the microcredit were evident in the projects presented too. Discussions on the above two topics drew sharp reactions from many of the participants, which revealed that in spite of the donor agencies' fixation with both tool kits and microcredit, there is a lot of apprehension among the practitioners on the ground about the above issues. Intervening in the discussions, Dr Wignaraja observed that there was enough information available on experiences with both PRA and microcredit to conclude that in themselves they are hardly capable of ensuring sustainable development.

The PRA, he pointed out, evolved as a faster, more reliable method for collection of information as compared to cumbersome surveys. However the apparent simplicity and ease of application made it a favourite of western experts and in no time, PRA was transformed from a set of techniques for information gathering to developmental strategy. Emphasis shifted from 'end' to 'means'.

Dr Wignaraja recalled a study by the German Technical Co-operation (GTZ) titled *Beyond the Tool Kit* which observed that about 40 per cent of GTZ projects used the PRA tools because 'they had to do it' unmindful of the consequences.

Other studies have also shown that PRA often tended to exclude the really poor since often the local elite dominated the sessions. The poor who lacked the confidence and tend to be apprehensive, often remained silent spectators.

Second, the poor and the rich, men and women, all have various priorities and common values. These are not brought in by PRA analysis. It requires the Praxis and Participatory Action Research (PAR) methodology elaborated in this book.

Similarly, the issue of microcredit also was exposed following the near wiping out of Grameen Bank following floods in Bangladesh last year. On the face of little savings and crop loss, thousands of farmers who had availed microcredit had been pushed into indebtedness and poverty at one stroke.

A paper distributed to the participants in fact buttressed the above argument. It argued that sociological factors (such as lack of initiative, skill) as well as lack of resources that enable effective utilization of the credit make microcredit exclusive of the poor and prevents it from being an effective instrument for poverty eradication.

The evening session was devoted to a presentation on SAPPROS experience in participatory monitoring and evaluation using sociogram, by Mr Tewari of SAPPROS. It showed that sociogram could

be used not only for monitoring and evaluation alone, but also for participatory planning as well as implementation.

The use of sociogram in field involves selecting those parameters, which the poor feel, are impacted by SM. Second, indicators for each parameter, as understood and followed by the poor have to be evolved. The scale of measurement also has to be developed in consultation with the poor.

***Second Field Visit: Discussion with the District Development Committee (DDC) in Makwanpur on Partnership Building (24-02-2002)***

There is increasing realization that Local Self Governance (LSG), in terms of its potential to be more sensitive to local needs and potentials, as well as in terms of the political space it opens up for the poor to take part in development process as subjects, can have a positive impact on poverty eradication. Nepal with its strong tradition of LSG and community participation in issues such as common property resource management, still has strong remnants of it alive. The current initiative towards decentralization in the country, though considered inadequate in terms of devolution of powers and resources, therefore is of great relevance for poverty eradication and SM.

LSGs such as the VDCs and District Development Committees (DDCs), which are in charge of local level planning and implementation of development programmes, have thus a crucial role to play in poverty eradication as support systems. It was in recognition of this fact that the participants were taken to the Makwanpur DDC to have an interaction with the leadership of Makwanpur DDC.

The Chairman as well as the councillors of the DDC welcomed the participants and explained the development efforts undertaken by it.

A major lesson that came out in the experience sharing was that the DDCs enjoy little political and financial powers to set their own agenda. With the resources at their command, they implement projects in various social sectors. Co-operation with International Non-Governmental Organizations (INGOs) and NGOs like SAPPROS often takes place for individual projects/programmes.

To a pointed question from one of the participants as to how much pro-poor and participatory the DDC programmes are, the

chairman observed that to the extent possible, the poor and women are given priority in selection of beneficiaries for various asset distribution programmes. Moreover, DDC is an intermediary tier in the decentralized governance structure. Participation of the poor in local governance is more possible at the VDC level.

In the evening session, Dr Wignaraja pointed out the relevance of decentralization (with adequate devolution) in poverty eradication. However, decentralization alone will not ensure participation of poor in development process, as experience from all over South Asia shows. Even in the state of Kerala in India, which saw a very bold and imaginative initiative in decentralization of governance, the poor have not been able to utilize the political space that had opened up. As was explained in the earlier session, the poor must be conscientized, mobilized and organized in order to talk to the support system as equals and assert their right to the fair share of resources. That is the reason SAPNA considers decentralization as complementary to SM.

### ***Third Field Visit: Appropriate Technology and Natural Resource Management (25-02-2002)***

It was stated that the organized poor initiate collective actions to address their immediate concerns. Initially such actions are within the space available as well as their ability. Once initial activities are successful, the poor gain confidence and move over to more complex tasks representing the unfolding of the spiral.

While the first field visit took the participants to locations where the poor had been organized and had moved from initial savings activity to income generation activities, the third field visit took them to locations where the spiral had moved further up, driven by appropriate technology.

For the field visit, the participants were divided in two groups. One group visited Lamitiar, where cost effective irrigation technology has brought about marked changes in a relatively short period of three years in lives of poor families. The provision of irrigation facility through four shallow tube wells and sprinklers has brought a total of 16 ha under irrigation, benefiting a total of 24 tribal families. The cropping pattern has undergone a shift from a single crop of paddy or paddy and maize under rain-fed conditions to three crops involving wheat and vegetables under irrigated conditions. The average



income per family per year from 0.03 ha of land has jumped nearly six fold from NPR 1,720/- to NPR 10,150/-.

The total cropped area has doubled from 14 ha to 27 ha and so has cropping intensity from 128 to 253. The story has been equally impressive in nearby Basantpur where a different technology of water harvesting tank and surface irrigation has been used to provide irrigation.

The similar yet different stories of Lamitar and Basantpur bring out one of the strong points of SM, namely, the flexibility that it provides for. It would be hard to accept a traditional top-down project based on delivery approach allowing for such choice of technology based on ground realities. Greater costs and lesser impact, leading to sub-optimal use of resources or even down right waste is a distinct possibility under such circumstances.

The second group of participants visited Basantpur to learn how the poor successfully manage natural resources in a sustainable manner.

The Kumrose village has a population of 8,506 spread over 1,480 households. Out of this, nearly 1,043 households are associated with the community forestry programme. The programme was initiated in 1996 and covers 1,050 ha, aiming to restore 1,000 ha of severely degraded land. So far 679 ha has been brought under fresh plantation.

The objective of the programme is to fulfil, to a certain extent, the fuel wood, fodder and timber requirements of the local people, to create a sense of ownership of the forest resources by promoting local guardianship of wild life and thereby curb their over exploitation.

An executive committee of the users is in charge of the management of the forest. The committee fixes the amount of fuel, firewood and timber that can be harvested. It also fixes charges for the various facilities and products such as tourism, fuel wood, timber, and so on.

The income generated is used for supporting biogas plant installations, short-term credit support, support of farming, education and health programmes and establishment expenses. The activities of Kumrose community forestry programme has led to popularization of biogas plants as well as reduction in the number of cattle and change in their profile from cows to buffaloes. The popularization of fodder cultivation has led to more livestock and increased milk production, which has led to setting up of a milk co-operative.

The greatest impact however, is the construction of 1.5 km irrigation canal which has led to nearly 500 ha of land being brought under irrigation. The irrigation facility is being operated and maintained by the user group committee. This has enhanced the crop option of farmers to include vegetables in the cropping pattern.

The community forestry programme has touched the lives of the user households in more ways than one. The cultivation of vegetables as well as animal husbandry has led to increased nutritional status, reduced expenditure on food and reduced burden on women who now have to spend lesser time and energy to collect fuel, fodder and water.

The participants visited the Basantpur–Ghate Khola irrigation cum drinking water project, where 19 households are benefiting from an infiltration gallery constructed across a stream. This 53 m gallery provides water for drinking as well as irrigation purposes. The water is stored in water harvest tanks and released to various households. The users who are also members of a savings and credit group have formed an informal user group for operation and maintenance of facilities. The resources required, mainly labour and money are pooled together by the members themselves.

The participants also had an opportunity to attend a meeting of the Manakamna savings and credit group who have demonstrated high capacity for planning at local level as well as in use of socio-gram. Much of this has been possible due to the identity and commitment of the internal animator who, after three years as paid staff, is now working on voluntary basis owing to withdrawal of support to SAPPROS by DANIDA. Such facilitators with sensitivity, identity and commitment to the poor are central to rigorous SM process.

### ***Lessons Learnt for Initiating and Implementation of Sustainable IFAD Activities and Processes (26-02-2002)***

The day started with a review of the deep immersion programme following which the participants split into individual project groups to continue with reassessment of own projects along the lines of PAR. A detailed checklist was also provided to aid the participants in their assessment.

Considering that facilitating SM involved much more commitment to a set of values than would be required of a project manager

in a traditional project, the checklist also enabled the individuals to challenge their own selves.

The participants reassembled in the evening to report back to the plenary. The presentations, with reference to PAR indicated that while some of the elements of the alternate paradigm could be discerned in a number of projects, for most part the projects were along conventional lines and even the elements of the alternate paradigm when present were weak. For instance, only three projects sought to identify the poor and mobilize them separately.

Mobilization of the primary stakeholders into groups was common to all projects. However sensitization and conscientization were reportedly weak in all projects. As one participant observed, often the group formation was the need of the project officials more than that of the poor. 'Groups were formed so fast that the poor do not know why they are formed' observed another participant.

Collective actions like savings and credit were common to all projects.

Monitoring and evaluation were reportedly participatory in most projects though the emphasis was on use of PRA techniques. Last, for most projects, second-tier and third-tier organizations were envisaged as per the project documents but few were in place.

### ***Fifth Field Visit: Building Sustainable Organizations of the Poor for Generating Pro-Poor Growth (27-02-2002)***

The participants, on their fifth and final field visit, were taken to a mature location where the organizations of the poor had evolved into higher levels of organization, handling issues such as input sourcing and marketing of farm produces. In Kuringhat, the primary organizations, the Self Help Groups (SHGs), had federated into farmers' co-operatives. The leadership of poor women in these organizations and in the savings and credit groups was apparent.

The participants visited the Lok Priya Farmers Co-operative in Fishing, Chitwan. It is a federation of four groups in the area with 65 members and a capital base of NPR170,000. The co-operative provides loans to its members. It accepts deposits at 7 per cent interest and lends at 15 per cent. The loans are mostly for purchase of live-stock or for vegetable trading. Nearly every member has availed the loan and repayment is prompt.

The cooperative also procures farming inputs and consumption goods in bulk and supplies them to the members. This has ensured inputs of better quality to the members at a cheaper rate. Seeds, fertilizers, micronutrients, pesticides and equipment like sprinklers are sold by the co-operative.

The one activity that the cooperative has not dealt in is agriculture marketing. This was explained by members as not very crucial as farmers were already getting 60–70 per cent of the consumer price. The general observation was that even though individual farmers have marketable surplus, the quantity is small enough to be absorbed by local market.

The participants also visited two of the four SHGs that formed the co-operative. After the visit, the participants left for Kathmandu for the final phase of the programme.

### ***Follow up Action Plans (28-02-2002 to 02-03-2002)***

The deep immersion exercise was into its final phase and the first day of the phase was used for tying the loose ends up.

The day started with the participants sharing their lessons from the final field visit. The response from participants indicated that the visit had been helpful in developing confidence in PAR as well as strengthening the understanding about the role of the facilitator. As a participant pointed out, conscientization (a spiritual awakening) was possible because of the identity and commitment of the facilitators who lived with the community. There was strong bondage between the facilitator and the groups, but the groups were never dependent on the facilitator.

The self-confidence shown even by the women members of the groups that the teams interacted with, as well as the direction towards self-reliance that the movement was taking underscored the empowering nature of PAR. It also convinced the participants that progressive redundancy was indeed possible. The sight of technocrats (engineers and agriculture graduates) working with the poor was also commended upon. However the attention of SAPPROS was drawn to the fact that impressive achievements could be obtained, given the extreme deprivation the poor have been in as well as their resource base. However, as they became more successful, they would be exposed to new contradictions to overcome, for which the

conscientization had to be much stronger. It would be a challenge to the facilitators to be much more sophisticated and capable of not only micro analysis but also macro analysis.

The comments on the role of the facilitator as well as the challenge he/she faced as an individual set the stage for a brief, personalized narration on the evolution of a facilitator by Khop Narayan Shreshtha of SAPPROS.

Khop Narayan hailed from Gorkha district and was a graduate in Agriculture. After passing out of college, he held temporary assignments for about three years when he applied for the post of credit officer in Agriculture Development Bank (ADB), a permanent post that Khop had courted. Eighteen months later, he joined ADB without using any influence, thanks to the impartial, merit oriented policies of the Chairman of the bank, Dr S.K. Upadhyay.

Upon joining the bank, he was assigned to the central office to oversee the Small Farmer Development Programme (SFDP), the most successful programme run by ADB. SFDP involved organization building, technology transfer, infrastructure development and credit facilities—on the whole, a well-rounded programme.

Khop served the bank for nearly 10 years. However, towards the end of his tenure, the bank began to focus more and more on credit component, at the cost of other components.

Khop couldn't agree with the new top-down strategy, convinced as he was that more credit alone cannot be the answer to the issue of rural poverty.

It was at this juncture that he was invited to join SAPPROS, an NGO set up by Dr Upadhyay, who left ADB earlier under similar compulsions. Khop was challenged to take a stand. On one side was a comfortable permanent banking career though hardly satisfying. On the other hand was an opportunity to do something meaningful though on personal front it would have meant foregoing a comfortable career and a secure future for Khop and his family. Khop opted for the latter and was assigned to some highly remote location of Nepal over the past decade. A decade later, Khop's worst fears could be staring at him. The support for SM project he was working with had been withdrawn and Khop and his team are facing an uncertain future. Still, Khop does not regret being part of a highly committed team with staff at village level also working without salaries.

In his concluding remarks, Khop provided glimpses of what a committed facilitator always will be—value led—when he stated that in

conventional sense he may be poor but not in his own perception. In his set of values, he does not feel poor but quite rich as he cherishes the freedom to do what he believes to be right than money. The fact that this puts the facilitator under tremendous financial and emotional strain was brought out by Khop in the discussion that followed. In his case, his own family was bitterly critical of his decision to leave ADB.

Following the presentation by Khop Narain Shreshtha, Ms Atsuko Toda, project coordinator of IFAD and attached to ICIMOD, Nepal made a presentation on the Regional Strategy Paper of IFAD for Asia and Pacific. Though already familiar with the paper, the occasion was the only opportunity that the participants had to interact with an IFAD staff proper and obtain clarifications.

At the very outset, the participants appeared keen to have some assurance that the new document was not old wine in new bottle. Past experience had shown many of the international development agencies to be tall on rhetoric and short on action. Having obtained this assurance from Ms Toda who said that IFAD was quite serious about the new strategy, the participants had a few messages to IFAD as well, based on the lessons from the deep immersion exercise.

The first was that the sustainability of the poverty eradication efforts undertaken in South Asia and elsewhere depended on the sustainability of the organizations of the poor that evolved through SM. This needed greater emphasis than what they received at present.

The second message was that there had to be a shared understanding of the new vision as well as the core methodology of PAR throughout the organization as well as among its partners. Even drawing from the experience at the deep immersion exercise, most of the IFAD project personnel had seen the vision document for the first time.

Third, while the middle management of IFAD who funded projects in South Asia were well represented in the deep immersion, higher tiers of management at project level and country level were not represented at all. This could only put them at a totally different level of understanding about the PAR methodology, rendering the practice of the core methodology in individual project location that much more difficult.

A fourth message was that to undertake a genuinely participatory initiative on ground as envisaged in the vision document, the organization (IFAD and project offices) had to be participatory. A rigid

top-down agency cannot implement a bottom-up flexible programme on ground. There has to be a process of learning from each other between the poor and the agency as well as within the agency. Such a dialogue across the organization should inform the strategy to convert the stated vision into action.

Summarizing the lessons from the ground, the video of the SAPPROS case in Chitwan district entitled, 'A Life of Dignity' was replayed to emphasize the lessons learned:

1. That the poor can investigate their own reality
2. That external facilitation is necessary to catalyze this process
3. That participation by the poor as subjects is a socially vibrant process and is vital for breaking the mindset of passivity and dependence
4. That group formation coming after this awareness creation is an act of empowerment of the poor to keep their surplus in their own hands and assert their right to the resources which they are entitled to
5. That upgrading of the knowledge base and technological capability leads to greater self-reliance.

### ***Developing a Cadre of Facilitators Through Experiential Learning Process***

The afternoon session was devoted to a presentation on the missing link to IFAD Projects. Throughout the deep immersion, the participants were learning that a trained, committed and sensitive facilitator was critical to SM, participation, cost effectiveness, sustainability and greater self-reliance. Yet, how to develop such a cadre? Madhu Menon, Associate Professor, Kerala Institute of Local Administration, India, presented the blue print of a training programme for praxis intervention.

The praxis intervention was planned with following assumptions:

1. Social reality is socially constructed
2. Hence it can be de-constructed and re-constructed
3. The re-construction does not just happen
4. Praxis intervention may possibly help the poor to reconstruct their social reality

Praxis, in an academic sense, links theoretical perspective with practice and vice versa. In more common parlance, it is a process of action–reflection–action. The praxis intervention was defined as a method of deliberate social intervention to promote critical consciousness and thereby a collective mobilization with following objectives:

1. Strengthening local capacities through conscientization
2. Building vibrant local institutions of the poor and disempowered
3. Advocacy
4. Promoting spirals of locality development
5. Promotion of social action for social change
6. Reorienting the support system

Mr Menon went on to explain how KILA proposes to develop a cadre of facilitators through a training programme about to be launched. The training programme however, was not to be a run-of-the-mill exercise but a carefully planned, phased process which would:

1. Facilitate experiential learning and reflexive understanding
2. Integrate classroom interactive learning with field experience

The programme proposed covered 80 days with 63 days in the field and 16 days in the training centre in the following broad sequences:

1. Understanding the reality
2. Identification of causes of poverty (Why are we poor?)
3. Need Analysis (How can we come out of poverty?)
4. Collective action (Building organization of poor, initial actions)
5. Action, reflection and action (Praxis)
6. Capacity building, support system and other related issues

Following Mr Menon's presentation, Susil Sirivardana once again ran through the fundamentals of the PAR methodology. After the presentation, the two videos on success cases were screened once again.

The participants then broke into project wise groups to prepare the follow up action plans which were presented in the concluding sessions on second evening.



## Follow up Action Plans in Phase-II as Designed by Participants

1. *Dir Area Support Project* (Shamshad Hussain, Nazir Ahmad, Qazi Ayazuddin)
  - (i) Appraising the project management of what we have learnt and on the effectiveness of the Core Methodology approach on the ground through a two-day orientation workshop for the field staff including line agencies with support from SEHER.
  - (ii) Participatory Action Research in 4–8 poorest of the poor villages in remote areas with support and guidance from SEHER.
  - (iii) Impact monitoring and documentation so as to share the same with the other participants during second deep immersion.
2. *Second Easter Zone Agricultural Project* (Chhimi Rinzin)
  - (i) Conscientization using surplus leakage will be applied and introduced to the task force members wherever applicable.
  - (ii) Introduce a holistic approach using the sociogram in the training programmes for overall development on local governance.
  - (iii) Learning material provided in the workshop will be introduced to give the management a broader perspective on the subject and will also be circulated to other districts.
  - (iv) The project is still far behind on Community Based Material Resources Management (CBNRM) for one or more reasons. To this end, exposure and awareness trip especially to North-East India will be discussed for the task force members.
3. *Hills Leasehold Forestry and Forage Development Project* (Bishnu Prasad Gauli, Krishna Thapa, Shri Prasad Baral)

No concrete follow-up actions have been suggested. But the participants indicated that they will have follow-up discussions with SAPPROS on training and introducing rigorous social mobilization into their projects.

#### 4. *Agricultural Diversification and Intensification Project (ADIP), Bangladesh*

##### (i) Introduction of rigorous social mobilization in ADIP

Social mobilization being done by the partner NGOs in the project could be improved to a great extent by using the inputs of the workshops. Considering the total project implementation procedure and stages, some of the interventions that could fit in the ADIP project activity planning are stated.

##### (a) Arrangement of workshops with partner NGOs.

The project management will organize a one-day workshop on rigorous social mobilization, inviting all the executives of the partner NGOs in the month of March 2002. The officials of the project trained in social mobilization will elaborate the methodology to the participants and share their experiences as seen in the groups of SAPPROS-Nepal in order to motivate the NGO executives to function as facilitators.

##### (b) Organize training for field organizers in social mobilization.

The project management will organize a weeklong training programme for the Field Organizers (FO) of the selected NGOs to be involved in rigorous social mobilization activities. After the workshop, only interested NGOs will be asked to send their FOs to this training. The project management will discuss the matter with IFAD, Rome and would ask for help of expatriate consultancy services for conducting the training. Based on the IFAD's response on the duration of the consultancy services, the batches of trainees will be finalized. If no expatriate resource persons could be managed by the project, the trained officials will be used as resource persons.

(c) Selection of self-savings groups

An attempt would be made to select 100 self-savings groups from the existing MLGs (Marginal and Landless Groups) in ADIP within May 2002. The NGOs keen in following rigorous social mobilization concept would be asked to return the savings of the groups to the groups for being managed collectively by the groups as they deem fit. The NGO facilitators are expected to train the group members to manage their own funds. The FOs of NGOs will be treated as internal facilitators in the programme, and would mobilize the group members in such a way that they can handle their money properly. The whole process will be taken as a pilot programme.

(d) Formation of cooperatives

Attempt will be made to form 10 cooperatives from the 100 self-financed groups formed earlier. The project management would ask the Department of Agricultural Extension (DAE) to extend their cooperation so that these societies can function properly to collect quality inputs from different sources and supply them to the group members as and when necessary. The co-operatives will mainly function to supply agricultural inputs and for marketing of agricultural products, thereby helping the group members in plugging the surplus.

(e) Formation of marketing groups

The project management would take the initiative to form 20 Marketing Operating Groups (MOG) from the MLGs that have already graduated and successfully used credit for at least two years. The responsibility of the MOGs will be to purchase the commodities from the group members and market it to the cities/traders. The NGO facilitators would help the MOG members to find out the marketing channel in the cities or to link them with the exporters.

## (f) Partnership development

The project proposes to develop partnership with BRAC, DLS (Department of Livestock), DFO (Department of Fisheries), and BRDB (Bangladesh Rural Development Board) in organizing respective training programmes. The agricultural input dealers and traders (of agricultural products) would be selected as partners for providing support to the beneficiaries. The project would maintain constant linkage with the National Institute of Agricultural Research to source updated production technologies and their uptake.

## (g) Gender mainstreaming

Six workshops will be arranged by the project management in the month of March 2002 to create awareness on gender sensitivity. The selected project beneficiaries (group members) and GO/NGO female staff will attend the workshop. The objectives are to develop their skills and employment opportunities as well as empowerment of women in the society.

## (h) Self monitoring systems

Thirty naturally upgraded members from 30 groups will be selected for developing themselves as internal facilitators through training to be provided by the NGO facilitators. Once the systems start to work, another batch will be selected to be trained in the same manner. The project's monitoring consultant would be engaged to train the NGO facilitator.

## (i) Internal and external facilitators

The project will adopt the concept of internal and external facilitators within its present framework. In course of time, the DAE field workers (Block Supervisors/*Upazilla* Extension Officers) will be trained as external facilitators while the NGO FOs will be trained as internal

facilitators. Once the internal facilitators evolve through the process, the activities of NGO led internal facilitators would be concluded.

### ***Expected Output***

1. Proper social mobilization for poverty alleviation will take place.
2. The farmer groups will be well empowered so that they can themselves think about their own social upliftment.
3. The people's societies will be able to solve their problems by discussing among themselves.
4. The poverty alleviation process using microcredit would be more sustainable.

### ***Risks and Assumptions***

1. The NGO executives would be flexible enough to redesign the project activities in spite of the agreement initially signed between the PMU (Project Management Unit) and the NGOs.
2. The availability of the expatriate resource speakers for providing training to the GO/NGO personnel would have to be materialized.

At the latter part of the project, that is, after having another deep immersion session on rigorous social mobilization in Sri Lanka, the whole process will be assessed by the consultants (expatriate or local) and evaluated based on the planning processes.

## **REPORT OF PHASE-II**

### **The Programme and Deep Immersion Schedule in a PIDA 'Success case' in the Hambantota District in Southern Sri Lanka—3–13 August 2002**

The programme in Phase-II followed the pattern of the first deep immersion training. However, in keeping with the fact that majority

of the participants had been exposed to the core concepts underlying the rigorous social mobilization and Participatory Action Research (PAR) methodology and also that they have had some time to test some of the learnings in own project locations, the initial phase of the deep immersion involved revisiting the learning of Chitwan deep immersion as well as participants reporting back on follow-up activities in the post Chitwan period.

Most participants in Phase-II were the same as for the Phase-I deep immersion. A noteworthy feature was that the participating projects deemed it worthy to send additional participants on the basis of feedback from the first deep immersion training.

The detailed programme is given below.

### ***Revised Day-by-Day programme for Phase II***

SESSION	DAY/DATE	DETAILS	LOCATION
Session I	Day 1	Arrival Day	Colombo
	02/08/02	Overnight stay at Galle Face Hotel	
	Day 2	Leave Colombo	
(Evening)	03/08/02	Hotel to Tangalla	
		Arrive at Tangalla Bay Hotel	Tangalla
		Introductions	Hotel Tangalla
Session II	Day 3 & 4	Debriefing on attempted activities	Hotel Tangalla
(morning)	04/08/02 &	after Phase-I by participants	
(evening)	05/08/02	Viewing of videos and lessons	Hotel Tangalla
Session III	Day 5	<ul style="list-style-type: none"> <li>• Life of Dignity</li> <li>• The Ranna story</li> </ul>	
		Understanding the poorest—visit to Buttala	Buttala
		The cultural dimension and unity in diversity—Kataragama Shrine	Kataragama

Session IV	Day 6 07/08/02	Field visit: Building organization of the Poor <ul style="list-style-type: none"> <li>• Primary</li> <li>• Secondary</li> <li>• Federation</li> </ul>	Ranna
	Day 7 08/08/02	Sustainable economic and social activity/ impact by the poor	Tangalla
	Day 8 09/08/2002	Self banks	Ahangama
Session V	Day 9	Partnership reorientation of support system	Hotel Tangalla
(morning)	10/08/02	<ul style="list-style-type: none"> <li>• Bank Manager</li> <li>• Government</li> <li>• Donor</li> </ul>	
(afternoon)		Participatory design, implementation monitoring—Using the sociogram	Ranna
Session VI	Day 10 11/08/02	Policy dialogue with officials of the decentralized local administration and donors	Hotel Tangalla
	Day 11 12/08/02	Meeting the challenge of redesigning, consolidating for sustainability of projects	Hotel Tangalla
	(morning) Day 12 13/08/02	Policy dialogue with governor, southern province (Sri Lanka) and staff of the Provincial Rural Development Ministry	

(afternoon)

Proceed to Colombo    Colombo  
 Overnight stay at Galle  
 Face Hotel  
 Departures

Day 13  
 14/08/02

## Revisiting the Phase-I Deep Immersion and Participatory Action Research by Participants in their Own Locations in Phase-II

### **04-08-2002**

In order to refresh memories of the earlier participants as well as to orient the new participants to the deep immersion, the morning session of day 1 began with a briefing by Dr Ponna Wignaraja, Chairman SAPNA, revisiting the failure of the 'delivery of inputs' approach in poverty eradication by SAPPROS, NEPAL. The Hill option study by SAPPROS as well as the evaluation of DERBA project by PIDA-Kandy were presented briefly by Jagdish Babu Tiwari of SAPPROS and Velupillai Subramaniam of PIDA respectively.

The two presentations very clearly brought out the major weaknesses of the delivery approach as:

1. Topdown approach in project planning and implementation
2. Not based on reality as well as needs of primary stakeholders
3. Sectoral, non-holistic approach
4. Rigidity and non transparency
5. Participation of primary stakeholders as objects and not as subjects

SAPNA, in addition to evaluation of the DERBA project had also sought to reorient the project even at this late stage so as to make it more meaningful to the primary stakeholders. The key features of the proposed redesign were:

1. Identification and prioritization of the needs of the poor
2. Training of facilitators in rigorous social mobilization and pro-poor growth from below



3. Reorientation of the project team and other partners as sensitive support systems instead of being directed and delivery of inputs

The DERBA project further demonstrated that it is possible to reorient a service delivery project.

**N.B.** The cases have been analyzed in detail in report of the Phase-I and therefore will not be repeated here.

#### **04-08-2002 and 05-08-2002**

#### ***Presentations of Attempts at Follow-up by Participants between Phase-I and Phase-II***

Presentations on follow-up action taken/attempted by the participants of Phase-I Deep Immersion (Chitwan), in their own locations are given in their own words, below.

##### *Dir Area Support Project, Pakistan*

The first presentation was by Nazir Ahmad on behalf of Dir Area Support Project, Pakistan. The team of Nazir Ahmed, Qazi Ayazuddin and Shamshad Hussain had come to Chitwan, Nepal, comfortable with the knowledge that the project was doing a fine job (The Dir Area Support Project is a USD 35 million, seven year project initiated in 1991) in poverty alleviation. After the deep immersion, they went back disturbed by two thoughts.

1. Whether they were doing such a fine job after all?
2. Whether PAR will really work on ground?

Putting their own project to scrutiny on the basis of the learnings from Chitwan, they observed that the project had not reached the poorest of the poor and may not be sustainable when IFAD withdrew. Rural elite mostly captured the grassroot organizations of the poor. At this stage, the trio initiated the below mentioned measures to engage the project personnel in a dialogue and convinced them of the need for an alternate paradigm.

The entire management was taken to one of the locations, shown the reality and a brainstorming initiated through a two-day workshop. The stiff targets to be achieved as per the original design as well as the elegant tools phrased very engagingly caused stiff resistance

from the management, but in the end they were convinced enough to provide space for the following actions:

1. A two-day workshop for the field level facilitators was conducted. As expected, there was again considerable tension as to whether target approach or process approach ought to be followed. Ultimately, when challenged as to the extent of change that the target approach has brought about in the lives of the poor who are associated with the project, the facilitators admitted that hardly any poor had been affected. However, there was some efficient distribution of goods and services.
2. Having convinced both the project management as well as the field staff about the weaknesses of own approach as well as the relevance of PAR methodology, the next task was to initiate rigorous social mobilization in a small location to further own learning. (While Nazir and his friends had understood the methodology, they were still far from being able to train others in rigorous social mobilization). Mobile veterinary camps to serve nomadic tribal communities were selected as the entry point. Staying of the team with the communities and learning from them through a sustained dialogue followed this. The interaction led to the tribal communities seeking and learning better livestock management practices from the team. Second, 20 tribal youth men trained as para vets. Mobilization efforts were initiated and groups were being formed.

The team also used the opportunity to take the line departments along with them to see the reality of the tribal poor, thereby sensitizing and reorienting some key support system functionaries. This effort was augmented by a two-day workshop for the line department functionaries.

The next step was identification of 10 villages where rigorous social mobilization efforts were to be initiated. Work had already been started in two villages and even in a short period, a whole new prioritization had emerged from the poor themselves.

The team also wanted to engage services of SEHER, a SAPNA partner practising 'bare hands approach' to rigorous social mobilization. However, budgetary constraints prevented this and provisions were made for training of facilities in the next financial year.

From their follow up efforts, the DIR project team had the following comments:

1. The deep immersion at Nepal really offered something new to learn on participation and they could deepen their processes and capacity.
2. The core methodology for rigorous social mobilization is not a rigid set of insensitive tools. It is all about identity, sensitivity and commitment to the poor.
3. The project staff needed to identify with poor and respond to their felt needs. A new kind of dialogue and reorientation of all partners was necessary and could be done in a step-by-step manner.

***Agricultural Diversification and Intensification Project (ADIP), Bangladesh*** Nowsher Sarder of ADIP shared their post Chitwan experience in redesigning and reorienting own project.

The ADIP is a seven-year, USD 18 million IFAD funded project aimed at poverty alleviation. Started in 1997, it is now in its fifth year. The project provides technical support as well as credit to the landless, small and marginal farmers through 22 NGOs.

Encouraged by the Chitwan experience where even hardly literate tribals were organizing themselves into groups and managing their transformation into self-reliant ones successfully, the participants wanted to try out the concepts in own project location. Rather than start self-help groups all of a sudden and thus create confusion at all levels, they decided that conversion of some of the existing credit groups into self-reliant groups would be better. With this objective in view, they did the following:

1. The participants had a meeting with the IFAD country portfolio manager where in they briefed him about the strategy to reorient credit groups. However, they were asked to wait till the end of supervisory mission in May 2002.
2. In the mean time, the two held a meeting with the executives of all (22) partner NGOs and elaborated their experience as well as strategies to redesign the mobilization effort. There was stiff opposition which was understandable, as it would be against their organizational interests. The experience from other south Asian countries that the participants had picked up at Chitwan were also presented to convince the NGO partners that integrated participatory and empowering approaches will be the priority of development organizations in the future.

3. The idea was presented before the IFAD mission, who expressed reservations about the viability of self help groups. After prolonged debate, it was decided to try it out on an experimental basis with 10 groups of any willing NGO partner.
4. Following the visit of the mission, Nowsher Sarder and Luthfur Rahman could identify one NGO which was willing to experiment. The NGO will be training the leader of 17 groups already identified and gradually pass on the management of group to group members. More significantly, the group savings that the NGO used to manage, would be handed over to the groups themselves. A representative of the NGO was included in the Phase-II training and familiarized with the core methodology.

***The Second Badulla Integrated Rural Development Project*** The discussion on follow up was continued on day two as well. The first presentation was by Mr Tiuson, Project Director of Second Badulla Project.

The Second Badulla Integrated Rural Development Project is a USD 20 million project initiated in 1993 with the objective of alleviating poverty and ensuring food security. Following the group approach, the project has so far mobilized nearly 29,000 beneficiaries into 4,000 small groups, which has further been federated into 280 Integrated Community Organizations (ICOs). The project has also trained nearly 300 facilitators.

Following the training in Nepal, Tiuson had identified seven issues that needed to be addressed, such as:

1. Stakeholders not being clear about own roles
2. Lack of knowledge of social mobilization process
3. Limited focus on introduction of appropriate technology
4. Non-diversification into non-farm activities
5. Lack of proper monitoring
6. Lack of NGO involvement in mobilization process
7. No strategy for sustainability of the project

Clear steps to address these concerns were initiated in the interim period. However, even as an evaluation mission recommended extension of the project beyond 2002, the new country portfolio manager recommended winding up of the project by the year end. The ICOs were to be linked to microfinance institutions and the

unutilized funds to be transferred to the government fund for poverty alleviation. Tiuson pointed out that the vision, agenda, and objectives of the ICOs and MFIs were totally different, but to no avail.

The presentation brought out the fact that even if the realization came a bit too late for the project, at least Tiuson, based on benefit and knowledge gained at Chitwan, could identify the major weaknesses and also demonstrate capability to initiate actions to correct them.

The whole role of IFAD, which first wanted to extend the project and then did an abrupt turnaround and wanted it closed down, also raised questions on the sensitivity of the donor.

**Regional Economic Advancement Project (REAP), Matale, Sri Lanka** The presentation on Badulla project was followed by the presentation on follow-up activation undertaken by Mr Wijesundara, Development Officer of REAP.

REAP was started nearly two years ago in 2000, with the objective of raising and sustaining income of the poor rural farm families above the poverty line. The project which envisaged creative partnership between the government, the NGOs and private sector offered support in terms of capacity building as well as microfinance to start income generating activities.

The Matale project was a picture of confusion even two years after initiation. There had already been two changes at director level and even at that stage, in the words of Mr Chandana Bandara, an NGO partner, nobody was certain of their roles.

Second, social mobilization was never a concern with the project, the argument being that over the past 50 years, enough mobilization had taken place and that it was not required any more. Third, it was found that the physical assets that were distributed were not reaching the poor.

**Western Terai Poverty Alleviation Project, Nepal** Mr Krishna Thapa, Monitoring and Evaluation Officer of the USD 9 million Western Terai Poverty Alleviation Project, which was in the penultimate year of its six-year duration, reported that the project was virtually at a standstill due to insurgency in the project area, and little follow-up action had been possible.

**Hill Leasehold Forestry and Forage Development Project, Nepal** Sree Prasad Baral of the Hill Leasehold Forestry and Forage Development Project was of the opinion that his programme was being run on the lines of alternate paradigm with the poor being organized separately and active participation being sought at all stages of project implementation.

However, Mr Khop Narain Shreshta, SAPPROS, who had studied the project reported that even though it was much better as compared to a typical government programme, the poor were still left out. Second, the forest group never had enough autonomy as was being claimed. Last, the leadership of the group was fast being captured by rural elite, leading to emergence of a new layer of exploiters.

### ***What have We Learned?***

The presentations were followed by a recap of the participatory action research concept and methodology by using the simplified illustrative charts. (The core methodology has already been presented in detail in report of phase-I and hence will not be elaborated here.)

An analysis of the post deep immersion training experiences of the participants brought out certain very pertinent messages.

The first message was that all participants found that the Chitwan programme definitely offered something 'new' to learn. Further, as the follow up efforts indicated, the participants readily identified the alternate paradigm as relevant to own projects.

As Qazi Ayazzudin of Dir project put, the programme 'broadened the vision'. In other words, the deep immersion helped develop a new perspective about poverty, based on an entirely different paradigm.

It was this broadening of vision that enabled participants to analyze own projects from a totally new perspective and identify gaps in own project design and implementation. Virtually every participant could identify major weaknesses in own projects, be it the Dir project, the Badulla project or the ADIP project.

The change in knowledge was accompanied by change in attitude as well, as was evident from the fact that the participants, upon return initiated a new kind of dialogue both within and outside the organization, regarding the relevance of PAR methodology. The Dir project as well as the ADIP project exemplify this.

The new paradigm itself was shown to be entirely different from the tool kit approach that most participants were familiar with. As Shamshad Hussain from Pakistan pointed out, it was all about commitment, identity and sensitivity to the poorest of the poor. The participants could also differentiate it from the microcredit approach, the former being much more holistic and empowering.

A message that came out of presentation of DERBA project was that it was indeed possible to even redesign some of the 'top-down', expert designed projects to make them more holistic and participatory in nature.

That a clear understanding and appreciation of the concepts of PAR and the core methodology at all levels of an organization is crucial for a participatory approach to succeed was made evident by the participants' experience. Most of the resistance that the participants faced during their follow-up efforts, both from the top management as well as field personnel was precisely due to such a lack of appreciation. In this context, the absence of Country Project Managers (CPMs) and project directors at the deep immersion in Nepal has decidedly hampered the follow-up efforts.

Following the debriefing, the videos on the success case in Nepal as well as the Ranna case were screened. The stage thus was set for the rigorous experiential learning programme that followed.

## Revisiting the Core Methodology of Rigorous Social Mobilization and Participatory Development

Mr Susil Sirivardana then revisited the core methodology of rigorous social mobilization with the help of six simplified charts. The core methodology is elaborated in the various publications of SAPNA as well as in Chapter 3 of the original SAARC Independent South Asian Commission on Poverty Alleviation Report, 1992. The core methodology is best illustrated in these publications through the five charts reproduced below (see Figures 8.1–8.5).

A critical problem in social mobilization and catalyzing the participation of the poor as subjects, not objects in the process was that a facilitator or intermediary between the poor and support system was missing in the conventional approach—the government was directly trying to deliver inputs to the poor who were objects. Poverty was increasing and there was increasing dependency. Services never reached the ultra poor. What is new is the role of a

trained facilitator in the middle column between the poor and the support system (see Figure 8.1).

There are two categories of facilitators—internal and external facilitators. As a trained external facilitator intervenes through praxis and an action–reflection process in the lives of the poor to release their creativity, internal facilitators emerge from within the process. The external facilitator does not go to the poor with inputs. The bare hands approach gives the facilitator immediate identity that distinguishes him/her from other deliverers of welfare who come with services. Internal cadres are those who are responsible individuals and can give time to the community. The two arrows through the broken lines show the daily interaction of the facilitator through dialogue, two-way communication and two-way learning. Initially, there is scepticism about the external facilitator who comes with bare hands. A facilitator, after entering the village, starts interacting with the poor, acquires identity with the poor and begins the dialogue process. A facilitator does not tell the people what to do or hurriedly organize them as in PRA or RRA to receive inputs. The facilitator first investigates their reality, then starts saving and then organizes them for action.

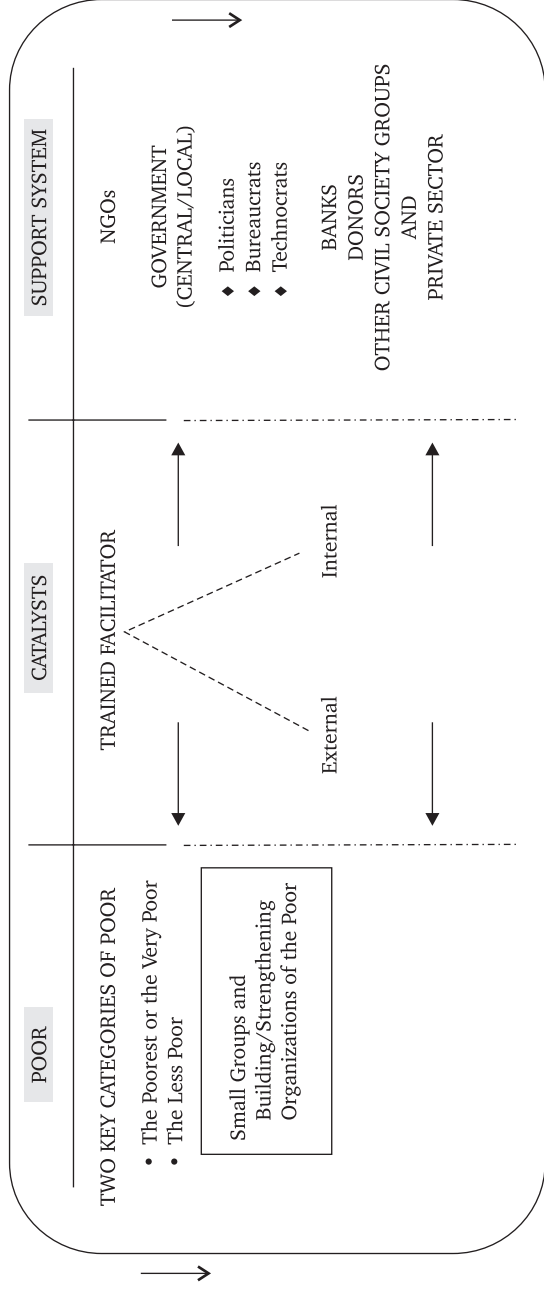
Rigorous social mobilization has to be a value led process. It is not merely an economic or money led process. It is a holistic process deeply rooted within culture.

Social mobilization has to be transformative. It is also a political process. There is a need to have a long revolution to bring about social change and eradicate poverty in our society, and to reach the desired level of liberation, satisfaction and self-fulfilment. The criticism that the rigorous social mobilization approach takes a long time is incorrect. Being a fundamentally different process, once the poor are mobilized, conscientized and organized, the process accelerates. Most conventional poverty activities do not raise consciousness.

It is very important for a facilitator to understand contradictions (see Figure 8.2). The poor in South Asia are not only divided among themselves but are also dependent on others who are often rich and powerful. This is a disempowering process as this dependence results in passivity and feeling that their situation is unchangeable. There are two levels of dependency, one created by the system and the other by the poor themselves. The poor are dependent and there are contradictions there. Most conventional poverty strategies work on a harmony model. But a political approach requires recognizing the contradictions and organizing homogeneous organizations of the poor who can work together in groups.



**Figure 8.1 Simplified Illustration of Key Actors in the Social Mobilization Process**



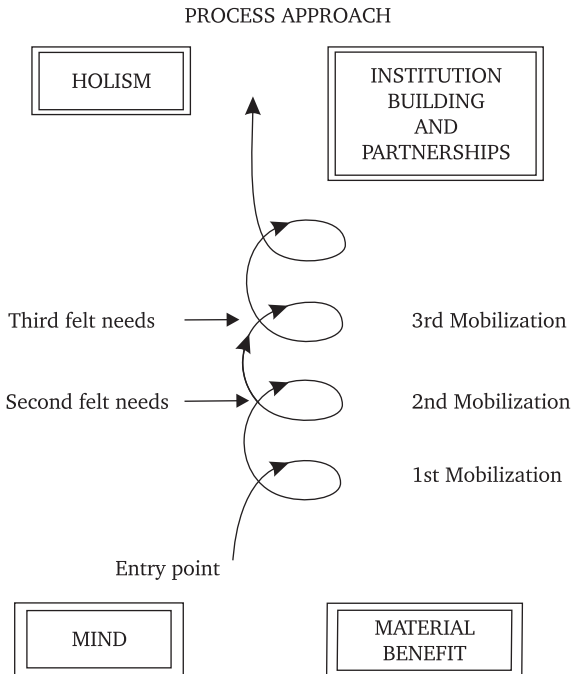
Source: Adapted from De Silva et al. (1988: 11–36).

**Figure 8.2 Understanding the Contradiction Tree**

Rich	Landlord Moneylender Trader Bureaucrat					
Poor	Men	Women	Landless	Caste	Young	Religion

Source: Towards a Theory on Rural Development, 1988.

The social mobilization process deals with the whole reality unlike many projects that deal with a slice of reality, simplifying and fragmenting the life of the poor, their problems and solutions. Therefore these fragmented solutions result in problems continuing even after the project ends. The spiral in Figure 8.3 illustrates the process. It moves upwards in a series of action–reflections, which we have called mobilizations. Each mobilization is derived from a thorough

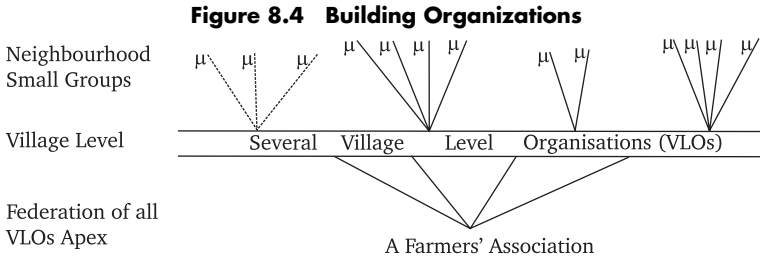
**Figure 8.3 The Process Approach**

Source: De Silva et al. 1988: 28.

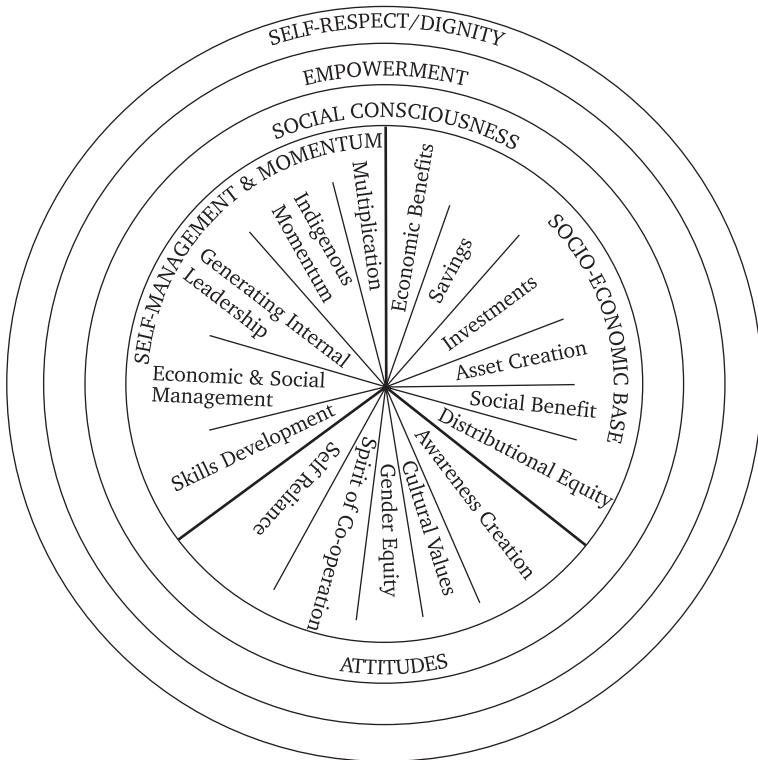
probing and understanding of felt needs in due order of priority. The iterative nature of the process results in a progressive deepening of their understanding of their problems and how they can be collectively addressed. Through a process of reflection–action–reflection, the spiral of activities moves simultaneously on both the material front as well as on the mind. The important aspect of social mobilization is that the minds of the people are affected, consciousness is raised and creativity is released, while at the same time, immediate material benefits are enjoyed by the prime actors.

Building organizations of the poor is an essential prerequisite. These organizations could bring in new capacities and partnerships at the village level. These organizations are formed at primary, secondary and tertiary levels (see Figure 8.4). They have a new set of values. Building organizations of the poor is essential for the poor to assert the right to resources they are entitled to. Because of the asymmetrical relationships in the community, surpluses generated by the poor leak out in a variety of ways into the hands of the landlord, traders and money lenders. Through a surplus leakage analysis, the poor learn how to keep this surplus in their own hands and form their own savings groups. This is popularly called the arithmetic of calculating the surplus leakage. This kind of concrete analytical exercise enables the poor to immediately and dramatically perceive the process of loss or leakage of their hard-earned surplus, and the exact amount of loss.

The sociogram, which was first evolved in the 1970s as a monitoring tool for participatory development, is now used for participatory planning, implementation and monitoring of the holistic process (see Figure 8.5). In other words, it is at the core of the whole process and is no longer a monitoring tool. The sociogram indicates the set of values underlying the process.



Source: De Silva, et al. 1988: 28.

**Figure 8.5 Sociogram**

Sources: De Silva et al. 1988; Wignaraja 1990; ISACPA 1992.

There are qualitative and quantitative values involved in the process as the poor move out of poverty and dehumanization into dignity and self-respect. All values and changes are not quantifiable but can be measured qualitatively. This set of values underlies the process of change. It is a multi-dimensional way of looking at the process and the changes that occur on the ground through the application of the core methodology.

Since the core methodology is rigorously participatory in nature, a conventional consultant and an outside evaluator cannot do justice to the process if he/she applies the sociogram mechanistically. The dynamics of the process is such that by asking superficial questions or filling in forms, they could not grasp the essence of a complex process.

For the application of the sociogram, unlike the conventional project evaluation, he/she must spend a considerable period of time with the poor and have reflective deep probing sessions recognizing the poor as subjects. Otherwise the application cannot be done authentically.

In the move from an economic development model to a development model in wider holistic terms that is participatory and sustainable, it is not sufficient to merely critique the old model and the knowledge system on which it was based in general or philosophical terms. Before homogenization can be replaced by pluralism, universalism by localism, economism by humanism and unlimited progress by notions of self-control, restraint and simplicity, some specific elements need to be demystified. One such is the myth of the transfer of technology from one single stock. The technology choices available to South Asia and for people's praxis need to be critically investigated in order to demonstrate the wide spectrum of choices (see Figure 8.6).

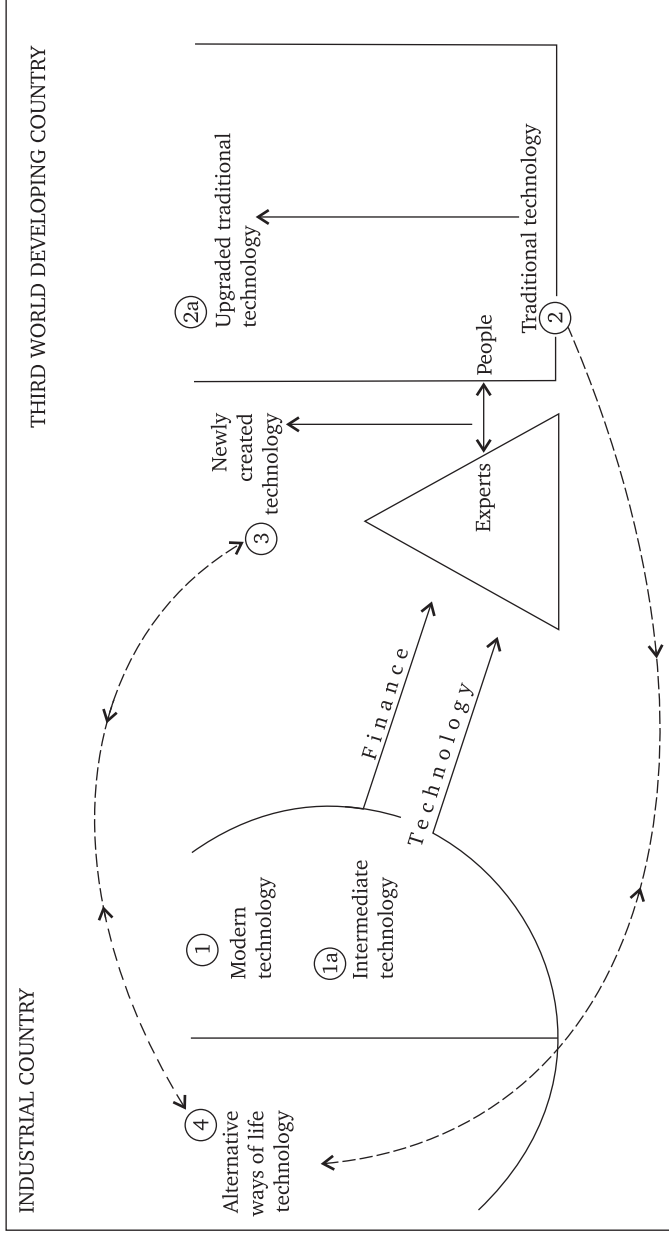
Conventional development believed that development could take place if modern technology from industrialized countries is transferred to poor countries. It was assumed that poverty could be eradicated with this transfer of modern technology and capital. But this modern technology from the industrialized countries was always in short supply and created islands of modernization. The process of modernization did not reach 70 per cent to 80 per cent of the poor, thus widening disparities.

A second stock of knowledge came from traditional technology that can be scientifically validated. But it got diffused due to the way it was transmitted, and therefore it needs to be upgraded in its own environment because technology is not value free.

Some scientists in poor countries trained in modern technology are interacting with the poor and are creating new technology based on a different set of values through the interception of different values and knowledge systems. This creation of new technology shows the dynamics of the new choices of technology.

The intermediate or appropriate technology discussion is a corollary of this. A great deal of discussion has emanated from intermediate technology groups to meet the critique of indiscriminate transfer of modern technology. Some of this intermediate technology implies the use of knowledge and technology that is obsolete in the

**Figure 8.6 Many Stocks of Knowledge and Choice of Technology**



Source: Wignaraja and Sirivardana (1998).

industrial countries. Its use should not be confused with the concept of small is beautiful *per se*. Small may be beautiful, but the question needs to be asked, 'Small on the basis of whose knowledge?' The current discussions on intermediate or appropriate technologies do not even begin to provide adequate answers.

Given the intrinsic interconnection of knowledge and power in each culture, it is necessary to examine the social basis of different knowledge systems that are available. People in South Asia have a great deal of scientific knowledge that can be applied to their daily lives and problems.

## Understanding the Poorest: Field Visit to Buttala

**06-08-2002**

Prior to the visit to Ranna, which provided the setting for the deep immersion, the participants were provided an opportunity to experience first-hand the typical scenario in rural Sri Lanka so that a comparison could be made with the location where social mobilization experience had matured.

Thus, on the morning of 6 August 2002, the participants set off to visit Buttala, a poor village near Tangalla. The village of Buttala had nearly 350 households who had migrated from other areas nearly 25 years ago. The households are mostly poor and live in mud houses with thatched roofs and continued to be shifting cultivators on marginal land. Primarily an agrarian economy, the dependence on rainfall for cultivation was the most important constraint that kept them in poverty and debt in the absence of other opportunities.

The families mostly did cultivation for six months of a year and for the rest of the period, worked in nearby sugar factory as wage labourers. The ground water also was too deep to be harvested individually. The overall impression about the village was that it was a community that had resources but was forced to remain in abject poverty and passivity for the last 25 years. Most families had land and due to the extensive welfare administration, access to education as well. However, they were subjected to exploitation as well as surplus of leakages. In addition, their access to resources like technology, credit, agricultural inputs, and so on was very poor.

To most of the participants, the need for mobilization and organization was quite evident. The poor could not get out of the poverty trap individually. Yet, with their own organization, they could. Along with rigorous social mobilization, efforts to reorient support system was also required, because partnerships with local government departments, and so on, could speed up the process.

## Building Organizations of the Poor: The PIDA Ranna Story

**07-08-2002**

The second field visit was to Ranna. The location was one of the earliest locations of PIDA, a national level NGO that strived for eradication of the worst forms of poverty through PAR. In its existence of more than 20 years, PIDA has been pioneering rigorous social mobilization through essentially a bare hands approach. The original team of PIDA facilitators were a group of carefully selected, committed, sensitive young people, some of them even quitting their permanent jobs in government to join PIDA at a fraction of the salary they were drawing. They were then put through a six months experiential training programme that integrated conceptualization in class rooms with practice in field. From initial four villages, PIDA's efforts have grown nationwide today and has been changing the lines of nearly half a million people.

The village of Ranna in southern Sri Lanka (180 km from Colombo) was one such location where the trained facilitator Mr S.P. Wickremaarachi (Wicky) initiated the social mobilization process in 1983. At about the same time, three other action researchers from PIDA, Messrs Daniel Fernando, S. G. Punchihewa and K. K. Padmananda also initiated social mobilization activities in four other locations.

On the morning of 7 August 2002, the participants of the deep immersion were received at the Vadigala Community Development Organization (VDCO) by the farmers of Ranna for an experience sharing session to learn how they built primary, then secondary organizations and then federated these as part of their empowerment and building their capacity to undertake larger challenges themselves. In a very well organized session, they recalled their successful march



over poverty. Even at the very outset, their confidence, articulation and assertiveness that came out through their words as well as body language was quite contrasting to the submissive, resigned and helpless attitude of the villagers of Buttala. The well organized discussions themselves were a pointer to the extent of capacity building that had happened as an outcome of the social mobilization process.

Dharmasena (or Dharme, as he is popularly known), Chairman of the VCDO, welcomed the participants on behalf of the organization. He then very briefly outlined the evolution of the organization from poor illiterate and non-organized farmers way back in 1983, when Wickremaarachi, the trained external PIDA facilitator, entered the village as a trained catalyst. The major milestones were:

- |         |   |
|---------|---|
| 1983    | Wickremaarachi enters the village and initiates dialogue with the poor farmers. The first mobilization groups formed. Action to plug surplus leakage like savings, sharing of labour, collective procurement of inputs, and so on. Reorientation of support system. |
| 1985    | The monopoly of middlemen over the local market broken.   |
| 1986    | Constructed own community hall.   |
| 1986–89 | Youth insurgency. Mobilization efforts discontinued. Wicky asked to leave the place by insurgents.  |
| 1990    | Mobilization reinitiated.   |
| 1991    | Market absorbed by local government.  |
| 1991    | Membership in Hambantota Human Resources Development Organization.  |
| 1992    | Wrested control over agricultural input monopoly.   |
| 1997    | Restoration of small reservoir in the village.  |
| 1999    | Formal registration as Vadigala community Development Organization.   |
| 2001    | Networking with other organizations in the district.  |

Dharme then invited Wilson, one of the earliest members to explain the pre-mobilization situation in their lives, the deprivation, and the dehumanizing poverty that they were subjected to before Wickremaarachi came onto the scene.

Ranna, in 1983, was predominantly occupied by migrants who had come from all parts and had settled down at Ranna. The total

population was about 700. Ninety five per cent of the population were engaged in agriculture and had come to Ranna in search of greener pastures. The dependence on rains made farming a risky and unpredictable affair. Most families were big, consisting of 6–7 children, forced to live in single-room, thatched, mud-walled huts. The children, due to the shift from one place to another, suffered discontinuation in education. The farmers toiled hard from morning to evening in the fields, but poverty remained a harsh reality.

There was never enough food to eat, enough clothes to wear, children could not afford schools and the family was always under crushing debt. For meeting basic needs as well as for farming, the farmers used to borrow from the local money lenders who charged exorbitant rates of interest. Similarly, farming inputs were procured from local traders who again charged very high rates. The helpless farmers had no other way than accepting it unquestioningly. Further, they had to work in the fields of the traders and moneylenders free of cost as well as present them with goats, poultry, and so on, on special occasions.

The poor farmers with small margins were never able to repay the debts and hence became totally dependent on the above two groups.

The analysis of a typical expenditure of a poor farmer indicates how this debt trap is created (Table 8.1).

**Table 8.1 Typical Expenditure of a Poor Farmer**

<i>Expenditure Head</i>	<i>Amount in Sri Lankan Rupee (LKR)</i>
Agricultural inputs per season (1984 price levels)	2,990.00
Labour for land preparation	1,000.00
Household consumption from cultivation to harvest (@ LKR 230/week for 3 months)	2,760.00
<b>Total expenditure per season</b>	<b>6,750.00</b>
Interest at the rate of 20 per cent per month for 3 months	4,056.00
Returns from sale of produce per acre per season	5,000.00
Leakage due to commission payment, under weighing, and so on.	2,660.00
Total revenue realized	15,000.00
Total payment towards debt repayment, and so on.	13,366.00
Surplus left for food, health, clothing and other expenditure (for nine months)	1,643.00

This obviously being only a fraction of the actual needs, it is clear that perpetual dependence on money lenders is created, leading to debt trap. As Wilson pointed out, 'Such existence rendered us incapable of meeting even our basic needs. Everybody was struggling for themselves, trying to solve own problems individually. There was no unity.'

It was in such a scenario that Wicky from PIDA entered Ranna in 1983. His first task was investigating the above reality through a sustained dialogue with the poor after building rapport with them and winning their confidence. The dialogue and the investigation brought out the sharp contradiction at the village level between the rich, the powerful and the poor which reproduced poverty syndrome, leading to dependency relationship, exploitation and surplus of leakage (see Figure 8.2).

Even as Wicky was himself learning, the farmers, in responding to Wicky's probings, themselves were re-perceiving their own reality. Wicky's efforts to quantify the surplus leakages brought home the vicious cycle of poverty and hopelessness of their present situation in black and white for the first time. Till then, while they had realized that they were being cheated, they had little idea as to the extent of loss and the consequence in their lives or regarding what to do about it individually.

Second, nobody had challenged them with such questions as to, 'why are we poor in spite of toiling all these years?' 'How can we get out if it?' and exposed them to the idea that poverty was the result of exploitation by a skewed power structure and that they might be, if not individually, then collectively able to change the reality for the better.

These individual discussions led to the first group meeting where everybody interested was invited. As Shanti, Secretary of the VCDO, who narrated the first mobilization pointed out, quite a number of people turned out for that meeting.

At the meeting, Wicky presented the facts of what he had learnt with figures. After the meeting, every body went home. A second meeting had an attendance of just five. All the rest who had attended the first meeting in hope of receiving handouts and were disappointed, stayed away. This meeting discussed what could be done to come out of the poverty trap. Wicky had made it clear at the very beginning that he had nothing to dole out. The deliberations brought out that:

1. individually they were powerless to counter the exploitation and hence they needed to be united,
2. they have to build own capital base, given the exploitation on the one hand and insensitivity of support system on the other.

But there was no money to be saved. Thus came the idea of saving a fistful of rice everyday by each member, which would be pooled together at group meetings, sold to the member at whose house the meeting was held, and the money put into the group fund.

While they now had a group fund, it was growing quite slowly. Exploring possibilities to augment it, the members started collective farming in a common piece of land, working together in the mornings every day. The return of the sale was also pooled into group fund.

Having saved labour through sharing and enthused by the successes of initial actions, the group examined further possibilities of plugging the surplus leakage. Thus began the practice of collective procurement of farm inputs as well as consumption goods. Earlier, every member used to go to the market to purchase goods twice a week. The group decided that they would save time, energy and money by deputing one member to go and purchase in bulk. This reduced the cost and the savings that the members made also went into the group fund.

In Shanti's own words, the successful undertaking of above activities resulted in development of mutual trust, confidence and solidarity. Soon, other poor farmers who observed the development also felt encouraged to replicate the process and seven groups were formed.

At this point, Jinasena, a senior farmer of the VCDO took over and explained the second mobilization.

While collective action in small groups enabled the farmers to plug leakages on the production and consumption fronts, the groups realized that there were limits to what a small group could do. There were larger issues such as irrigation, marketing, and so on, which required greater collective bargaining power. The trigger came in the form of refusal of banks to accept the group savings as deposits, for want of certificate of registration. The group got together, discussed the issue and approached the district manager. His support enabled them to open accounts in banks which the group operated for nearly two years. However, when they applied for

loans to the bank, they were denied it as the bank followed a complex procedure that required the poor farmers to produce title deed, identify proof, insurance and irrigation certificate, and the like, which none of the members had. The groups persisted with their efforts and got the manager to visit their group. Impressed by the discipline and innovative management of scarce resources, the manager sanctioned loans to 25 members initially. Their utilization and prompt repayment led others also to get loan. This was a major landmark in the history of the group where they had successfully reoriented the support system through positive action and thus established a lasting linkage with a major actor in the support system.

The increase in number of groups as well as the increased co-operation prepared them to launch an assault on one of their most crucial problems in marketing of the produce. Market was one area where the poor producer was squeezed most. Virtually every market was controlled by cartels of traders and commission agents. If farmers wanted a reasonable price for their produce, they needed to break the monopoly enjoyed by traders. The opportunity came soon when the town market centre, where they sold their produce, was being auctioned for year 1984–85. The group actively encouraged fellow farmers to build up 19 more groups. The strength had increased to 300 at which they formed the Ranna Region Vegetable Producers Organization. With contribution from all groups, they bid successfully for the market and captured it.

With the control of market, farmers were capable of saving most of the 17 per cent losses they used to incur. Five per cent of the total sales was collected from farmers in order to run the market, which augmented the small group savings. This amount was used to provide soft loans to members.

With no more exploitation, farmers from other areas also began to bring their produce to the Ranna market. This meant that prices of commodities in the market fetched still lower prices. Staggering the harvest was one obvious answer, but this meant that they had to send their produce to other markets for additional harvest days. The produce was sent to Colombo market through transport agents who themselves were dealing with vegetables and they deliberately delayed the transportation. This caused huge losses to the farmers. The counter action was to investigate the feasibility of having own transportation facilities.

Not having sufficient funds, the farmers approached a local bank for a loan, but were once again turned down for want of guarantees. The farmers once again took up the issue with regional office and could convince the management to issue sanction for a loan of LKR 200,000. Contributing LKR 100,000 from own funds, they bought a lorry in the name of the group, which enabled them to transport surplus produce to far off markets and command better prices. The loan from bank was repaid in time, thereby proving the bank the viability of their project. Having done so, they submitted a proposal for loans to purchase tractors which would ensure timely farm operations as well as save the increasing rentals being paid every year.

In 1986, the organization approached the district development council to request it to lease out the market to the farmer organization as the arrangement was to the benefit of the farming community. The reason was that bid for market was becoming highly competitive. If the association had to pay LKR 80,000 in 1984, it was LKR 1,25,000 in 1985. When the council turned down the request, the organization devised a counter strategy by hiking the bid to LKR 1,65,000 and then withdraw to let the private trader win the bid. The private trader withdrew fearing that it would be difficult to even recover the costs. Development council then had to run the market for six months. By then, alternative marketing outlets were identified.

The above action made the Ranna farmers organization popular among farmers of neighbouring areas and they wanted similar efforts in their areas. The mobilization efforts were spreading to Weeraketiya, Barawakubuka, Suriyawewa and Tissamaharama in Hambantota district.

The process of deepening and expansion at the above location followed a pattern. There were the small homogeneous groups at household levels that formed a cluster at the village level. The cluster level organizations formed an apex level federation.

Simultaneously, there emerged out of the process, a set of internal facilitators whose awareness, sensitivity and commitment were of a higher plane than that of other members and who gradually took over the function of external facilitators.

As the process expanded, it was becoming increasingly necessary to have an own place where they could meet regularly, stock and supply production inputs and consumable goods, and pool the produce for marketing. It was decided to construct a 100 feet × 20 feet

building with two 20 feet  $\times$  20 feet rooms and a 60 feet  $\times$  20 feet hall at the centre. It was constructed by every member contributing 300 bricks. NORAD contributed LKR 50,000 towards the cost of roofing. After the completion, a pre-school was also started for the children of the members.

The latest development led to a new found respect and recognition in the society for its perceived ability to engineer social transformation in a constructive, non-violent manner.

This was when the insurgency struck and Wicky and friends had to leave. All activities had come to a halt. However, the awareness, the mutual trust and faith in collectivity had firmly struck roots in the minds of the members. Thus, after three long years, by when the insurgency was suppressed, the farmers again found themselves picking up the threads where they had left three years back.

Wicky came back in 1990, only to find that his constant presence was no longer required at Ranna.

In 1991, the Ranna farmers joined the Hambantota Human Resource Development Organization (HHRDO), a network of 26 primary level organizations based at Tangalla. This provided a forum for sharing of experiences and resources. For instance, at HHRDO the Ranna farmers met coir producing groups and could directly purchase coir from them instead of purchasing from market. This created a win-win situation for both.

The year 1999 was a milestone in the history of the Ranna farmers organization in which they got registered themselves formally as an NGO and started establishing linkages with NGOs in the district.

The presentation on Ranna was supplemented by presentations by representatives of two other groups from the neighbouring location who were motivated to form groups by the success of Ranna farmers. One was the Uhagaweve Community Organization, formed in 1998 when HHRDO reconstructed an irrigation tank with assistance from Sri Lanka Canada Development Fund (SLCDF). The project required the beneficiary farmers to share the labour as well as responsibility of operation and maintenance of the restored tank. This made the farmers realize the benefit of collective action. They started exchanging labour for farming. This led to a savings and credit fund, which grew to LKR 22,000 in a short period. This was used to provide loans, which initially were in the range of LKR 300–500. At present, they can lend up to LKR 5,000/member.

The group has devised innovative ways to raise resources, like a savings fund for children below 18 years of age. The deposits are open even to other members of the public and offers 18 per cent interest, which is greater than what banks offer.

The group also established a lift irrigation scheme with NORAD help. However this proved to be too costly for farmers. Second, the supply of water was often erratic and not in time. There was a lot of wastage as well. This led to experimentation in drip irrigation which proved to be a huge success. The farmers have been able to reduce acreage under farming, thus saving on expenditure and at the same time earning more income because of the drip irrigation.

Dharme summed up the presentation, drawing particular attention to some of the benefits that the members gained from their efforts over previous 20 years.

The VCDO has 23 groups clustered into three intermediate structures. The total membership is 180. Total savings generated so far is close to 5 million, most of which has been lent out. In terms of living standards, the surplus calculations indicate that the collective action has resulted in raising their average income from one hectare of land from LKR 15,000 to LKR 71,000, an increase of 374 per cent. The expenditure for farm and non-farm activities have grown by 700 per cent and 328 per cent respectively. The net income has increased from LKR 1,644 to LKR 25,230, an increase of about 1,435 per cent.

The increase in surplus has led to asset creation. The thatched, mud-walled huts have given way to pucca houses. Tractors, milch animals and two wheelers are indicative of a new found prosperity.

The quality of life has also improved. Sanitation and drinking water facilities are now universal. Similarly, malnutrition is no more observed. While only 40 per cent attended school in 1983, now enrolment is 100 per cent.

The change has not been restricted to production or physical quality of life alone. The long struggle has helped cement their resolve to see every problem as a challenge to be overcome. They have a quiet confidence that comes from overcoming demanding challenges. The mobilization also has helped build their trust, confidence and spirit of co-operation.

The achievements in the past, Dharme felt, had given the group members greater recognition and acceptance in the society. There is appreciation of what they have achieved and realization of their



collective capability. The very same banks, line departments and other support system elements who wouldn't even listen to the poor farmers once upon a time, were much more responsive to their requests, even seeking their assistance in training other farmers. Even the political parties consult the VCDO and put up candidates who enjoy their confidence for election to the local bodies. As Wilson remarked, 'Earlier, even local leaders of political parties didn't bother to as much as greet us. Now Members of Parliament, as they pass by, stop their car, come out and talk to us with respect.'

The changes have encompassed virtually every facet of their lives. Social evils like alcoholism, early marriage, violence, and so on, are on the decrease among the member households. One reason could be that they get discussed in the meetings. Second, the social awareness is quite high that people can see through the negative impacts of these on the individual, family and society.

After the discussion at the VCDO, the participants visited the Uhagaweve Community Organization to learn first hand as to how technology when sensitively applied, can trigger major transformation in a relatively short period.

Even as Hambantota has been reeling under drought for the last six seasons, a farmer observed quite accidentally that tomato plants near a leaking tap was growing vigorously. This convinced him that only a fraction of water that is being used for surface irrigation is required for adequate irrigation of crops. Through trial and error, they developed a drip irrigation system with tank and pipes. The total cost of nearly LKR 30,000 is shared between two farmers who use one tank.

The advantages have been manifold. They have been able to reduce the acres under cultivation without drop in income. Cultivation in 5–6 acres for one season has been reduced by 30 per cent. Thus, substantial savings have been made on agricultural inputs as well as on labour expenses.

The profit levels have gone up from an average of less than LKR 10,000 per season to nearly LKR 20,000. Third, it is now possible to practice organic farming with the house compost production as requirement has been reduced.

The farming witnessed a blend of modern technology with indigenous knowledge. The farmers use neem as the sole pesticide for plant protection. More importantly, they rely on crop almanac to

arrive at the planting times. The farmer vouched that if the traditional wisdom is followed correctly, it is possible to avoid a number of pests and diseases altogether.

Back at the hotel, in the evening session in which representatives of VCDO were also present, the participants tried to pull together what they learnt from the day's visit. The presence of VCDO representatives provided for further clarifications. The participants compared the visit to Ranna with that to Buttala on the previous day and found the contrast to be very sharp. All the critical elements of the PAR paradigm could be observed at Ranna, right from the contradictions to the role of facilitator to the spiral unfolding to the federation of organizations of the poor, the choice of technology and participatory monitoring and evaluation.

There were a couple of issues that the VCDO had to answer. They mostly pertained to future strategies and in a way was helpful in bringing out the level of consciousness and foresight the leadership of the organization had developed. The first concerned the future agenda of VCDO as an NGO, whether it would be able to maintain the integrity, transparency and clarity of vision or would it be a run of the mill NGO serving vested interests.

Dharme pointed out with remarkable clarity of thought that the evolution of VCDO was quite different from that of most NGOs. The VCDO was an organization of the conscientized poor who have resisted similar lures for short term gains in the past as well.

A second concern was regarding the challenges offered by the liberalization and how VCDO perceived it. Dharme answered that the possible way would be for mass action by the farmers to force state from stop adopting anti-farmer, anti-poor measures. In fact, the VCDO has been conveying the need for unity to other farmers' organizations as well.

Dharme's answers to the query on action that VCDO adopts to develop individual skill/competitiveness as well as to address social evils was a pointer to the fact that poor view their lives in holistic manner. It also brought out the holistic nature of intervention. Dharme was categorical in stating that the organization does not differentiate between what is good for individual and what is good for society. The individual and the group reinforce each other. For instance, the whole story of Ranna has been how individual farmers benefited from collective action. Universal education, pucca houses replacing mud huts, and 75 per cent of member's tractors all point to the above.

Similarly, in case of social evils, conscientization at the individual level automatically address the concern. In fact, it is the only way to address such a subjective issue. The individual imbibes the values of the community and in turn strengthens the social value base.

## **Sustainable and Holistic Approach to Poverty Eradication Activities: The PIDA Hambantota Human Resource Development Organization**

**08-08-2002**

The participants visited the second of the trio of locations, Tangalla in Hambantota district, where the mobilization efforts that started in 1986 had resulted in the evolution of an umbrella organization, the Hambantota Human Resource Development Organization. After the welcome note of the chairperson, the facilitator, Punchihewa narrated the mobilization efforts.

Way back in 1986, Punchihewa (Punchi) was an unemployed youth when he met Wicky. He was recruited, trained and asked to start working at Suriyaweve. His only brief was to go and understand the reality of the poor. Thus Punchi came to Suriyaweve as a complete outsider and started investigation of reality, staying in a poor household. He found that there was a canal running through the area. Those below it had irrigation facilities while those above it practised shifting cultivation. The latter group on an average cultivated 2.5 acres and earned up to LKR 100,000. Yet they remained poor. Punchi initiated dialogue and as in Ranna, the contradictions and the leakage of surplus were brought out. The sustained dialogue led to conscientization, organization and mobilization that saw the spiral unfold, starting from collective saving. Having had an idea of Ranna farmers' efforts, here too exchange of labour and group farming were taken up to plug the leakage of surplus.

The six groups that were formed initially tried to avail loans from banks but couldn't get them. Five out of the six groups broke away in disappointment. One group realized that there were benefits (though small) in staying together and stuck with the facilitator. Sustained action was leading to expansion and deepening when a new bank had opened nearby. This time the effort to link up was quite successful. The bank, in appreciation of their efforts advanced loans

to individuals on guarantee from groups. 405 loans were issued, which were repaid in full leading to larger loan off-take in the following year. This made the clusters that broke away also to come-back. The bank had to open a new branch to meet the demand from the group. And as Punchi and the group fondly remembered, the new branch was inaugurated by a member of the group.

The spiral unfolded rapidly and the results were visible on several fronts such as sanitation, housing and health.

As in Ranna, the insurgency forced Punchihewa to leave and in 1989, as he was at home, he decided to initiate the mobilization efforts in and around Tangalla. He started working in villages of Seenimodera, Rekawa and so on. However, for want of a common place to meet regularly and share experiences, the groups visited each other. This also facilitated exchange of goods and services without any middle men. But these were proving to be time consuming and expensive, and hence a room was rented out at Tangalla, where the groups met on every 10th of the month. The expansion saw the number of groups increasing from seven to 26. The meeting place proved to be inadequate and the centre shifted to Seenimodera.

A major break came in 1990 when the SLCDF, impressed by the mobilization efforts, offered assistance. The 26 groups got together, framed a constitution for an umbrella organization, the HHRDO and got it registered formally as an NGO. The SLCDF advanced LKR 1 million for setting up a credit revolving fund. This was lent out to the 26 groups at 15 per cent interest. The revenue generated was used in purchasing the present land with a small building. Subsequently, SLCDF helped to improve the infrastructure by including a meeting hall, toilet, and the like.

Punchi went on to explain the organizational set up of HHRDO.

The 26 groups have farmers' groups, fisher folk groups, coir workers' groups, and so on. Each group is represented by a member (the internal facilitator) in the HHRDO. This member need not be an office bearer of the group, but he/she will generally be the most active and committed member of the group. They represent the group in HHRDO so long as they enjoy the parent group's confidence. The work is voluntary and they are not paid salaries as it leads to erosion of capital. They however, are compensated through indirect incentives in the form of loans at lower rates (6 per cent instead of 15 per cent for group members) as well as a fund for emergencies where the facilitator can deposit up to LKR 2,500 and which is matched

by a grant of equal amount by HHRDO. This compensation package was arrived at after a great deal of experimentation and discussion in groups.

From the 26 representatives, the executive committee consisting of president, secretary, treasurer and four committee representatives is elected annually. Punchihewa remains out side and helps when consulted on major issues. All other decisions are taken by the executive committee. The decisions taken by the apex organization are discussed in the group but are never binding on them.

In an innovative step that ensures credibility through transparency, Punchihewa's efforts to supplement his meagre salary from PIDA by taking up assignments on consultative basis are routed through HHRDO.

The level of awareness of the members were brought out in the discussion that followed. The participants wanted to know why the individual facilitators were permanent representatives and why not rotated annually. The group responded that usually the most aware, committed and active member is selected as the representative. So why, in the name of equal opportunities should the group loose his or her services? Moreover the groups can, at any time, replace the representative.

The same awareness and practicality is also seen in the conscious decision not to expand to new locations for the time being. They now want to consolidate before spreading further. However, this does not mean that they remain aloof to the needs of other poor in society. In fact, during the deep immersion, 19 young girls and boys were being trained in facilitating rigorous social mobilization. In the interaction, some of the youth present said that they had drawn inspiration from their elders and wanted to do something for the society than wait around for ages for a job. They don't feel attracted by the consumerist life style as they have been brought up under a different value system. This (facilitating poverty eradication) offers much more freedom to be creative and ultimately have greater potential.

A girl joined in, pointing out that with state downsizing and private sector being focused on labour saving technology, the opportunities even other wise, were dwindling.

In the afternoon, the participants split into two groups and visited two separate groups among the 26. One group visited Rekawa, the fisher people and other, Seenimodera, the coir workers' group.

In Seenimodera, the dialogue has led to savings, credit and procurement of assets, mechanization of coir making, and so on. However, the lagoon where the coconut husks were being retted, had dried up and as a result the groups were no more in a position to ret the fibre. This was a pointer to how ecodegradation could affect the rural livelihoods. However, the women felt that it was the collectivity that rendered them debt free and enabled them to cope up with the times.

Again, the younger generation have been motivated in Seenimodera, with young girls forming their own group. They have shown entrepreneurial flexibility by venturing into different income generating activities.

At Rekawa, the mobilization has been proceeding along quite well. The salient feature of the location was that Punchihewa was experimenting by staying in the background and developing the capacity of internal facilitators.

Two points that emerged in the evening brainstorming session was that the Tangalla location was ahead of Ranna in providing inspiration and motivation to younger generation for getting involved in the whole process. This is the way the value base in the society gets perpetuated.

The second point was about the role of facilitators. Changing times produce new challenges that requires additional layers of capabilities in facilitators. How to meet this challenge? By capacity building of the facilitators or by adopting a team approach?

## Self Banks: Our Own Bank, Ahangama

**09-08-2002**

The participants visited the last of the three locations, namely Ahangama on 09-08-02. A large crowd of nearly 300 women awaited them at the venue. One of the members, Ms Indrani, welcomed the participants.

Padmananda, the PIDA facilitator was identified by Wickremaarachi during his field work in the pre Ranna period. Padmananda underwent training and initiated work in Ahangama in 1982, following core methodology as in previous cases. A small group of five was

formed that started by saving LKR 1 a week (such was the poverty in Ahangama in 1982 that the women often had to pawn the food stamps to save the money).

As in the previous cases, the process deepened and expanded. Savings was the first priority, collective purchase of inputs and surplus leakage all were gradually taken up. The high point came when in 1999, they all came together and realized own strength, spread over 36 villages and over a thousand households, touching the lives of close to 60,000 individuals. The savings was close to LKR 5 million and they were capable of offering loans up to LKR 50,000 per month.

This realization of what they had unobtrusively built up over the last 18 years gave fillip to the idea of starting a self bank named Swakeeya Bank, meaning 'our own bank'.

The operations of Swakeeya Bank run entirely by the group was explained by members themselves, taking turns to explain each account.

Swakeeya Bank had five accounts with each member operating the five accounts having five different coloured pass books. The accounts were innovatively and inspiringly named.

The first account was Kappamaga (path to commitment) account which was the basic savings and credit account. Each member could deposit their savings in this account and become eligible for loan once the savings reached minimum of LKR 1,000. The loans were charged 5 per cent interest per month (60 per cent per annum) of which 2 per cent was credited back into the account of the member. Once the savings reached LKR 5,000, it got automatically transferred to the second account named the Yahamaga account. The total savings under Kappamaga so far has been LKR 200,000.

The Yahamaga (path of virtue) account was started in 1999 and has amassed LKR 3 million so far. The minimum deposit is LKR 5,000/that is transferred from Kappamaga account. The deposit attracts an interest of 36 per cent per annum which was more than three times the banking rate. Loans up to a maximum of five times the deposited amount could be availed from this account. They carry 5 per cent interest per month (60 per cent per annum). The loans from Yahamaga account were mostly used for purchase of assets like land, three wheelers, and so on. Loans are disbursed in lump sum and repayment is in monthly instalments.

The third account, the Suba-saadaka (welfare) account, was started to meet a felt need, that is, money in times of contingencies. A member can deposit a minimum of LKR 5,000 in the account. In order to help the members achieve the minimum contribution, the 2 per cent savings in Kappamaga was moved to the welfare account. The account is subscribed to by nearly 150 members and has a size of LKR 700,000. The money is used to disburse loans to members. In case no benefit is claimed, at the end of each year, the member gets a bonus of LKR 1,800 as bonus (36 per cent interest of LKR 5000/-).

The fourth account is the Jayamaga (path of victory) account, started in Aug 2001. The account is principally meant as savings for future needs of children of above 5 years of age. The deposit earns an interest of 36 per cent per annum. Deposits are accepted on monthly basis and in multiples of LKR 50/. At the end of five-year period, the organization makes a matching contribution to the account. The entire amount is then deposited in fixed deposit in the name of children. There are 125 accounts so far in the bank.

The final account is the Niyamamaga (Path of Righteousness) account. This was mainly to help meet the demand for loans. The account is open for outsiders as well who can earn interest of 36 per cent on their deposits. There is confidentiality of accounts. The deposit can be withdrawn by giving a month's notice. The loan attracts 5 per cent interest per month. So far, the deposit has grown to LKR 200,000.

Ahangama Bank is operated by representatives of the groups from which a 50-member body is elected. The executive committee of 10 members is again elected from the group of 50 with a president, secretary and treasurer as office bearers. The group of 50 as well as executive committee meets once every month.

The impact of the bank was that most members have been able to start and strengthen their own income generation activities with the help of the bank. They are today free from the clutches of money-lenders and even unforeseen emergencies are no more calamitous.

Assets have been created and the standard of living has gone up. The bank has given the members a new recognition and identity in the society. They are now in a position to even ensure that the future needs of their children are taken care of.



The main reaction of the participants upon listening to the presentation was one of marvel for here were poor, hardly educated housewives running a full-fledged banking operation without a hitch.

The greatest compliment for their efforts perhaps came from their adversaries, the moneylenders themselves. They have been forced to reduce their interest rates, which were whopping 240 per cent, down to 30 per cent, even less than that of Swakeeya Bank for want of takers.

The second thing to be marvelled at was the articulation of the women, even in the small group meetings after the presentation. It was clear that the empowerment was real and not a stage-managed show. For instance, when challenged that they may have settled the question of credit efficiently and what has it done to their lives, the answer was an emphatic 'you come and see for yourselves!'

In the post lunch session, the participants split into small groups to interact with individual groups and realize the quantum of change the mobilization had brought about in the lives.

Back at the hotel, the brainstorming brought out the following points:

1. The social mobilization in Ahangama has added a new dimension to the body of knowledge in that the primary organizations of the poor were expanding to the level of donning the mantle of support system by itself, and that too, without any external resources.
2. The poor women had so far been looking inward. The sign of political consciousness and solidarity so visible at Ranna was not discernible at Ahangama to the same extent.
3. Here was a sustainable rural financial institution built up at village level. Ideally, this is what many NGOs in microfinance are aspiring to build up. There should be greater efforts to learn lessons from Ahangama and strengthen such initiatives.
4. The fourth point was that Ahangama experiment has been rooted firmly among poor. But as they move into the mainstream, what would be the role of the facilitator? Should he stay with the new value-based community and help them maintain their identity and values as they face newer challenges or should he make himself redundant and move over to a newer location to multiply the process?

The overwhelming response, including that of Padmananda was that it was time he started paying more attention in developing newer locations through his own efforts as well as through developing additional cadres of facilitators through training.

## Partnership Building and Reorientation of Support System

**10-08-2002**

The morning session saw the participants engaged in a policy dialogue with some key figures from Southern Province of Sri Lanka as well as from donor agencies. Representing the support system was Mr Samarasinghe, Secretary, Rural Development and Secretary to the Governor, Southern Province. He was associated with the original Change Agents Programme out of which Wicky, Punchihewa and Padmananda emerged. The local government was represented by Mr S. K. Kitchiri, Chairman, Pradeshiya Sabha. From the donor side was Dr (Mrs) Marlies Salazer of Konrad Adenauer Foundation (KAF), Germany and Mr Sven Rambolt of NORAD. KAF has been a long term partner of SAPNA in its endeavour to eradicate the worst forms of poverty in South Asia. Of late, it has been supporting the social mobilization efforts of PIDA in all the locations. NORAD has been supporting the VCDO in several of its ventures. Also present were Dharmasena, Chairman of VCDO, Punchihewa of HHRDO and Mr Indrani, Chairperson of Swakeeya Bank in Ahangama.

After the welcome address by Dr Wignaraja, the participants explained as to why they were in Sri Lanka. Ms Pramita Bista of SAPPROS, Nepal, narrated how the deep immersion programme enabled SAPPROS, a national level NGO in Nepal, to identify gaps in own mobilization efforts and correct them.

Rahimullah from Dir, as well as Nowsher Sarder from Pakistan and Bangladesh respectively, presented how the deep immersion programme was helpful in broadening their vision and redesigning their projects to be sustainable efforts in poverty eradication.

Following the brief statements by the participants, the leaders of the grassroot organizations, Dharmasena and Ms Indrani presented as to how they moved out of dehumanizing poverty through collective action. This was followed by screening of the videos on the

success cases in rigorous social mobilization in Nepal and Sri Lanka. The support system functionaries as well as the stakeholders who could play a role in poverty eradication in southern Sri Lanka got together for a group discussion. The deliberations centered around the role that each of the stakeholders had to play in a concerted attack on poverty.

## Participatory Monitoring and Evaluation by the Poor

The participants once again went to Ranna in the afternoon and met at the Vadigala Community Development Organization for one of the most crucial sessions of deep immersion, that on participatory monitoring and evaluation through application of sociogram.

Dharme once again welcomed the participants and remarked how they had, after 20 years of rigorous social mobilization, for the first time held a participatory evaluation exercise using sociogram that helped them identify their strengths and weaknesses.

Wilson then took over and explained how the groups interpreted the parameters and assigned the values.

In the sub sector on attitudes, the awareness creation was given the highest value as it was the awareness that poverty is powerlessness and can be changed that started it all 20 years ago. The internalization of the concept was evident when he added that there was never a stage when they could say that awareness had reached the maximum levels. Similarly, the cultural values of sharing and caring were considerably weakened in the rat race to survive, but post mobilization, these values had been strengthened. In fact, it was the very values that helped them endure the struggles in a united way.

On gender equity, women enjoy much more equity than their earlier generation did. For instance, in Wilson's younger days, his own father used to drink in the evenings and sleep after work whereas his mother alone had to take care of household chores after day long work in the field. However, today the husband and wife share the responsibilities in household as well as outside. All decisions affecting the family are taken jointly. Wilson observed:

The spirit of cooperation, like awareness was instrumental in our overcoming poverty and exploitation. The very fact that we have been together

for over the last twenty years is a testimony to our cooperation and unity. Through the cooperation, today we are much more self reliant as a group and as individuals than we could ever have hoped to be.

In the sub sector on socio-economic base, most of the parameters were ranked high, indicating heightened perception of achievement. Surprisingly, while savings, investment, asset creation, social benefits and distributional equity were rated high, the parameter of economic benefits received low rating of 4/10.

This, Wilson explained, was due to the fact that while they were no more poor and were much better off compared to their past, they were not monetarily rich. 'Our income and asset base have not been strong enough for us to say that we are secure', hence the low rating.

In the third sector, the parameter of generating internal leadership was split to include generating future leadership. And this, they found, was their greatest weakness because in the earlier days of mobilization, most of the youth were drawn towards insurgency. Hence there was paucity of capable youth in the organization who can take over from the likes of Dharme and Wilson. The second weakness was in the skills development, which could have been strengthened.

Following the presentation, the group members were asked about their impression on use of sociogram. Their response was:

Yes, sociogram was quite relevant for two reasons;

Earlier also we used to monitor and evaluate our efforts periodically, as we moved from one activity to next. And because of the raised level of consciousness, most of the parameters were already being addressed. However, it was only with the use of sociogram that we have realized how holistic and all encompassing has the rigorous social mobilization been.

Secondly, it helped us identify one of the most crucial issues: The absence of a second level of leadership which can take over from Dharme and Wilson.

As to the participants, it was quite clear that even though the use of sociogram has been new to the group, the intervention has been holistic in its impact. The only weakness was that the comparison of present situation with past was somewhat subjective for want of a

base line data. Second, it would be better if the poor could employ much clearer benchmarks in allocating the ratings. For instance, why economic benefit was 50 and not 49 or 51, so that the element of subjectivity could be reduced.

The morning session was devoted to the reflection on the policy dialogue as well as on sociogram. On the policy dialogue, Dr Ponna Wignaraja raised the concern that three dramatic experiences in social mobilization have been underway in Hambantota for the last 20 years. Still, nobody seemed to be aware of it, whereas organizations that came much later and had little to show in comparison were being talked about very highly. This was a concern. Even the Minister for Southern Province (who spent the previous evening with the participants) who was a Member of Parliament for the last 20 years had not learned about Ranna, Tangalla or Ahangama. How can we expect them to pick these up and apply the lessons elsewhere? It was time support system learned about these experiences through constant dialogue with the support system. This would be true for other countries as well.

The fact could not be discounted that much more superficial concepts like PRA and microcredit, which merely act as tranquilizers could be suiting the designs of powers that be, both internationally and nationally. Even at local level, as Tiwari pointed out, bureaucrats' concern was only 'post' and politicians' concern was only 'vote'. However, neither was concerned beyond the immediate benefits. This could also lead to purposeful neglect of rigorous mobilization, which could even be threatening their interests in the long run.

The following session on sociogram saw heated debate on a number of issues.

The first was regarding developing the indicators and the ratings. One argument was that the rating should be developed so that the conclusion was independent of the one who applied the sociogram. The other school of thought was that sociogram was for participatory monitoring and evaluation by the poor themselves. Hence, their perception mattered most and methodological rigour was of lesser significance. It emerged from the discussion that sociogram indeed was for the poor to evaluate their own process and couldn't be used by an outsider operating in the conventional paradigm. This was not to mean that outsiders could not use it. They too could, provided that they were sensitive to the process and stayed with the poor long enough to understand the process and apply the sociogram.

The second issue was whether sociogram could be effective among illiterate groups, like tribals, who could not be expected to be as articulate as Dharme and Wilson. The SAPPROS experience with the tribals of Chitwan, brought out conclusively that poor, irrespective of their literacy levels are capable of understanding the indicators and ascribe values in a way that reflect their perceptions about the changes that have happened.

It was also brought out that sociogram can be used as a planning tool as well, helping the groups identify their weaknesses and decide on corrective action they wanted to undertake.

## Further Lessons Learned from PIDA's Experience

The PIDA locations of Ranna, Tangalla and Ahangama, it can be seen, were essentially rigorous social mobilization efforts for eradication of the worst forms of poverty through a bare hands approach. They were now expanding and multiplying the process with their own capacity and new partnerships. Beyond the fact that all the three locations have matured and are sustainable at a scale that just cannot be brushed away lightly, they offer some profound lessons. There are several similarities that make certain level of generalization possible. Yet, these locations also vary much in the way they have evolved. This section tries to trace through the mobilization experiences that the participants got to learn and tries to pull together some important lessons they offer.

All the three locations, way back in 1983, were experiencing abject poverty, perpetuated by the sharp contradictions that existed in the respective societies. On one hand were a minority of dominant interests—the traders, the money lenders, the owners and even the bureaucrats—who stood to benefit from the status quo, and on the other, the majority of poor—the marginal farmers, landless workers, small fisher folk, rural artisans like the coir workers of Seenimodera and other deprived groups. The relations between the groups were of dominance–dependence kind through which the rich were able to control the very survival of the poor. In other words, the exploitation by the dominant rendered the poor powerless even to take decisions affecting their own lives.

It was in such a situation that three sensitive, committed and trained facilitators made their entry. All the three, Wickramaarachi,

Punchihewa, and Padmananda were hand picked for their sensitivity, commitment and identity with the poor that set them apart from the rest.

Further, the facilitator at the time of entering the village or at any later date did not have any sort of targets. The only brief, as Punchihewa recalled, was to go and understand the reality. The rider was that it is the reality of poor as perceived by them that was to be understood.

The method adopted for understanding the reality was also different from that of conventional approach. The facilitators stayed with the community, identified the poor and initiated sustained dialogues with them separately. This was what brought out the dominance–dependence relationship existing in the society. It also helped the poor to develop trust and confidence in the facilitators that is crucial to the success of mobilization.

It can be seen that the learning was a two-way process and is one of the most crucial phases in social mobilization. The probing questions that the facilitators employed to uncover the truth had also set the poor thinking about their own reality, understand the causes that keep them in poverty, understand that the reality can be changed and that they themselves had to act to effect the change. Thus the dialogue triggered a process of transformation, both individually and collectively from being objects to subjects authoring own destiny.

The above process of sensitization and conscientization had led to mobilization of the poor into groups, aware as they were that in order to change the reality, they had to overcome their individual powerlessness through collectivity.

The experience in all the three locations indicate that the size of group seldom matters. More important, it is the quality of participation. The facilitator, in making clear at the very outset that he is not to distribute handouts, eliminates pseudo participation. Those who come together will be the needy ones. Conscientized and organized groups of 10–15 members are capable of breaking the vicious cycle of poverty through collective action.

That the poor are creative had been indisputably established by the way they initiated their savings even when they had no money. It could have been a handful of rice, a length of coir or coconut shell. It even had taken the form of shared labour, the significant point is that non-monetary and under valued resources had been converted into precious capital through ingenuity.

The initial actions and results were invariably small. However, they can be seen to have helped build the trust, mutual confidence as well as self-respect. The variations in the initial actions between the three locations also offer an important lesson in that there cannot be and should not be a rigid set of prescriptions. The activities should reflect the felt needs of the poor, their priorities, resources and their decisions, and not decisions imposed on them from outside.

With increase in capacity and confidence, small actions to plug the leakage of surplus led to bigger and more complex actions, unleashing the spiral. The unleashing of spiral and the evolution of mobilization efforts took different routes in different locations, once again underscoring the scope the methodology provides for reflecting the agenda of the poor.

The outcome, as was seen in all three cases, was that a considerable portion of the surplus generated by the poor got siphoned out through various means like exorbitant interest rates, unfavourable pricing mechanisms and plain corruption which the poor were often unaware, or even if aware, were in no position to arrest. As the farmers at Ranna found out, even when they produced LKR 15,000 worth of goods a season, all that was left with them to pull on through the remaining months was just LKR 1,634! Coupled with the submissive attitude of the poor, poverty had got perpetuated.

However, in all the locations, it invariably resulted in progress in terms of both material and mental aspects of their lives. The basic needs of food, clothing and shelter had been addressed. The younger generation is attending good schools. In Ranna, more than 75 per cent have assets like tractors and two wheelers. Elsewhere, once poor women are pursuing income generation activities like mushroom production and tea cultivation, not having to worry about capital anymore.

The above changes have been underpinned by a new value system based on sharing and caring. As Dharmasena recalled:

When my child was hospitalized, I could not attend to farming operations for nearly two months at all. When I came back, I had expected to see a weed filled, neglected crop, but to my great surprise, all the operations were done and the farm was as good as if I had done it myself. All I had to do was to harvest and earn the profit. The poor are also aware of their strength and hence want to preserve unity at all costs. Equity, transparency and integrity are never compromised upon.



Another remarkable feature has been that in spite of the nature of institution built up over time, the primary groups have formed secondary and tertiary level structures that suit their purpose. Thus we have a farmers' organization with emphasis on production aspects at Ranna alongside the HHRDO consortium for sharing of experience and resources at Tangalla and an all-woman bank at Ahangama. The organization building is one way of institutionalization of the process. It also enhances their bargaining capacity tremendously.

Two unique aspects however, set the above institutions apart from those developed by conventional development projects. One is the very nature of their evolution. The secondary organizations evolved from primary groups in the wake of felt necessity. Thus they are firmly rooted amidst the poor and are also completely controlled by them. As Chandana Bandara from Sri Lanka observed, 'Even though they are technically NGOs (all having registered themselves so) they are so different from the NGOs we are familiar with. They exist solely for the benefit of group members, are owned by the poor and are value based.'

The second aspect was that even when federated to tertiary levels, the primary groups retain autonomy in deciding own course. It is not a top-down process but bottom-up. Suggestions, requests and demands come up from the primary groups to the apex level.

At each of the three locations, there is expansion as well as deepening of the process to reach more and more poor. The Ahangama bank, for instance, covers over 1,200 households today from the original five in 1982. That spread is not in space alone but in time as well. The younger generations of the group members are already following the footsteps in forming groups and initiating collective activities as in Seenimodera. More heartening is the fact that the process is throwing up internal facilitators from the younger generation who attach more meaning to service of society and turn their back on crass consumerism and ensuing job hunt. The same story is being repeated at Ahangama as well.

Simultaneous has been the reorientation of the support system. Both at Ranna and at Tangalla, the participants learnt how banks were reoriented by convincing them that the poor are efficient. At Ranna, they also learnt how the local farmers when turned out by local branch, approached higher ups and got the loans cleared. Even the political parties respectfully listen to them today, convinced as

they are of the strength of the groups. It goes to the heightened awareness of the conscientized poor that they have been using the system instead of allowing themselves to be hijacked.

The final point is about participatory monitoring and evaluation. Praxis or action–reflection–action is an integral part of participatory development process and performs the role of constant monitoring by the poor themselves. However, the focus being the now and the here; setting long-term goals and effecting major corrections take the back seat. This is where the sociogram has been found very useful. This was amply demonstrated by the Ranna experience. For the first time in 20 years, the farmers realized how holistic the intervention has been. It also helped them identify the crucial issue of generating a second line of leadership to take over from the present team at appropriate time. The fact that in spite of asset creation and the like, they cannot claim to be financially secure also came out only when sociogram was applied.

The sociogram can also be used for participatory planning as revealed by the SAPPROS experience. It is simple enough for the poor to understand and apply irrespective of whether they are literate or not.

Though it is a tool for conceptualization and helpful to present complex reality in a simple manner, its use has to be rooted in the experience and participation of the poor about themselves. An outsider operating along conventional lines will not be able to use the sociogram properly unless he is sensitive, committed, and has known the community long enough to apply the sociogram.

This was not to mean that the mobilization effort had attained its objectives in full. There are newer challenges that the organized poor face like that of eco degradation affecting their very livelihood base, and the market economy that can erode their self-reliant base. Yet the fact remains that thousands of poor families who would otherwise have remained poor and deprived for all their lives, have come out of it with dignity and self-respect, and that too with virtually little assistance from anybody.

PIDA also has major challenges to address in the form of how to mainstream the PAR concepts into current development thinking at a policy level. Even the support system functionaries who are operating in the area are unaware of the totality of the experience and underlying fundamentals.

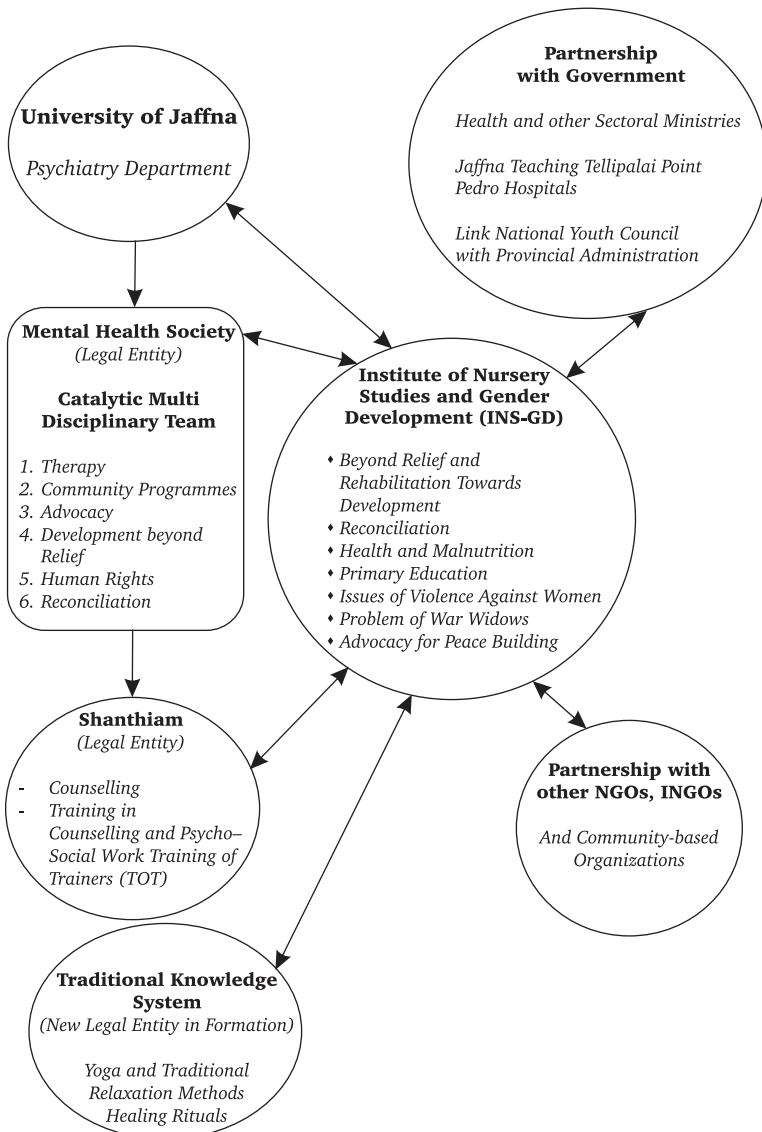
Second, PIDA, through its partner, the Moolai Institute of Nursery Studies and Gender Development evolved a participatory development model (see Figure 8.7) using its core methodology to the needs of going beyond relief and rehabilitation to sustainable development in the war-torn areas of north-east Sri Lanka.

Third, it should also be addressing the challenge of capacity building of facilitators to help resolve newer challenges.

The lessons from the Ranna story as captured in the training video were:

- Where the contradictions and polarization between rich and poor have sharpened, the process of rigorous social mobilization and participation of the poor in development has to be facilitated—it may not always happen spontaneously.
- A trained external facilitator initially assists in releasing the creative energies of the poor through several stages of mobilization, conscientization and organization, in the proper sequence. They become subjects, not objects of the process.
- The process becomes sustainable through the building of primary organizations of the poor, then larger secondary organizations and their federations.
- At each stage, the efficiency of the poor, wise use of local resources and knowledge results in pro-poor growth.
- External facilitators become progressively redundant as internal facilitators emerge.
- When the phased pro-poor process is sensitively supported by NGOs, government organizations, banks and donors at the right time and in the right manner, it can be expanded and multiplied.
- Facilitating poverty eradication is a value-led process, leading to the building of new innovative partnerships between organizations of the poor and the support system. It cannot be done through soft ‘tool kit’ approaches, mere microcredit or delivery of other fragmented sectoral inputs to the poor.
- It is a holistic process. It is a new accumulation process through the release of the creative energies of the poor and their empowerment, where growth, human development and equity are complementary processes and not trade offs. This leads to self-reliance and dignity.

**Figure 8.7 Illustrative Programmes and Partnerships of the Moolai Institute of Nursery Studies and Gender Development**



Source: Institute of Nursery Studies and Gender Development (INS-GD) 2002.

## Translating Lessons into Follow-up Actions in the Field by Participants

**11-08-2002 and 12-08-2002**

The last one-and-a-half days were used by the participants to prepare action plans that were later presented in the concluding session, where they also shared their lessons.

### ***The Rural Economic Advancement Project, Matale, Sri Lanka***

The first presentation was by Mr Wijesundara, Development Officer, REAP, Matale, Sri Lanka.

Wijesundara observed that by the end of the six-month programme, he was convinced that rigorous social mobilization was the appropriate strategy for eradication of the worst forms of poverty. He further realized that income generation without social mobilization could only lead to leakage of surplus. The proposed action plan involved:

1. Dialogue with the board of directors to have social mobilization introduced into the project.
2. Chandana Bandara, Chairman Situwama, Matale, a partner in the REAP project proposed the following action plan:
  - (i) Sensitization of the management of the organization on relevance of social mobilization.
  - (ii) Reorientation of field staff to rigorous social mobilization methodology through workshops as well as exposure visits to Ahangama.
  - (iii) Organize training in sociogram and implement sociogram in CBOs.

Gamini Gunarathne, representing Sanasa Foundation, a micro-finance organization that is also a partner to REAP, Matale, also proposed a similar action plan involving:

1. Sensitization of management
2. Training of facilitators
3. Training of leaders of the CBO
4. Initiating social mobilization programme in future location

### ***Second Badulla Integrated Rural Development (IRD) Project, Sri Lanka***

The second presentation was by Mr Tiison, Assistant Director of Second Badulla IRD project, which was about to be wound up by December 2002. In this scenario, the only option was to create new participatory institutions to ensure sustainability and reorienting of existing CBOs.

### ***Dir Area Support Project, Pakistan***

The next organization to present the action plan was the Dir Area Support Project. The participants proposed to continue with the action plan proposed at Chitwan. Accordingly, the policy dialogues with support system were to be continued. Second, the proposed networking with SEHER, Balochistan for training of project staff also would be pursued.

### ***The Agricultural Development and Intensification Project, Bangladesh***

ADIP proposal to de-link its groups from the partner NGOs would be pursued through the following activities:

1. Identification and training of potential animators from the 17 groups
2. Transfer of savings to the 17 groups
3. Establishing a federated structure for the 17 groups along the lines of HHRDO
4. The external facilitator to continue working with the groups for next two years
5. NGO revolving fund to be withdrawn as the group funds grow to adequate amounts.

### ***The Second Eastern Zone Agriculture Project, Bhutan***

Bhakta Bahadur Shangson, the lone participant from Bhutan proposed the following activities in his own project:

1. Sensitization of project staff
2. Training of facilitator
3. Initiating social mobilization in field location.

***The Hill Leasehold Forestry and Forage Development Project, Nepal***

The following activities were proposed:

1. Reorientation of field staff to help capacity building of existing groups
2. Federating the groups to ensure greater interaction
3. Networking CBOs with donors, line departments, and so on
4. Dissemination of project impact through media.

***Western Terai Poverty Alleviation Project, Nepal***

1. Orientation workshop for project staff.
2. Sensitization and conscientization of group members to enable them to function as subjects of own development.
3. Policy dialogue to sensitize support system functionaries.

**Policy Dialogue with Decentralized Government Officials, Donors, Bank Representatives and Other Development Actors**

**13-08-2002**

In addition to the dialogue on 10 August 2002, the participants had a further policy dialogue with the governor of the southern province of Sri Lanka and officials of the provincial ministry of rural development, donor organizations, local bank managers, and so on, on the lessons they had learned from the PIDA experience in the province and the insights they were taking back for macro-micro strategies for cost effective poverty eradication in their own countries and project areas. From the discussions, the role of sensitive support system organizations, including the donors in helping to multiply the 'success cases' also emerged.

**Establishment of Sub-Regional Network**

After several regional training of trainers programmes in 1999, SAPNA decided to lightly institutionalize the process. At a subsequent

consultative committee meeting in Sri Lanka, it was decided to establish a sub-network of South Asian training institutes.

In 2000, the new SAPNA Regional Sub-Network for Training the Trainers in Rigorous Social Mobilization was formalized. PAR and participatory monitoring using the sociogram were evolved by SAPNA for this purpose.

In 2000, at a consultative group meeting held in Kathmandu, the following institutions agreed to constitute the initial membership of this SAPNA sub-network:

- BRAC (Bangladesh)
- DARSHN (India)
- SAPPROS (Nepal)
- SEHER (Pakistan)
- PIDA and INS-GD (Sri Lanka)

## Attempts at Mainstreaming Experiential Learning and Practice Methodology

This five-month phase of deep immersion had a definite objective. The deep immersion was not merely an 'exposure' to a success case of sustainable poverty reduction, where participants went and saw an experience, but they also understood the methodology and went back to their project areas to replicate some aspects of the case. More often than not, they learnt the words and in practice it resulted in 'business as usual'.

In this deep immersion, there was a great deal of unlearning and then learning the 'how' of facilitating the participation of the poor to be subjects, not merely objects of the process, and transformed the IFAD project from 'delivery of inputs' with pseudo participation and so-called social mobilization with 'tool kit' approaches to a rigorous process of social mobilization and participation, leading to sustainability, when IFAD withdrew. It was not another donor substituting for IFAD 'delivery of inputs', when it withdrew either. The intention was that the project should have generated a degree of self-reliance, which prevented the project being donor dependent and unsustainable.

The challenge in the Technical Assistance Grant (TAG) also was to take ongoing IFAD projects and deepen the social mobilization and participatory processes from 'pseudo' to 'real', so that the projects could become real 'seeds of change' rather than unsustainable 'bubbles'.



The participants, on their return to their own field locations, needed to experiment with what they had learned, practice the methodology and take the steps they had said they would take on their return. To do this, they needed the co-operation of their own project directors and other staff, the IFAD CPMs, the government partners and other supporting institutions. Thus, apart from helping the poor to build their own organizations, it was necessary to reorient their own support system to act with commitment and flexibility.

### ***The Link between Economics and Praxis***

The paradigm of mainstream economics during the 20th century conceived of the individual in isolation for his social and natural environment. It understood development to be the result of strategic intervention conceived by paternalistic policy makers divorced from the people and implemented by a centralized bureaucracy. Such an approach not only failed to ameliorate the conditions of 'under development' but also locked these economies into a permanent poverty trap. There is a growing transfer of non-renewable resources from poor to rich, perpetuation of poverty, growing budget deficits, rising debts and intensifying dependence. The new development paradigm must be premised not on the atomized individual but on an organic community. It must involve decentralizing the state and empowering the people. Development must become part of a new praxis whereby the poor would become the subjects and be supported sensitively by the IFAD project. Knowledge and action would be integrated into a new dialectic at the local and national levels. The fundamental lesson that participants had learned were that the poor are efficient. This efficiency increases when they are organized, as individually they cannot get out of the poverty trap. When these organizations are sensitively supported by the IFAD project, the efficiency of the poor increases further. This process leads to a cost-effective pro-poor growth process as seen in the success case, using to a large extent, local resources, knowledge and the creativity of the poor themselves. Putting a sensitive support system at the macro level cannot be done by the project staff alone, but they can help at the local level and then make an input to policy dialogues within IFAD and with policy fora of governments.

The theory underlying the need for real participation came out of the reflections in Phase-I.

The participatory development concept and the methodology of participatory action research was built on the view that South Asian societies are not homogeneous entities, nor do the people have a harmony of interests. As the process of polarization sharpens, those with power take advantage of those without. The labour process is characterized by pre-capitalist feudal forms. The landless labourers are involved in a wide range of contradictions with the landlord. Even the poor tenant may be dependent on the landlord not just for possession of land, but also for credit, tube well water, tractor rental and transport for carrying the produce to the market. Again, the poor peasant may have apparently no surplus available to buy fertilizers, level his land or get irrigation water. Yet, poor peasants in a particular village may collectively have access over unutilized, dispersed resources, which through effort and use of upgraded indigenous technology, could enable them to increase their productivity incomes and surplus.

Similarly, organized pressure by poor peasants on the local administration or landlords could get them cheaper credit, better health facilities and rent bargains. In short, in the nexus of contradictions between those who have power and those who do not, in a situation where the local state apparatus is not uniformly strong, there may be considerable space for the poor. It could be argued that in the circumstances indicated above, it may be possible to undertake small actions for specific development, namely, small scale production activities, irrigation projects, fertilizer manufacture, use of indigenous technology for the provision of clean drinking water, primary healthcare and preventive medicine at the village level, and marketing activities.

At the same time, development action groups could, through mobilizing their members, bring pressure to bear on the landlords or the local administration for better tenancy rights, eliminate unpaid labour services, or get better rental bargains, all of which increases their income. Similarly, marketing intervention can provide an entry point for keeping the people's surplus in people's hands and preventing those in power from appropriating disproportionately larger share of the surplus. Group saving schemes can then begin a process of asset creation and reinvestment.

A participatory process implies that in achieving these relatively limited tasks, the people would acquire greater technical expertise, building on their own knowledge and an associated scientific awareness of their economic, political and physical environment. At

the same time, the achievement of specific objectives for improving their resource position through collective effort would impact greater confidence and community consciousness.

Ideas regarding the upgrading of indigenous knowledge and technology, organization and the conceptualizing of experience could be provided by participatory action researchers or facilitators. These action researchers would be a new breed of 'organic intellectuals'. They would be identified and absorbed in the culture and knowledge system of the people and also be equipped with scientific training. Such researchers, while engaged in the struggle alongside the people, would be interacting with their creative ideas and knowledge and at the same time helping to conceptualize the results of their collective social, political and productive efforts.

Finally, participatory action research could help rediscover folk literature and use it to reconstruct a sense of community identity. Such consciousness could reinforce the contemporary creative quest of the community.

The practice that the participants were requested to undertake and bring back to Phase-II Deep Immersion in Sri Lanka specifically related to:

1. How to learn from the ground.
2. How to learn and discern from one's own reality. Science and Knowledge have cultural roots and are not as objective as was thought. There are underlying values, which influence the learning and determine the ends. The poor have their own knowledge system and methods of knowing. At some point, people's knowledge and more universal knowledge can be merged.
3. How to organize, build real participatory organizations of the poor, reorient the support systems and build new partnerships.
4. How to facilitate and role of the facilitator.
5. How to persist in building and expanding this kind of institutions and projects.

An interesting observation from Phase-I training was that there was a change in most participants' perceptions. They were willing to experiment with the lessons they had learned from the Nepal success case. The evidence for this came from their own group reflections and written submissions at the end of the Phase-I (incorporated in the Phase-I report).

## ANNEXURE 1

Deep Immersion Training of Trainers Workshop in Social Mobilization, Decentralization Reforms and Participatory Development Chitwan/Kuringhat/Kathmandu, Nepal (18 February to 3 March 2002)

**List of Participants: (IFAD Field Project Staff)**

<i>Name of Participant/s</i>	<i>Name and Address of Organization/Institute</i>
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3. Dr Nowsher Sarder, Extension Management Specialist	Agricultural Diversification and Intensification Project (ADIP) IFAD Loan No. 443 BD Khamarbari, 1st Building (5th Floor) Dhaka-1215, Bangladesh Fax: (880-2) 912 9461 E-mail: <adip@dhaka.agni.com> <adip@agni.com>

(Annexure 1 continued)

(Annexure 1 continued)

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## ANNEXURE 2

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## NOTES

1. This report on Deep Immersion Training/Sensitization Programme has been included in full as an aide to other institutions who may wish to follow the critical elements in the experiential learning methodology adopted by SAPNA.
2. See Chapter 7 for details.

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## **Part IV**

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Making the Macro Framework  
Pro-poor: A Strategic Agenda





## Introduction

This part of the book contains three case studies on the practice of decentralization reforms and the constraints of the poor to empowerment, so that political democracy and economic democracy can be linked. Chapter 9 traces the evolution of local self governance in India, with special reference to Kerala. It identifies some of the factors that constrained the decentralization process from empowering the poor and factors that induce a process of pro-poor growth with equity. The idea of village panchayats was recognized by the colonial regime, and later the idea of *Gram Swaraj* or self-regulated villages which was propounded by Mahatma Gandhi was adopted by successive socialist oriented state governments to introduce a model of socialism under non-classical conditions. Yet, the centralized structure of power inherited from the colonial regime constrained a series of legislative attempts at decentralization from finding fruition in empowerment of the poor. The most recent constitutional amendment in India on *Panchayati Raj* was a landmark one in that it conferred constitutional status to local self-governments and also provided a framework for state legislation to institutionalize Local Self Governments (LSGs). However, the absence of the definition of 'self government', vagueness in the functions of *Grama Sabha* and lack of a time frame for operationalizing the various provisions prevented effective decentralization. In the absence of clear responsibilities and powers to be conferred to various levels of *Panchayati Raj Institutions* (PRIs), in practice, the PRIs in a number of states worked as mechanical agencies of a top-down form of governance. There was also no growth to sustain the welfare. Constitutional provisions notwithstanding, empowerment of the people through local self-governance has not been achieved. The conclusion suggested is that this is due to the fact that structural changes and institutionalized participation of the people has not taken place to the desired extent for generating a new accumulation process and growth from below.

Chapter 10 examines the dialectic of power between the elite and the poor in the context of decentralization and governance currently underway in Pakistan. It is argued that power in Pakistan has been historically constituted within the framework of patron-client relationships: The ruling elite has accessed state resources for arbitrary transfer as patronage to dependents for building political support. Within this structure of dependency, even state resources meant for the poor served to reinforce the very processes that systematically

perpetuate poverty. Overcoming this systemic poverty requires empowering the poor within countervailing structures of power. For the ongoing decentralization to work for the poor, it must go beyond decentralization of administrative functions. Rather, decentralization has to create space within which the poor can be mobilized into independent organizations that could also have institutionalized relationships with various tiers of local government. Empowerment of the poor would therefore mean their independent and systematic participation in the decisions that affect their economic, social and environmental conditions. Though the military regime introduced decentralization reforms, it was not combined with democracy at the base to complement growth and accumulation by the people. On the basis of their field research, the authors argue that the functioning of existing local government in Pakistan is characterized by a contention for power between elected district government officials and the provincial bureaucracy. This contention threatens to paralyze the functioning of local government even for the limited objective of providing more efficient service delivery to the poor.

Chapter 11 presents a case study from Bangladesh to illustrate the relationship between value-led development and decentralized governance. Like the preceding Pakistan case study, this chapter illustrates the importance of linking social mobilization and empowerment of the poor with local government in Bangladesh. It is emphasized that the role of shared norms and values is an essential underpinning to local government institutions in the context of social mobilization. It is suggested that sustaining development with equity requires bringing into play values that are common to all religions in South Asia, such as, sharing and caring for others and social responsibility. The essential humanity in the culture can be enhanced in the conduct of social life through the cultivation of qualities of love, truth and justice. The chapter ends with the fundamentals that should guide the macro transition to real political democracy with economic democracy in a country which had a second historical opportunity to forge a new social contract between the state and the poor.

## **Towards a New Socialistic Pattern and the Welfare Model in Kerala, India**

*Madhu Subramanian*

### THE MACRO CONTEXT

*Gram Swaraj* or self-reliant and self-regulated villages as the building blocks of a strong India were central to the ideological framework of the national movement for political freedom (Mathew 1996). In spite of unequivocal propagation of the concept by Mahatma Gandhi, *panchayats* failed to find a place in the first draft of the Constitution.

Local self-governance (LSG) found mention only at two places in the Constitution of India until the 1992 amendments. The important one, Article 40C of the Directive Principles, reads:

The State shall take steps to organize village *panchayats* and endow them with such power and authority as may be necessary to enable them to function as units of self government. Such laws may also contain provisions for devolution of powers and responsibilities for preparation and implementation of schemes for economic development and social justice.

This phase however, proved to be rather short-lived as the first experiments at LSG failed to live up to expectations. Several reasons have been put forth to account for this failure. For instance, one, the state governments' apparent lack of willingness to devolve adequate powers and back it up with financial resources rendered *panchayats* powerless at the very outset. Two, the rural power structure, highly skewed in favour of the local rich and powerful, assumed control over the Local Self Governing Institutions (LSGIs), alienating the poor and the deprived from the very irregular elections, prolonged supersessions, absence of financial and administrative autonomy, inadequate representation of weaker sections, insufficient devolution

of powers and lack of resources, thus inhibiting the growth of these institutions (Jain 1997).

*Panchayati Raj* (PR) got a fresh lease of life with the setting up of Ashok Mehta Committee in 1977. The highlights of the committee's recommendations were:

1. A three-tier system of LSG with elected bodies at the village and district levels and an ex-officio body at the *taluk* or intermediate level.
2. Elections based on political lines, thus conferring eminence upon the political arm of LSG over the bureaucracy.

The Singhvi Committee of 1986 reflected the same concerns and called for constitutional status for PR with specified powers and functions, and also free and fair elections to PRIs. On the basis of the report, the government tabled the proposed amendment to the Constitution in 1989 (64th Amendment Bill). The proposal was defeated in the Rajya Sabha (the upper house of the Indian Parliament), the major reservation expressed being that the LSGIs constituted a link in the continuum of governance and that the issue of devolution of powers and resources from the state to lower tiers therefore had to be taken up alongside that of devolution of powers from the centre to the states.

The 64th Amendment was reintroduced as the 74th Amendment in 1990 but could not be taken up for consideration due to the fall of the government. Finally, it was again introduced in 1991. The *Panchayati Raj* Bill was passed as the 73rd Amendment on 22 December 1992 and the bill for urban areas (*Nagarpalika* Bill) as the 74th Amendment the next day.

## DEEPENING LSG THROUGH 73RD AND 74TH AMENDMENT TO THE CONSTITUTION IN 1992

The 73rd Amendment to the Constitution of India has been by far the most significant development on the LSG front in the country. The amendments, which have since been ratified by all states, were significant in that they conferred constitutional status upon local self-governments and also provided the much needed framework for state legislations.<sup>1</sup>

The salient provisions of the act that have been implemented in most of the states are as follows:

1. The guiding principle of the amendment is that the local bodies (PRIs) be institutions of self-government.
2. States with population over 2 million are to have a three-tier PR structure whereas those with population below 2 million are to have a two-tier system.
3. Fixed tenure: PRIs are to be elected bodies with a term of five years. This must neither be extended nor curtailed by amendment of law. In the event of dissolution or completion of the term of PRIs, elections have to be held within six months of the date of cessation of the constituent institutions, under an independent state election commission.
4. Positive discrimination: One-third of the seats at all tiers, including the posts of chairpersons, are reserved for women. Similarly, backward communities are to enjoy reservation of seats in proportion to their ratio in population in the area under the jurisdiction of the concerned PRI.
5. Devolution of powers: Each state is to devolve powers and responsibilities for preparation and implementation of development programmes to the appropriate tier. (Schedule II of the Constitution was to be taken as an indicative list and not as an exhaustive one in this regard.)
6. Financial power: PRIs are authorized to levy, collect and appropriate taxes, duties, tolls and cesses, provided for by the state government. More importantly, the states have to set up a finance commission every five years to recommend the principles of distribution of net proceeds of taxes, duties, tolls, and so on.
7. Constitutional status for *gram sabha*: The *gram sabhas*, or the assembly of voters in a village are granted constitutional status and are required to meet at least twice every year.

## DECENTRALIZATION IN KERALA AND REINFORCING THE WELFARE ORIENTATION

Kerala, the southernmost state of the country, accounts for just 1.8 per cent of the total area of the Indian union but houses about 3.4 per cent or slightly more than 1 billion people. Kerala has been

shaped by a unique confluence of socio-economic and climatic factors. In terms of decentralization and its impact, there are some features that can be singled out as the most significant. First and foremost are the abundant natural resources in the state. With its 44 rivers, fertile soil, rich diversity of food crops and tropical climate, this abundance has few parallels. It has ensured that Keralites do not have to toil too hard for sustenance. Also, moderate climate is conducive to a very simple lifestyle that reduces needs. As a result, there is little abject poverty. This has obviated the need for a strong social leadership and instead promoted a sense of individualism (Narayanan 1998).

The second important factor is the trade connections Kerala had with Arabs and later with European nations much before the rest of the country. Both were welcomed and greatly favoured by local rulers. This led to Islam and Christianity taking root in Kerala in a harmonious manner and their gradual integration with the local culture. These communities initiated the setting up of schools, printing press, and so on, which later helped the lower castes seeking emancipation from casteism and feudalism. Upper castes too were forced to toe the line in course of time. Thus, the first step to empowerment through education was taken by most communities in Kerala much ahead of any other part of the country.

The third factor is the range of social mobilization and reformist movements that Kerala witnessed. The popularization of education, particularly among the lower castes, was followed by lower castes mobilizing themselves for basic rights denied to them by the oppressive caste system. These efforts tended to mobilize people as communities. However, this tendency underwent a major change with the onset of the nationalist movement and the communist movement, the latter mobilizing people along class lines.

Last, in the long tradition of welfare administration, Kerala is indeed one of the strongest models in the third world. This has made people excessively dependent on the state for anything and everything. Thus, if prices of rice fall, the state is expected to step in on behalf of producers; if they remain high, the state is expected to intervene on behalf of the consumers. The net effect is the realization of collective power and, second, the ingraining of the concepts of rights—both signs of empowerment. While this has led to several noteworthy developments in the past, in more recent times, it has been reduced to narrow interest groups, constantly demanding perceived (but often unjustified) rights. Administration in Kerala is

nothing but a trade-off between demands by organized interest groups and a welfare administration giving into such demands.

The universal acceptance of education, even for women, state-sponsored education at subsidized rates, sustained investment in the social sector, and an efficient public distribution system, have combined to result in the social sector performing at par with those of some of the more developed nations since as early as the 1970s. As Oommen (1998) puts it:

A high human development experience without a sharp urban-rural divide or obvious gender disparity, food and nutritional security, social security system that covers much of unorganised sector, a favourable sex ratio, better than that of even Japan, remarkable fertility decline as a matter of choice, cultural achievements such as greater learning time and wider reading habits, collapse of oppressive caste structure, abolition of feudal relationship of production in agrarian sector are no mean achievements, Kerala has overtaken China in raising life expectancy, reducing infant mortality and in bringing down fertility rate below replacement rate.

This however, constitutes only half of the story. The paradox consists of Kerala's high growth in the social sector but little economic growth to match. And herein lie the perils for the state. Several negative trends can be observed that threaten to undermine the state's impressive performance of the past, the gravest threat being from the stagnant economy. Agriculture has been growing at a modest 2 per cent over the past two decades. The state is dependent on other states for meeting its demand for rice, fruits and vegetables and, of late, even milk.

Industrial growth has been negative for well over a decade. The only visible growth has been in the service sector. The state has been turning increasingly consumerist, leading to a net outflow that cannot be plugged by the considerable export earnings or remittances by Keralite expatriates from the Gulf. The per capita income as a percentage of national value declined from 93 per cent in 1970-71 to 70 per cent in the 1990s (George 1993). Similarly, the state has 3.4 per cent of the national population but 16 per cent of the total unemployment in the country.

The state's deep fiscal crisis is due partly to its own inefficiency and partly to the fact that its major revenues in the form of taxes are enjoyed by the Central Government. The shortfall in revenue accounts is met from capital receipts and public accounts which leaves very little money for development programmes. This is borne out



by the fact that states like Punjab and Rajasthan have overtaken Kerala in terms of per capita expenditure on education and health (Tharamangalam 1998).

Second-generation problems also contribute to the growing cost of welfare measures. For instance, the increasing life span puts greater pressure by raising pension and health expenditure.

Absence of a clear-cut direction has led to purposeless education—producing graduates by thousands every year who are totally ill equipped to meet the human resource needs of the changing economy. This gives rise to another paradox: Kerala has the highest unemployment rate (of 27 per cent) in the country and labour shortage in the primary production sector.

The much-touted gender equity also needs further exploration. In a survey conducted by a leading women's magazine recently, it was observed that at least two-third of working women have been subjected to some form of harassment (mostly sexual) at the workplace. Sex rackets involving teenage girls are increasing rapidly. Similarly, studies have also revealed that the sex ratio could be set for a reversal if that in the age group 1–6 years is any indication.

The pressure of heightened aspirations and consumerism, whetted by the electronic media, and the inability to meet them have converted Kerala into a graveyard. Already known for the higher number of suicides in India, Kerala is again leading the way with an increasing number of family suicides where even infants are not spared.

In 1957, Kerala created history by electing a communist party to power. It was a measure of the left government's commitment to decentralization that it formed the Administrative Reforms Committee (ARC) under the chairmanship of the chief minister, to 'suggest measures for decentralization of powers at various levels'; and methods of democratization of the organs of government at various levels with a view to ensure effective participation of local self-governing institutions or other representative bodies in the administration (Government of Kerala 1958).

The ARC recommended a two-tier system of village *panchayat* and district councils to be constituted of elected members. The village *panchayat* was to be the basic unit of administration and development, and was to function as a self-governing institution. Integration of revenue and development functions was also envisaged. The district councils were to be endowed with such powers as were required to enable them to function as district governments in a phased manner. However, before the recommendations could be implemented, the government fell.

With the passing of the Kerala *Panchayat Raj* Act of 1960 and Kerala Municipal Corporation Act of 1961 by the succeeding government, the functions as well as financial resources of LSGs were considerably enhanced. The village *panchayat* had an advisory/executive role in the development activities of that locality. All *panchayat*-level staff in education, public health, agriculture, animal husbandry and cottage industries were to be under the control and supervision of *panchayats*.

The *panchayats* had powers only to execute what was listed as compulsory functions, such as revenue collection and maintenance of village-level records. Development functions could be undertaken by *panchayats* only under state government's authorization, which never materialized. Second, there was a vacuum at the intermediary levels such as the district or block level. Given the wide gulf that existed between the stature of political leadership at the *gram panchayats* and state-levels, it is hardly surprising that the state government exercised 'wanton' powers over *panchayats* (Mukhopadhyay 1997).

Though a limited corrective to the above weaknesses was attempted by the proposal that *panchayat* union councils at the block level be vested with vital planning and development functions, the government fell before the proposed amendment could be effected.

In 1967, the Left Front came to power again and proposed a two-tier system with district councils being empowered to administer even policing functions. Once again, the government did not last long enough to see the bill through. It was nearly 12 years and several short-lived governments later that the bill (minus the policing provision) was passed as the Kerala District Administration Act, 1979.

## THE KERALA PANCHAYAT RAJ ACT OF 1994, THE PEOPLE'S PLAN CAMPAIGN AND THE WELFARE MODEL

### The Role of the Kerala Sasthra Sahitya Parishad (KSSP) in Mobilizing the People

The Kerala Panchayati Raj Act was amended in accordance with the constitutional amendments, and the Kerala Panchayati Raj Act, 1994 was passed in the state assembly on 23 April 1994. Elections to the LSGs were held in September 1995. The left-led coalition cornered

nearly 60 per cent of the local bodies while the Congress-led coalition was voted to power in 40 per cent of the local bodies. Curiously, in contrast to its more pronounced ideological leanings, it has been the centralist left that has consistently tried to decentralize and devolve, as against the socialist Congress-led front claiming the legacy of Mahatma Gandhi. Post-constitutional amendment developments, however, underscore this fact.

Elections to the local bodies were followed by elections to the state assembly where the Left Front made a comeback. The stage was now set for one of the most exciting experiments in LSG anywhere in the world.

Called the People's Plan campaign, the decentralization drive began on 17 August 1996, with the objective of enabling local-level planning at the *panchayat* level with active participation of people.

The decentralization drive in Kerala can claim some unique features. First, vis-à-vis elsewhere in India, conditions in Kerala have for long been considered more suitable for decentralization (Harilal and George 2000). Second, Kerala's decentralization was not part of any neo-liberalist agenda but a means of making the state more effective (Thomas 2000). It was a strategic response of the affirmative democratic state to the neo-liberal onslaught (Fung and Wright 2000). Third, in its magnitude, Kerala's decentralization has been the most massive exercise of its kind anywhere in the world.

However, on the whole, Kerala has had a lacklustre history as far as LSG is concerned. A major reason that can be pointed out is the political instability in the state during the 1970s and 1980s. At the time, a lot of experimentation was taking place in the unique coalition politics of the state.

Kerala had certainly reduced abject poverty and ensured greater equity through its redistributive strategy, but there was a real danger of erosion of whatever had been achieved. Land reforms had broken the feudalist stranglehold on production, but had not led to increase in production or productivity. The industrial sector was also on a negative growth curve. On the other hand was the crumbling of the Soviet empire and the surge of capitalism catalyzed by technology.

Another historic influence was that of the Kerala Sasthra Sahitya Parishad (KSSP), the largest mass-based NGO in Kerala with a strong leftist orientation. Formed in 1962, the KSSP's objective was to popularize science and technology for the development of deprived sections. Through its experiences, the KSSP came to understand the contradictions in rural society as well as the ineffectiveness

of centralized planned development. Calling for a greater role for *panchayats* in development planning, the KSSP in association with nearly 600 *panchayats*, prepared a 'Perspective Development document' for each *panchayat*. This was by and large achieved through participatory surveys and resource mapping. The local-level KSSP fora were expected to function as informal *panchayat*-level planning boards and the *panchayats* as LSGs with a wide range of powers (Parameswaran 2000).

The lack of political will of the state government to decentralize limited the success of the above mentioned exercise. In a situation where they had hardly any power, many *panchayats* perceived little benefit in it. Review of the exercise led to the conclusion that unless people were empowered to assume authority and enabled to handle it, there would be little change in the state of affairs. Thus began mobilization efforts aimed at encouraging people to analyze their own problems and find solutions to them.

In 1984, KSSP published a critique, *Rural Development*, of past development experience. It stated that *panchayats* and municipalities being the basic units that reflected peoples' will, should be entrusted with development planning. The critique further said that it was at this level that people could participate directly. Also, there was a need to bring more material and human resources under the control of LSGs. To this end, the necessary administrative and financial restructuring was also to be effected (Issac 2000).

In 1988, the KSSP organized the Ernakulam total literacy programme, an effort at mobilization for mass action. The KSSP had several objectives in launching the literacy drive, among which literacy was perhaps the least significant. Around 15,000 volunteers were mobilized to make 170,000 people literate. The major objectives were:

1. To rally people in a large way for a constructive purpose (it was calculated that rallying 15,000 volunteers in one district for one year would create a significant impact).
2. To reduce the gap between the people and the bureaucracy through joint and intensive work.
3. To raise the self-confidence of the people so that they begin to show initiative in creating new and necessary organizational structures.

Subsequently, in continuation of its efforts to strengthen the capacity for local *panchayat*-level planning, the KSSP also attempted resource mapping of each *panchayat*. This involved:

1. Preparing maps indicating land form, land use, soil type, hydrology, human-made assets and such like on the basis of which integrated long-term development plans for each *panchayat* could be made.
2. Formation of a technical support group of locally available experts.

Resource mapping and preparation of *panchayat*-level development plans were implemented to a great extent at Kalliasseri in north Kerala. This was later sought to be replicated in five more *panchayats* in order to evolve a set of modules for participatory planning, to develop local expertise for preparation of short-term as well as long-term action plans, and to evolve new structures like neighbourhood groups, *panchayat* development societies and technical support groups to strengthen grassroots democracy and participation.

The action plan involved:

1. Setting up structures to ensure continuous participation of people.
2. Preparation of resource appraisal reports based on cadastral-scale resource maps.
3. Socio-economic appraisal reports based on secondary data and survey of primary data.
4. Prioritization of needs and preparation of a preliminary action plan and detailed technical investigation.

Training for *panchayat* representatives was also organized and handbooks on data collection, preparing development reports, agriculture sector, health, and so on, were also prepared.

To what extent did the KSSP experience influence the People's Plan Campaign (PPC)? As subsequent sections show, the KSSP, through its experimentation in development, was preparing something like the PPC. The resources, both human and physical, developed through these experiments informed much of the decentralization drive. KSSP even had a sort of blueprint for decentralization ready by the time the left assumed power in the state in 1995.

## The Peoples' Plan Campaign

The PPC, formally inaugurated on 17 August 1996, was divided into six phases. Each phase had a nodal event and involved separate

rounds of training at the state, district and local levels. The state planning board, under the guidance of a high-level guidance council, was the implementing agency.

### ***Phase One—Convening of Gram Sabhas***

Identifying the felt needs of the people was the first step in the decentralization planning exercise. This was achieved by convening *gram sabhas* (ward convention in urban areas). To ensure maximum participation, wide publicity was given to *gram sabhas* and they were held on holidays. Through semi-structured, sector wise discussions in small groups, the problems in each sector—agriculture, health, and so on—were identified, prioritized and presented at the plenary session of the sabha.

### ***Phase Two—Organizing Development Seminars***

Identification of the needs was followed by an objective assessment of the natural and human resources of the locality. For this, information was gathered from secondary data, participatory rural appraisal, socio-economic surveys, review of ongoing schemes and critical recovery of history. The information was then compiled into a comprehensive development report of each panchayat. The report detailed, again sector wise, the problems, the potential as well as the resources, and suggested short-term and long-term measures to address the felt needs and ensuring development of the sector.

The *panchayat* development reports were discussed at subsequent development seminars organized at the *gram panchayat* level, again sector wise and in small groups. Each group made its recommendations about the projects to be drawn up and also elected a task force to prepare the projects.

### ***Phase Three—Constituting Task Force***

Sector wise task forces were the agencies to convert the prioritized needs into projects at the grassroots level. Thus, over a 100,000 local-level projects were prepared all over Kerala.

### ***Phase Four—Finalization of the Annual Plan***

In finalizing the annual plan, out of the total plan outlay of INR 28,550 million, a sum of INR 10,250 (36 per cent) million was earmarked for local bodies. For the first time in the budget history of Kerala, the allocation for each local body was also presented in the budget itself.

A major feature of the allocation was the substantially high proportion of untied grant-in-aid (INR 7,490 million), which was to be used by LSGs for implementation of their own plans. The funds were divided between *gram*, block and district *panchayats* in the ratio of 70:15:15, the primary allocation being to the lowest tier.

A major weakness of the allocation was that it was based solely on population, a criterion that had the potential to accentuate regional imbalances. However, this was resorted to in order to ensure transparency and thus avoid controversy at the initial stages itself. Moreover, there was not enough time to use a more systematic set of criteria (Issac 1999).

To ensure that local-level planning did not become lopsided and end up as a plethora of projects for roads and a few welfare programmes, but reflected state-level concern for a balance between the productive, infrastructure and service sectors, guidelines were issued with regard to allocation to each sector.

With the allocations and guidelines in place, the local bodies were to finalize their plans in accordance with the needs; their prioritization and the feasibility assessment arrived at from the self of projects already prepared.

### ***Phase Five—Preparation of Annual Plans of the Higher Tiers***

Block and district *panchayats* were to start preparing their annual plans only after the *gram panchayats* had drafted theirs. This was to ensure that the plans of the various tiers were integrated and the plans of the higher tiers did not duplicate, but complemented those of the lower tiers.

The upper tiers were to prepare development reports in which the problems that had been identified as well as the projects that had been included in the development reports of the lower tiers were integrated for each sector.

In the first year, integration of the annual plans of *panchayats* with those of the higher tiers could not be achieved because there were not enough resource persons to do it and more importantly, due to insufficient time.

### ***Phase Six—Plan Appraisal***

A sample review of the projects done by the local bodies revealed that a substantial number of plans had to be modified to ensure technical soundness and viability. The District Planning Committees (DPCs), which were to scrutinize and approve the plans, had neither the manpower nor the expertise to handle the job, considering that more than a 100,000 projects had to be corrected and refined (not rejected) in a period of three to four months.

Thus emerged the concept of voluntary Technical Corps (TCs). Qualified people, including retired professionals, were encouraged to volunteer for appraisal of the projects. The volunteers were then formed into expert committees at the block and district levels. These committees appraised the projects and suggested modifications to ensure their viability and feasibility, and the DPCs subsequently took the decision based on the recommendations. Later, the expert committees were also given the power to decide on technical sanctions, revise estimates, inspect public works, verify and approve performance/completion reports, sanction tender excesses, and so on, within certain limits.

Once approved by the DPCs, the LSGs were free to implement the plans.

## **IMPACT ON THE POOR**

### **Decentralization vs Devolution**

There are several powerful arguments in favour of decentralization in economic theory. One argument is that in major government functions such as allocation, distribution and stabilization, a decentralized system is considered more effective in the allocation function.



Another argument is that the cost of information (for centralized decision making) is monotonically increasing as a function of distance between the point at which information is generated and the point at which the decision is made (Mukhopadhyay 1997). In India, given its wide regional variations in natural endowments and development potentials, there is no single development strategy that is appropriate for the entire country. Yet another argument relates to the tapping of local resources, including social capital and improving people's participation in development (Issac 2000).

An integrated approach to sustainable development and poverty eradication is possible only through decentralization of planning. The report of the Independent South Asian Commission on Poverty Alleviation (ISACPA, 1992) and UNDP's Human Development Report of 1998 also laid heavy stress on decentralization and devolution of powers by the state to be critical to poverty eradication.

The ISACPA identified the following as the key elements of a coherent pro-poor strategy in addition to state support:

1. Intensive agricultural development
2. Small scale industrialization
3. Human development
4. Decentralization reforms

Agricultural development, which is synonymous with rural development for much of South Asia, is imperative for ensuring food security. It can ameliorate rural poverty by increasing output and employment opportunities and by keeping food prices in check.

Given their highly location-specific nature, agriculture and related sectors such as fisheries and animal husbandry are better supported by LSGIs. Similarly, decentralized labour intensive industries have the potential to absorb unemployment and underemployed poor. But support to such industries involves numerous small decisions, which becomes difficult for a centralized bureaucracy to administer. Hence, effective and legitimate local governments can be crucial to the success of small and micro industries.

Human development envisages assured availability of and access to basic needs and services such as food security and nutrition, health services, primary education and shelter, besides employment opportunities and full participation in human, economic and political activities. The provision of these services can be made more efficient and effective with the participation of poor as decision makers and

actors in the planning, designing and implementation, which again is better ensured by LSGIs.

Following from its observation that decentralization was central to all the above elements, the ISACPA called for the 'devolution of political power to small village-level communities and democratization of political structures' (ISACPA 1992). This was to ensure that decision-making was passed on to the people, resources were deployed for their optimum benefit, funds and projects were prioritized according to the aspirations and needs of the people, and there was proper targeting to prevent misdirection, misappropriation and wastage.

The relevance of LSG in poverty eradication is well recognized. However, to play their assigned role effectively, LSGIs have to be empowered through adequate autonomy and devolution of power and resources. Given these, LSGs must ensure meaningful participation of the poor as subjects in articulating their problems and needs and in planning, implementing, monitoring and evaluation of development efforts. This calls for institutions as well as provisions that ensure equity, transparency and accountability.

Further, there should be measures to orient the support system functionaries towards a participatory, bottom-up development paradigm. Finally, the poor should be empowered to effectively use the space provided by LSG.

It will be worthwhile to evaluate the People's Plan Campaign on the above terms.

The Constitution of India enjoins states to ensure functioning of local bodies as institutions of local self-governance. Yet, as noted earlier, the 73rd and 74th Constitutional Amendments suffer from a major lacuna in that they are virtually silent on the responsibilities and powers of PRIs. As a result, there is wide variation in implementation of the constitutional provisions, more often the PRIs being denied the opportunity to function as autonomous LSGs.

The Peoples' Plan Campaign has been a refreshing change in this regard, with the state government displaying remarkable political will to devolve substantial powers to the various PRIs, including *gram sabhas*. The most significant pointer of this is the devolution of financial resources. The state government has been allocating 30–40 per cent of its total budgetary allocations to local bodies annually since the implementation of the campaign (the actual allocation for 1997–98 was INR 10,250 million). Equally remarkable, if not more so, is the fact that nearly 60–70 per cent of these allocations are in

the form of untied funds that the local bodies are free to apportion among their own projects.

Again, in consonance with the spirit of LSG, the bulk of the resources have been allocated to the level closest to the people, namely, *gram panchayats*.

In addition to financial autonomy, the various tiers of PRIs enjoy considerable functional autonomy as well. *Gram sabhas* in most states are endowed with hardly any powers, which has contributed to poor attendance at these *sabhas* (Jain 1997). In comparison, the *gram sabhas* in Kerala, apart from their role in planning, are the ultimate authority for identification and selection of beneficiaries of projects involving transfer of physical assets. Also, the report, accounts and proposed plan of the concerned local body have to be presented to the *gram sabhas* for approval.

*Gram panchayats* have the authority to finalize the projects for each plan. While the plans have to obtain the approval of the relevant DPC if they reveal any deficiencies upon scrutiny, the DPC does not reject them outright but returns them to the *gram panchayat* with suggestions for correction or modification. The upper tiers such as block and district *panchayats* do not enjoy any control over the lower tiers. All three tiers are independent of each other, save for some measures for integration of the planning process.

Considering the past experience, the state government has also included several measures to check the arbitrary interference of the state government in the day-to-day functioning of the LSGs. For instance, only under exceptional circumstances can the state governments cancel the resolution of a PRI. Similarly, a PRI can be dismissed by the state government only after obtaining an opinion from an independent authority like the ombudsman. However, the fact that the state government retains the power to intervene in the affairs of an LSGI must be construed as a major weakness of the Kerala *Panchayat Raj Act*.

The process of deployment of personnel and handing over of the administrative control to the local body is on. According to the provisions, local bodies have the power to allocate duties to the staff under them (including staff of different line departments) irrespective of their affiliation to a particular department. The *panchayat* also has the power to recommend and initiate punitive action against erring officials.

The PPC was not envisaged as a mere decentralization exercise. It also aimed at encouraging people's participation through a number of measures.

The first and foremost among these is the creation of institutions for enabling people's participation and investing them with legitimacy and powers. *Gram sabhas*, which have constitutional sanction, are the basic forum for people's participation in the planning process. Considering the high density of population in Kerala, *gram sabhas* are organized for every ward of about 1,500 voters.

In the first year of the campaign, *gram sabhas* were the forum at which people identified their felt needs and problems. Now, the *gram sabha* is the body that approves projects to be included in the annual plan of the local body. Modifications and suggestions for prioritization of projects are placed before the *gram panchayat* committee. The *gram panchayat* has to offer explanations as to why suggestions from *gram sabhas* are overlooked, should it so happen.

The government has now decided to make use of *anganwadi* workers to mobilize women to participate in *gram sabhas*. Similarly, in tribal areas, trained volunteers mobilize tribals' participation in *gram sabhas*. The recent amendment to the Kerala *Panchayati Raj* Act makes it mandatory to hold a *gram sabha* once in three months with a quorum of 100 voters or 10 per cent of the voting population in the ward, whichever is less.

Jain (1997) has observed the lack of a common venue, inappropriate timing, and a lack of communication and publicity as major reasons for poor participation in *gram sabhas*. The People's Plan Campaign proposed to address these and other shortcomings. For instance, to ensure participation in *gram sabhas*, their date, time and venue were widely publicized. For that, display boards were put up in important public places in each *panchayat* to inform about these as well as other important matters. Also, the meetings were held on holidays so that it became more convenient for people to attend.

One of the problems associated with *gram sabhas* is that effective deliberations might be curtailed even when 20 per cent of the local population turns up. To overcome this, discussions in *gram sabhas* are organized in small groups along sectoral lines.

## Transparency and Accountability

Transparency in proceedings builds up confidence of people in local bodies and encourages participation. The PPC ensures this transparency through:

1. *Gram sabhas*: Not only projects, but also annual reports and accounts of the *panchayats* are to be presented to the *gram sabha*. Similarly, *gram sabhas* retain the authority to select the beneficiaries.
2. Access to information: All details of the project, the list of beneficiaries, details of public work and so on are available to any person for scrutiny and photocopying at the normal charge for photocopying.
3. Beneficiary committees: In cases where public works are involved, committees constituted of beneficiaries are encouraged to take it on. The work is awarded to a contractor only when there is no beneficiary committee willing to undertake the work and when the local government department is not in a position to do so.
4. Expert committees: Projects submitted by *gram sabhas* are scrutinized by expert committees before being forwarded for DPC approval. An expert committee consisting mostly of non-officials and a non-official volunteer as chairman goes a long way in eliminating delays in approval, implementation and evaluation of public works. It also breaks the stranglehold in public works of the engineer-contractor nexus.
5. Appellate authorities: District-level appellate authorities look into complaints of irregularities by local bodies in each district.
6. Ombudsman: A seven member body of ombudsman chaired by a sitting high court judge has been set up to look into irregularities in the implementation of PPC. The ombudsman is empowered not only to investigate and report to the state government, but also to pass sentence in the event of malpractices.

## Human Development and Growth with Equity

### **Equity**

The ability to generate growth can no longer be viewed as sufficient by itself. Equally significant is the equitable distribution of the fruits of development. Equity implies regional as well as society equity across and within classes of people, and between men and women.

As stated earlier, the planning board opted for the single and debatable criterion of population in fixing each local body's share while allocation of funds for the first year of the campaign. This was again, primarily to avoid criticism and due to paucity of time to formulate an effective measure for appropriation of resources at different levels (Issac 1999). However, by the second year of the People's Plan, the criteria of infrastructure status as well as social backwardness of the region were used to achieve regional equity.

Ensuring equity across classes in a society, however, has needed much more conscious intervention. The overall allocation to LSGIs had, at the outset, a certain percentage earmarked for projects meant exclusively for the benefit of backward classes, with stringent conditions to prevent the diversion of these funds. Local bodies were left only with the freedom to choose beneficiaries, implement the projects and mobilize additional resources for the projects.

To ensure women's participation and gender equity, PPC adopted the following measures:

1. Setting up women's task forces to propose women's projects. The members of this task force were ex-officio members of other task forces to make sure gender concerns were addressed.
2. A separate subject committee on women's development projects met the criteria laid down for them.
3. A training programme on gender issues especially for women activists and elected women representatives.
4. Mandatory allocation of 10 per cent grant-in-aid to LSGIs for the women's (or gender) component in the plan.

In addition to a supportive policy framework, LSG also requires capacity building at the local level to effectively address the challenges that devolution of powers and resources entail. LSGI functionaries need to have the capacity to organize *gram sabhas*, prepare project plans with a substantial technical content, and implement, monitor and evaluate them. They also have to be familiar with the constitutional provisions and the amendments and legislative reforms.

The bureaucracy also needs to be oriented towards the spirit of participatory governance and to align with the political arm of PRIs if LSG is to succeed.

Training was thus a crucial input in the People's Plan Campaign. Seven rounds of training at the state level, four at the district and block levels and two rounds at the *panchayat* and municipality level were organized. The participants in the training programme comprised elected members, officials, resource persons and non-official experts.

Quite unmatched in scale, the programme trained over 100,000 people in such areas as decentralization philosophy, rules and statutes, collection of secondary data and preparation of development reports, the various stages of project planning and implementation and gender equity.

The need to integrate development efforts is apparent and needs no elaboration. Integration can be either horizontal, across programmes at the LSGI level, or vertical, across the different tiers of LSGIs. The concepts of LSG and people's participation by their own nature support integrated development efforts at the local level. The simple reason being that people do not perceive their problems in a sectoral way.

Integration along vertical lines requires conscious efforts. The major component here is the planning process itself. *Gram panchayats* finalize their plans, which are integrated with the plan of block *panchayats* and then with that of district *panchayats*. This helps prevent duplication and fosters complementarity. Second, the elected representatives of the lower tier, being members of the higher tier, also promote integration.

Third, roles have to be clearly demarcated. The state planning board has been doing this for each tier on the basis of the first year's experience. For instance, all programmes that involve distribution of assets are to be implemented only by *gram panchayats* as they can ensure greater efficiency in reaching the needy. Similarly, in the case of infrastructure, *gram panchayats* are entrusted with construction and maintenance of roads of less than 8 metres width, whereas block *panchayats* are entrusted all roads above 8 metres (except major highways) that pass through their areas.

Attempts have also been made at integration of roles. The District Rural Development Agency (DRDA) has been merged with district *panchayat*, while several agencies like development authorities have either been merged with LSGIs or disbanded.

It is evident that as a policy framework, the PPC is bold and proactive. The unprecedented level of devolution along with other

equally enabling provisions opened up the political space considerably for people in general and the poor in particular to set their own agenda for development based on local needs, potential and resource base. This then brings us to the question of how far the PPC has succeeded in achieving its goals of reversing the negative trends in the state's economy and ensuring sustainability of past achievements through constructive participation of empowered people. The question is best answered by an analysis of the experience in implementation of the PPC so far.

Over the last three decades, there has been a gradual decline in the growth of the agricultural sector in Kerala.

With the weakening of the Public Distribution System under structural reforms, there is an urgent need to increase agricultural production and productivity, which also have implications for the unacceptably high unemployment ratio in Kerala.

In view of the above, one would expect agriculture to be accorded priority in local plans.

There was a general downward trend in the allocation of the agricultural sector. According to Harilal and George (2000), the drastic reduction was due to a shift in investments in favour of housing on account of certain policy guidelines from above. Another possible reason is that most of the cash crops suffered a crash in prices in the preceding two years due to liberalization policies. This, combined with the increasing cost of production could be driving small and marginal farmers out of cultivation.

Similarly, given Kerala's background of high population density, high literacy and high rate of unemployment, micro and medium industrial units are considered an ideal complement to a strong agricultural sector. But the attention given to the industrial sector in the local plans belied the hopes that LSGIs would break the deadlock in the sector and ensure growth.

In the social sector, the allocation to education and public health showed a steady decline across the plans.

The limited role of the LSGs in education could be one reason for low investment in the sector. Again, most of the allocations were for improving the physical infrastructure of schools (such as construction of buildings) rather than for improving the human resources of schools.

The sector that received maximum emphasis was housing. Apparently, housing gained further ground at the cost of other sectors. The



discernible tilt in plan allocation towards housing, drinking water and sanitation to a great extent reflects the felt needs of the people. Indeed, at least two districts formulated ambitious plans to ensure 100 per cent housing in the districts.

Allocation to the road segment led the infrastructure development sector and was second only to housing. The Keralite's fascination for roads is well known and everybody wants a road right up to his or her doorstep. This partly explains the high priority Kerala accorded to roads in spite of its having one of the highest rural connectivity in the country.

In terms of quality, majority of the projects were rehashed versions of old departmental schemes with a high subsidy content. In agriculture, attempts at enhancing productivity of land units were conspicuous by their absence (Issac 2000) while most of the animal husbandry projects were aimed at free or subsidized distribution of milch animals and poultry. The focus continued to be on distribution of assets, and crucial areas like popularization of appropriate technology and marketing continued to be neglected.

The projects planned in the industrial sector also left much to be desired, with most of the projects being focused on establishing small industrial estates, more in the hope of finding users than out of any genuine need.

The very low priority attached to issues like environment, energy conservation, integrated energy projects and non-conventional energy sources in local plans also did not inspire confidence in the ability of the PPC to address concerns such as eco-sustainability and conservation of natural resources.

The projects were quantitatively inadequate—many involved just distribution of assets such as milch animals and poultry to women. There was no thrust on ensuring that women retained control over assets or the income from them. Though the weight given to the production sector was relatively high at 60 per cent, much of it was directed towards stereotypical sewing machines or kitchen garden projects with virtually none aimed at forward and backward linkages.

The share of beneficiary contribution was comparatively high in women-led projects, largely as loans or credit from institutional sources. Though most of the projects were in income generation or self-employment, the high level of beneficiary contribution or debt that women, mostly poor women were expected to shoulder was not realistic.

An assessment of the Women's Component Plan (WCP) of the state reveals that women's development projects were constrained not only technically and financially, but also in terms of ideological perspective.

In the industrial sector too, local bodies showed how imaginative, sensitive and committed leadership could utilize the opened-up space to facilitate local level industrialization with a high labour component by mobilizing local resources.

## Social Mobilization

If the poor and disadvantaged are to take advantage of pro-poor governance and make their voices heard in public forums, they have to be organized or in other words, mobilized. This observation was well understood by the architects of the PPC. Thus mobilization of the people for participation in local governance was mainly through organization of the following bodies at the local level.

1. Neighbourhood groups
2. Beneficiary committees
3. Self-help groups

Local bodies encouraged neighbourhoods groups (NHGs) comprising approximately 50 households (irrespective of the socio-economic status of the members).

Such groups were formed in over 200 local bodies by the end of the second year of the plan. The main functions envisaged (and carried out) by most NHGs were:

1. Discussing and finalizing the issues to be raised at *gram sabha* meetings.
2. Encouraging participation in *gram sabhas*.
3. Identification and prioritizing of beneficiaries for various programmes.
4. Development efforts in the area by way of setting up beneficiary committees.

Thus, the NHGs were important communication links between the LSGIs and the people. In addition, NHGs mediated to resolve local issues at the neighbourhood level itself to prevent them from

escalating into major rows. Also, in several instances, the NHGs actively mobilized voluntary contribution in cash and kind for development programmes as well as for the more needy members of the community.

Ensuring part participation of the better-off sections, however, posed a great challenge for NHGs (State Planning Board 1999). Also, those who took part in the NHG meetings were those aspiring to be beneficiaries of various development projects; participants with a genuine intention of contributing to the community were very few (State Planning Board 1999).

The concept of beneficiary committee evolved from the realization of the gravity of corruption in public works. A situation where the powerful contractor–official–politician lobby had a stranglehold over virtually every public work had led to pilferage as well as poor quality of work. Beneficiary committees assume relevance here as the ills of corruption could be avoided by entrusting the works to them.

Beneficiary committees make implementation congenial to social auditing and monitoring. Further, they offer great potential for resource mobilization as well. Pillai et al. (2000) observe that in road construction projects and drinking water supply schemes, voluntary labour, local donations and beneficiary contribution add up to 20 per cent of the project cost.

A beneficiary committee is constituted by convening a meeting of the beneficiaries in which the details of the project are explained to them. The beneficiaries form an executive committee of 7–15 members (a third of whom should be women) with a chairperson and a convener. Because beneficiaries meetings are large, it is difficult to place a contractor or *benami* instead of the real beneficiary to head the committee.

In certain instances, the NHGs have converted themselves into beneficiary committees. In some cases, parents–teachers associations or schools have taken up construction of school buildings. Beneficiaries can be expected to participate in the upkeep and maintenance of assets created with their participation. Once the work is completed, the maintenance of the asset becomes the responsibility of the beneficiary committee. The work may be given to a contractor only if forming a beneficiary committee is found to be unfeasible.

However, an assessment made at the state level indicated that only 25 per cent of the total beneficiary committees were genuine forums for people's participation; at least 25 per cent were headed

by contractors or their nominees. A large number of beneficiary committees, were, over time, forced to compromise with contractors or vested interests in order to overcome the numerous obstacles that continued to confront them.

Among the problems beneficiary committees faced were lack of technical support, bureaucratic apathy (even opposition), non-receipt of funds in time, and mobilizing voluntary contribution (Pillai et al. 2000). As a consequence, more than three-quarters of them were coopted by the contractor–official nexus that beneficiary committees were created to eliminate.

A large part of the efforts of the PPC in poverty eradication was centred on the Self-Help Groups (SHGs) formed of women below the poverty line. Support for this came primarily through the *Kudumbasree* project, which was aimed at providing sustainable livelihood for women below the poverty line, as well as through *panchayats* out of own funds. The groups were formed either by the local elected members or, in the case of *Kudumbasree*, the local extension officer. The process usually started with a few women in an area being encouraged by a *panchayat* member with the offer of support in the form of loan or grant for income generation. These women would gather other women in the neighbourhood and invite the *panchayat* member or local extension member to explain the support women would be eligible to if they form into SHGs. The women would learn, then and there form a group, elect office bearers (mandatory) and often initiate savings. They would subsequently prepare a project for income generation activity and submit it to the *panchayat*. More often than not, however, that was the first and last that the groups saw of their elected representatives.

In the *Kudumbasree* project, the village extension officer informed the gathering that the group was to be formed as a formal structure in accordance with the norms and regulations laid down in the scheme. These included forking a group exclusively of women below the poverty line, adopting a by-law, electing office bearers, saving Rs 10 a week, depositing the amount in a bank and disbursing credit among the members. Thereafter, the group was essentially on its own. At a later stage, the group was to submit the project for income generation activity to the village extension officer who would link the group to banks for support to the project on the basis of its merit.

The overall experience in Kerala indicates that SHGs formed in this mechanical manner show more of subservience to the official machinery and very little of self-direction or self-management, for fear of losing official patronage. A study of the community development societies in Kerala, where more than 50 per cent of the SHGs formed were inactive, supports the above observation (Oommen 2000). As Gangadharan (2000) notes, 'It [PPC] has not been able to alter the status of the women in the society by any discernible measure.'

An indication that mobilization efforts failed in ensuring participation of the weak and disadvantaged lies in the fact the women's participation in *gram sabhas* was quite low, at 26 per cent of total participants (Seema and Mukherjee 2000). (This would work out to 30–40 women or less than 5 per cent of female voters in ward). The quality of participation too was very poor. The poor women were mostly silent witnesses to the entire proceedings. The reasons attributed by women being:

1. The meetings, no sooner than they started, became a mud-slinging match between the ruling faction and the opposition. Women were hardly given an opportunity to even talk.
2. Though the *gram sabha* is considered the ultimate authority in identifying beneficiaries for programmes like income generation activities, sanctioning of houses/latrines, distribution of productive assets like milch cows and sewing machines, in actual experience, these decisions were taken by the leaders of the political party controlling the local body. Thus, most women perceived no benefit in attending *gram sabhas* as the beneficiaries had already been decided. Only those who were likely to gain by attending the *gram sabhas* did so.

There are a few cases where mobilization efforts of sensitive facilitators led to changes in the lives of poor women.

The foregoing analysis brings out the strengths as well as weaknesses of the PPC. One of its most remarkable features has been the tremendous amount of political will to devolve power and resources. The campaign is way ahead of many of the much acclaimed decentralization experiences in Karnataka and West Bengal in the extent and scale of authority and resources that have been devolved across the board by a political front in spite of the fact that 40 per cent of the local bodies were governed by the opposition.

The framework of the PPC itself reflects political will. The space that the state thus offers to people in general and the poor in particular, to participate in the development process as subjects (and by right) is unprecedented in the developing world.

The PPC has also brought to the fore the huge human resource potential and mobilized it for local development efforts. The largely voluntary contribution of South Asian societies is in the form of sharing and caring even at personal cost. It thus offers a viable, realistic and invaluable resource base that LSGIs starved of it can draw upon.

However, an analysis of the implementation of the PPC reveals its essentially welfare-oriented nature. This is in contrast to the avowed objectives of the campaign. While it can be argued that local plans have to correspond to the felt needs of the people, this speaks rather poorly of the PPC as an exercise in participatory development.

A major reason for this drawback is the conceptual weakness of decentralization and its ultimate objective. As noted earlier, decentralization is advocated by proponents of capitalism as a measure to ensure greater efficiency of development efforts. However, it is also rooted for by 'radical populists' whose aim is political empowerment of the poor and disadvantaged as a means to bring about structural changes in society (Gurukkal 2000). Unless there is clarity about the inherent differences in the positions of different interest groups, the practice is likely to get confused. This is exactly what happened in Kerala. While the organizers of the campaign aimed at engineering changes in the social structure via provision of greater room for participation of the poor and weaker sections in local governance and better access to resources, the crucial aspect of empowering the poor through rigorous social mobilization without which the poor will not be able to use the political space that has opened up was neglected in practice.

The lack of a clean vision was reflected in the orientation of most of the key functionaries involved in the PPC, including elected representatives, local-level officials and resource persons. That the majority of the projects continued to be rehashed versions of old departmental projects bears testimony to this fact (Harilal and George 2000: 160–76).

Ponna Wignaraja (1990) has observed that empowerment is a political process aimed at changing the existing power structure through sensitization, conscientization and mobilization. It more often than not requires a committed, sensitive and trained catalyst in the form

of a facilitator/animator, who can identify with the poor and share their perceptions. The orientation (or lack of it) of most of the elected representatives as well as the grassroots-level official and workers raises serious doubts with regard to their ability to function effectively in ensuring active participation of the poor.

In this context, a major instrument to reorient them to a participatory, bottom-up development paradigm is training. However, a study reveals that nearly 70 per cent of the women representatives received training in project implementation but only 30 per cent had any exposure to concerns such as gender equity and women's empowerment (Subramanian and Jacob 1996). The training programme of the PPC also reflects this weakness. Conspicuous by its presence is a training module on mobilization of the poor. The contents of other modules also give no concrete idea or methodology of mobilization or building organizations of the poor. A state-level survey among elected women representatives too brought out the need for training on this aspect (Seema and Mukherjee 2000). In the absence of such an orientation, it is hardly surprising that development is equated with asset distribution and a few training programmes (without consideration of either the trainee's capacity to effectively use the skills and knowledge gained as well as forward and backward linkages).

Significantly, the success in case of the PPC bears out the criticality of social mobilization in local self-governance. Wherever mobilized through sensitive facilitation, there have been organic collectives of the poor, who have availed of the support offered and have moved to a path of growth with dignity and a new set of values. However, these experiences are exceptions rather than the rule in the PPC. But these experiences too have been, by and large, isolated experiments. Neither vertical deepening wherein the success of an experiment motivates the mobilized poor to take up more complex activities, nor horizontal expansion, where the experiment gets replicated elsewhere—both characteristics of rigorous social mobilization—have occurred in any notable measure.

The conclusion one arrives at in the wake of a mindless replication of conventional projects across a thousand LSGIs and the far-too-few creative experiments is that the PPC has hardly been an empowering process.

Apart from lack of clarity of vision and a weak orientation of the support system, another reason for the welfare orientation of the PPC is that asset distribution programmes offer greater visibility to

the essentially political people's representatives. (It has to be remembered that in popular perception, development, to a great extent, is still equated with distribution of physical assets.) Thus the lopsidedness in local plans could also be a result of the confluence of popular pressures and populist politics.

Another major weakness of the PPC has been the corruption and nepotism in spite of several applicable legislative and administrative checks and safeguards. According to state planning board study, though *gram sabhas* are the ultimate decision-making bodies with regard to planning and selection of beneficiaries, full fidelity to recommendations of *gram sabhas* was observed in only 13.22 per cent of the total local bodies. In 61.78 per cent of the LSGs, 'moderate' fidelity was reported—though what level of tampering with peoples' will is acceptable as moderate, is not clear. Similarly, it is an accepted fact that most of the beneficiary committees formed were mere fronts for the ubiquitous contractor-engineer nexus.

## LESSONS FOR POLICY

The PPC presents some highly significant lessons with regard to local self-governance and poverty eradication:

1. The success stories of PPC unambiguously reiterate the SAARC Poverty Commission's stand that the poor are creative and given the right resources, they can collectively formulate adequate responses to the crises in their lives. This is testified to by a number of innovative experiments such as the labour bank in Kunnathukal, the Kanjikuzhy vegetable farming, Samatha SHGs at Ulloor and the Manjeri experiment in industrialization.
2. At the same time, the PPC experience also points to the need for the objectives of LSG to be spelt out clearly and unambiguously to contribute to poverty eradication. This should be accompanied by a strategy to match. Though documents, reports and training manuals do indicate a vision of local self-governance as being the response of an affirmative state to market-led capitalism, the failure to clearly enunciate this vision and identify the elements of a strategy has led to a gap between policy and practice.



3. The Kerala experience in decentralization raises the issue of how to insulate the LSGIs from political swings at the state and central levels. The defeat of the Left Democratic Front, which authored the PPC, in the assembly elections has left many apprehensive about the future of the campaign. Constitutional amendments have given tremendous powers to the state legislators regarding the powers and resources that can be devolved. Thus, inasmuch as it provides for a committed government to usher in progressive steps, it also provides for stifling local bodies through withdrawal of the powers devolved.
4. Another issue is that of resource mobilization. The local bodies' plan show that state assistance (grant-in-aid) was nearly 40 per cent of the total plan outlay. In actual implementation, however, it was around 75 per cent of the total outlay. If beneficiary contributions are also taken into account the resource mobilization at the local level was very poor. This dependence on state assistance is a matter of grave concern especially in a resource-strained state like Kerala. With the ability of the state to devolve more funds likely to be tested severely, the above-mentioned dependence can cripple LSGIs in the not too long run.

The foregoing leads to the inescapable conclusion that mobilization at the grassroots level is imperative for LSG to be effective in ensuring growth, equity and human development.

For the poor and the disadvantaged, to participate effectively in LSG with all their fears and apprehensions requires enhanced awareness and confidence. Organizations of the poor provide just such a platform for them to shed their inhibitions, examine the social realities and develop a collective understanding of them. This will help the poor identify and prioritize their needs and problems and articulate them confidently in a larger forum like a *gram sabha*.

Second, their own organizations like farmers' groups or coir workers' associations enable the poor to ensure productive utilization of the scarce resources made available through LSGIs. This puts them in a better position to take up collective procurement of inputs and collective marketing of output, making the capital more efficient.

Third, the cost of development activities, including those of erecting and maintaining infrastructure facilities can be considered reduced through the meaningful participation of the poor. The PPC

itself has demonstrated that there is great potential to mobilize resources including expertise, labour and material through mobilization of the people and galvanizing them for a common cause.

Last, the capacity and confidence gained through own organizations will enable the poor to build a countervailing power and thus correct the structural inequities in society.

None of the features discussed have been experienced in the PPC context in any dramatic way. Nor have there been any changes in the power structure of society. This has strengthened the contradictions and increased the frustration of the poor and disadvantaged. If this has been the fate of LSG in Kerala with its literate, empowered people and none too sharp contradictions, it can only be imagined how LSG unaccompanied by social mobilization would be for other societies with much sharper contradictions.

## NOTE

1. As per the Act, state governments are vested with the responsibility of institutionalizing the LSGs in each state either by passing new acts or modifying existing acts in line with the mandating provisions of the amendments.

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## **Poverty, Power and Local Government in Pakistan**

*Akmal Hussain and Savail Hussain*

### INTRODUCTION

In Pakistan, power has been historically constituted within the framework of patron–client relationships: The ruling elite has accessed state resources for arbitrary transfer as patronage to selected individuals for building political support within a structure of dependency. In cases where the resource transfers within such a power structure trickle down to the poor, they merely reinforce dependency rather than counter the processes that systematically perpetuate poverty.<sup>1</sup> Therefore, overcoming poverty would involve empowering the poor within countervailing structures of power. In this context, it may be useful to examine the problematique of recent local government reforms in Pakistan for ‘devolution of power’.

This chapter examines the dialectic of power between the elite and the poor at both the national and local levels. The implications of this dialectic for efficiency and growth are also examined. The analysis of the power structure at the local level is based on extensive field interviews of local government officials at every tier in the districts of Lahore and Multan. In Section-I, we present a historical analysis of the forms in which the patron–client model of governance functioned from the British Raj to the present. In this section, the process of using state resources by ruling elites for building political support in various periods is examined to show how it was associated with the emergence of an economic structure at the national level that tended to perpetuate poverty. In Section-II, we present a brief analysis of the dialectic of power between the

elite and the poor. The form of power practised by the elite is counterposed to the form of power implied by the empowerment of the poor. In Section-III, the issue of decentralization in the context of empowerment is examined with reference to the lessons learnt from the South Asian experience. In Section-IV, the power dynamics of the existing local governments are examined with reference to the issue of efficient service delivery to the poor. Section-V develops an analytical framework for comparing rent seeking and efficiency in local governments and the provincial bureaucracy. Section-VI concludes the chapter.

## POWER, PATRONAGE AND THE STATE

Power through patronage has been historically constituted by means of two instruments: (i) The arbitrary transfer of state resources to individuals and factions to create a constituency of dependents who owed loyalty to the Raj (during the colonial period) or personalized loyalty to individual politicians and bureaucrats in the post independence period, and (ii) Discretionary appointments and transfers of personnel within the state sector.

In the 19th century, the British colonial government attempted to build a basis of political support, by consolidating the agrarian elite in the areas that later came to constitute Pakistan.<sup>2</sup> The British sought the support of the traditional agrarian elite in the province of Sindh by accommodating large landholder families (known as the *waderas*). In Punjab by contrast, the British formalized the proprietorship over land of the *zamindars* (large landholders), who had newly emerged from the upper peasant strata following wide spread peasant revolts at the end of the Mughal period.<sup>3</sup> In both cases, the colonial government in its early years created a political constituency through establishing patron-client relationships with selected members of the rural elites. In the subsequent decades, the British created new clients amongst the rural elites through offering lucrative appointments in the British Indian Army almost exclusively to the agrarian hierarchy.

The most important and far-reaching form of patronage through enrichment of clients was done through the development of canal

irrigation and the process of agricultural colonization that accompanied it. From 1885 onwards the British enabled extensive areas to be brought under cultivation through the construction of river-spanning weirs and large networks of perennial canals. These areas that were previously arid waste and had now become arable, were appropriated by the colonial government. Large parts of this newly arable land were transferred as land grants to loyal supporters in the agrarian elites of Punjab and Sindh.<sup>4</sup> Additionally, a number of legislative measures were taken by the colonial government to strengthen and protect the position of the loyal rural elites against the operation of market forces. The most important amongst these measures were the Punjab Land Alienation Act, 1900 and the Punjab Pre-Emption Act, 1913, which prohibited transfer of land from land owners to 'non-agricultural' classes (Cheema et al. 2001; Ali 1988; Alavi 2001; Pasha 1998).

In the post-independence period, the patron–client model of governance continued as the bureaucracy in the Ayub government (1958–1969) granted licenses and contracts to favoured individuals in the private sector within a highly regulated economic regime. At the same time lucrative appointments continued to be made in the state sector to establish a domain of patronage for the military-bureaucratic ruling elite. During the 1960s, the government systematically encouraged import substitution industrial growth, and nurtured an industrial elite dependent on state patronage. This was done by means of high protection rates to domestic manufacturers, cheap credit, and direct as well as indirect import controls on competing imports. (Kemal 1999, Rahim 2001, Soligo and Stern 1965)

The wide range of protection measures and concessions provided by the government during the 1960s enabled the industrial elite to make large rupee profits without the market pressures to diversify into high value added industries or to achieve international competitiveness. These tendencies persisted in varying degrees for the next four decades.<sup>5</sup> Yet they were at an economic cost that became a growing burden on the economy, particularly on the poor.<sup>6</sup> The rapid increase in budget deficits associated with subsidies and protection measures obliged the government to undertake fiscal measures that constituted a double squeeze on the poor: Development expenditure that had provided a cushion to the poor against growing income inequality was drastically reduced from 7.4 per cent of GDP in

the 1970s to 3.5 per cent in the late 1990s. (Hussain 2003: 46). At the same time, the attempt to increase revenues through indirect taxation resulted in a further constriction of the real incomes of the poor (TFPE 1997).

The Ayub period illustrates the historically rooted tendency of the government to seek political support amongst nascent elites through state patronage, even though the financial cost of such patronage added to the relative burden of the poor.

In the subsequent Z. A. Bhutto period (1971–77), one of the most important initiatives of the government was the nationalization in 1972 of 43 large industrial units in the capital; the intermediate goods sector followed later by the nationalization of smaller industries such as cooking oil, flour milling, cotton ginning and rice husking mills. While the first set of nationalizations impacted the ‘monopoly capitalists’, the second set of nationalizations in 1976 hit the medium and small sized entrepreneurs. Therefore nationalization in this regime cannot be seen as state intervention for greater equity as was officially claimed (Noman 1988: 80). Rather, the rapid increase in the size of the public sector served to widen the resource base of the regime for the practice of traditional form of power through state patronage (Hussain 2004).

General Zia ul Haq who overthrew the Bhutto regime in a coup d’état aimed to acquire a political constituency amongst the conservative religious strata of the lower middle class. This was part of his attempt to restructure state and society into a theocracy. The institutional foundation of what later came to be known as ‘Islamic fundamentalism’ was laid when government funds were provided for establishing mosque schools (*madrassas*) in small towns and rural areas, which led to the rapid growth of militant religious organizations.<sup>7</sup>

During the Zia period (1977–88), there was a strategic shift from the ‘socialist’ policies of nationalization and the large public sector in the Bhutto period to denationalization and a greater role assigned to the private sector in the growth process. In this context, the Zia regime offered a number of incentives to the private sector such as low interest credit, duty-free imports of selected capital goods, tax holidays and accelerated depreciation allowances. These incentives combined with high aggregate demand associated with consumption and housing expenditures from Middle East remittances, induced an increase in private sector investment and accelerated GDP growth during the period.<sup>8</sup> The consequent increase in fiscal

space was used to win the political support of various echelons of the religious theocracy by using state funds to support *madrassas*.

In the decade of the 1990s, financial resources from the nationalized banking sector were systematically used for political purposes. This was done by granting loans from the nationalized banking sector as political favours to individuals, many of whom defaulted on the loans.<sup>9</sup> At the same time, state resources were used to grant contracts and licenses to enrich political allies.

According to an estimate by Burki (2004), the cost of such corruption to the banking sector alone was 10 to 15 per cent of the 1996–97 GDP during the period 1993–96 alone. The overall cost to the country of corruption at the highest level of government in the early 1990s has been estimated at 20 per cent to 25 per cent of the 1996–97 GDP, or approximately USD 15 billion (Burki 2004: 178).

Occurring at a time when GDP growth had already begun to fall below its historical trend rate, widespread governmental corruption may have been a significant factor in intensifying the slowdown in investment, increasing the economic burden on the poor and perpetuating the inadequacy of basic services during this period (Hussain 2004).

Corruption during the 1990s may have not only slowed down investment and growth but also increased inequality and the economic burden on the lower income groups. The problem of low revenues was accentuated by the massive leakage in the tax collection system due to corruption. This leakage amounted to 3 per cent of GDP, which was about twice the level 10 years earlier (Burki 2004). Since the government was unable to plug the leakage in the tax collection system or reduce non-development expenditure, it had to resort to increased indirect taxation to deal with the emerging fiscal crisis. Evidence on the incidence of taxation during the 1980s and early 1990s shows that the tax burden as a percentage of income was highest at 6.8 per cent for the lowest income group and lowest at minus 4.3 percent for the highest income group (TFPE 1997). Thus the indirect taxation, partly necessitated by governmental corruption served to accentuate income inequality and poverty.

Thus the patron–client model of governance established during the British Raj continued in the post-independence period in a variety of new forms. While in the British period, state resources were used as patronage to build political support for the Raj, state resources were used by individual rulers in the post-independence period to build



'personalized' domains of power. The process of constituting power by individual members of the ruling elite in the post-independence period was integrally linked with the emergence of an economic structure characterized by endemic poverty. In the next section, we will discuss the counter posed forms of power manifested by the elite on the one hand and the poor on the other.

## POVERTY AND THE DIALECTIC OF POWER

The ruling elite with rare exceptions practice a form of power that is counterposed to that of the poor (Hussain 2002). The power of the elite is constituted within the structure of patron-client relationships. At an economic level, it involves tying the poor individually into a chronic dependence on the patronage of the elite, operating within their individualized domains of power.<sup>10</sup> At a psychological and social level, elite power involves creating a sense of powerlessness in their subjects: Internal relationships of fraternal loyalty and support within the community are ruptured, and the individual isolated and made dependent on the economic and social support emanating out of elite power. The exercise of this form of power involves constriction of the space for autonomous initiatives by the poor. Therefore, *the power of the elite is predicated on the loss of freedom of the poor.*

By contrast the poor communities in Pakistan are imbued with a folk tradition where the process of actualizing the self is experienced through progressive integration with the community.<sup>11</sup> Thus, *empowerment of the poor involves a reintegration with their community.*

In contrast to the power nexus of the elite, when the poor are empowered, the isolation of the individual is replaced by integration with the community. This relatedness with the other and with the inner self creates a sense of freedom and opens the space for autonomous initiatives by the poor. Integral to this sense of freedom is the ability through community action to acquire better access to input and output markets, credit, training and government institutions for security and justice. Empowerment of the poor signifies relatedness, and acquiring the confidence and material basis for taking autonomous initiatives for development.

In the context of this dialectic, empowering the poor means breaking out of the nexus of elite power through a transformation of the economic, social and psychological conditions of the poor. One of the ways in which this can be done that has been demonstrated in a number of cases in South Asia, particularly Pakistan, is through Participatory Development.<sup>12</sup> A brief description of this approach can be given as follows:

Participatory Development is a process that involves the participation of the poor at the village level to build their human, natural and economic resource base for breaking out of the poverty nexus (Hussain 1994: 26–28). It specifically aims at achieving a localized capital accumulation process based on the progressive development of group identity, skills development and local resource generation. The essential features of Participatory Development include social mobilization, training, and participation within community organizations for development projects, small irrigation schemes, hygienic drinking water, healthcare and education. Social mobilization or group identity development proceeds through the initiation of a series of dialogues with rural communities. These dialogues culminate in the formation of community organizations of the poor, which undertake a series of projects for income generation and infrastructure development. Acquisition of new skills and active participation within their community organizations (in both the planning and implementation of projects) allows the poor to exert a new power over the economic and social forces that fashion their lives.

## DECENTRALIZATION AND EMPOWERMENT: THE LESSONS FROM SOUTH ASIA

In the preceding part we analyzed the differing forms of power practised in Pakistan by the elite and the poor respectively. In this part we will examine the issue of empowerment in the context of decentralization reforms being undertaken in South Asian countries. In the context of empowerment through decentralization, four major lessons emerge from recent research in South Asia (Hussain 1994: 26–28):

First, formal decentralization of power in itself does not necessarily help the poor as pointed out by Upadhyay (2004) in the context of the Nepal case study. Empowerment of the poor, he argues, requires that formal decentralization be accompanied by a rigorous process of social mobilization. This involves raising consciousness and building organizations of the poor. It is only such a process that will enable the poor to acquire countervailing power. Without this dimension of countervailing power, decentralization will merely result in the appropriation of the 'fruits of decentralization (by the elite) for their own narrow benefit' (Maqsood Ali 2004).

The second lesson emerging from the case studies is that if decentralization is to enable empowerment of the poor, it must be holistic, that is, incorporate political power, emergence of social consciousness and administrative and fiscal devolution. At the same time, it must reach down to the grassroots level through various intermediate levels with institutionalized participation of the poor in governance at every level.

Third, the political dimension of decentralization must be inclusive and capable of absorbing what Upadhyay (Upadhyay 2004) calls, 'diverse ethnic and other identity groups as equal partners occupying spaces in the polity' (Hussain 2003). He argues that centralized polity excludes such identities that may be a factor in ethnic strife and social polarization. While the poor, once organized, are able to generate new resources at the local level, yet, as participatory development is scaled up, internally generated resources may be insufficient. Therefore externally generated resources become necessary, but these have to be carefully applied through a sensitive support system that strengthens rather than weakens the autonomy of the organizations of the poor. Such a support system could be provided by a combination of apex NGOs, state institutions, banks and local governments.<sup>13</sup>

On the basis of the lessons drawn from the recent case studies of decentralization reforms in South Asia, the following proposition can be made: For the poor to be empowered at the local level, if the decentralization currently being undertaken by a number of South Asian countries is to be effective, it cannot simply aim at decentralization of 'administrative' functions within existing governance structures. Rather, decentralization has to create the space within which an institutionalized relationship can begin between autonomous organizations of the poor and various tiers of local government.

## POWER DYNAMICS OF LOCAL GOVERNMENT IN PAKISTAN: THE ISSUE OF EFFICIENCY

The idea of decentralizing governance is drawn from social science theory stretching back to the age of enlightenment. In recent times, economists such as Oates (1972) and Teibot (1956) have propounded the welfare gains of decentralization. The argument is based on a simple proposition: The allocation of public resources at the local level is more likely to conform to public welfare priorities and the delivery of basic services is likely to be more efficient in a situation where these administrative functions are being performed by elected government officials, close to and in full view of the electorate. Thus, 'proximity' to the electorate and 'accountability' to them impel the local government officials to seek public good. By contrast, unelected bureaucrats in a centralized administrative system are disciplined through the less effective device of service rules.<sup>14</sup>

The theory of course, looks at centralized and decentralized governance as alternative options. It does not take account of the transition process of moving from one to the other. More importantly, it ignores the issues of 'power' involved in the transition to effective local government. Pakistan's case constitutes a vivid illustration of the dynamics of power in the transition process.

In an important study on decentralization in Pakistan, Cheema et al. (2003), make two noteworthy propositions which are relevant for our discussion: (i) In Pakistan, historically, decentralization measures in terms of local government have always been undertaken by military governments, which, while centralizing political power in their own hands, seek political legitimacy through local government. (ii) While such 'non-representative governments' have undertaken reforms for 'representative' local governments, they have at the same time sought to establish control over local governments through the bureaucracy.

Information gleaned from our interviews with local government officials at various tiers in Lahore and Multan respectively, suggests that a contention for power is taking place between elected district government officials and the provincial bureaucracy. This contention threatens to paralyze the effective functioning of local government even for the limited objective of providing more efficient service delivery. This contention flows directly from the history

of the patron–client model of governance in Pakistan. The latest ‘Devolution of Power’ programme threatens the terrain of resource gratification and discretionary appointments and transfers on the basis of which the bureaucracy and the elected politicians in provincial governments had constituted their domains of pelf and privilege. Therefore a contention for power has ensued between the provincial bureaucracy and the local governments. This contention was intensified with the recent establishment of elected provincial governments, in which elected members of parliament at the provincial level contend with local governments for control over development funds and discretionary appointments of officials.

The provincial bureaucracy has been able to appropriate the authority to appoint key officials known as Executive District Officers (EDO). Yet it is through these officials that the elected local governments are supposed to administer the allocation of development funds and provision of basic services such as health, education, sanitation and drinking water. Moreover, all officials in various public service departments in the district administration from Grades 11 to 18, are also appointed by the provincial bureaucracy. Thus, while the elected local government officials have responsibility, they do not have authority. Their ability to improve the delivery efficiency of public services is severely constrained by the fact that they can neither transfer, nor appoint most of the officials who operate these services. To make matters worse, the resources made available to local governments and the professional expertise at their command are so inadequate, that they are unable to take even a minimal initiative to fulfil their election mandate of widening the coverage and quality of basic services.<sup>15</sup> Elected local government officials (known as *Nazims*) are reduced to ‘requesting’ the provincial bureaucracy to fill vacant posts in various schools and healthcare facilities or to transfer employees who fail to perform their duties. The resultant delays, the lack of control over EDOs, the severe shortage of resources and expertise combine to severely constrain the effective functioning of local governments. As a consequence of this contention for power, efficiency in the provision of public services far from increasing, may in fact have been reduced. According to one Tehsil Nazim in Multan district, the dominance of the provincial administration over the functioning of district governments has created a hybrid creature which is preventing efficient service delivery and limiting the effectiveness of elected members of the local government.

In the future, local governments in Pakistan can take one of three routes: (i) The district level governments may be rendered so dysfunctional that *Nazims* may begin to resign and in the subsequent elections, genuinely popular local figures may lose interest in local government altogether. Such a process could ultimately result in the failure of the 'Devolution of Power Programme'. (ii) The local government system as it presently exists may continue to function at such a low level of efficiency that the efficiency gains conceived in the programme may become low or even negative. (iii) The current situation where local government (LG) elected officials have responsibility without appropriate authority and where they are starved of financial resources may be changed. In this case, local government officials may be granted authority over appointments, promotions and transfers of all personnel in the district administration. At the same time, adequate technical and financial resources could be made available to elected LG officials. In such a case, the power of the provincial bureaucracy to establish personalized patron–client factions and the tendency to appropriate economic rent could be transformed into efficiency gains associated with effective decentralization.

The devolution of power programme in Pakistan stands at crossroads. There is a dialectic between two forms of power at the local level—one that is derived from building a domain of dependency through the arbitrary use of state resources. Even as this form of power is at play, an alternative form of power could emerge over time—a form of power that is based on winning and maintaining public support by elected government officials. Such public support would be achieved through the effective functioning of local governments for the provision of basic services, poverty reduction and economic growth. In the next section, we attempt to explore this dialectic in terms of efficiency and power constraints.

## RENT-SEEKING, EFFICIENCY AND CONSTRAINTS TO POWER: LOCAL GOVERNMENT VS. PROVINCIAL BUREAUCRACY

In this section, we build on the 'grabbing hand models of government' framework developed by Shleifer and Vishny (1998) and Shleifer and Blanchard (2000).

We use it for examining the dynamics of political and economic power in the context of recent local government reforms in Pakistan and their implications for social welfare. Underlying the grabbing hand analysis is the idea that politicians do not necessarily maximize social welfare and pursue their own selfish objectives. These can be completely different and often opposed to social welfare. Selfish objectives could include maintaining political and economic power (by staying in office), and personal and particular factional as opposed to social enrichment in general. A democratically elected government for example, although constrained by the need for re-election, can often pursue private gain at a high social cost. This could include establishing patron–client relationships with members of civil society, where resource transfers (say subsidies) flow from members of government to certain politically influential members of civil society, in return for political support to prop up the bureaucrats’/politicians’ power base. Such behaviour by both governmental and civil society members can be detrimental for productive and innovative activity and hence economic growth. The tendency to seek economic rents and political advantage using state instruments is costly in terms of social welfare and growth foregone, in two main ways. First, rent-seeking ‘mechanisms’ can be subject to increasing returns, which means that very high levels of rent-seeking may be self-sustaining. For example, there can be a fixed cost to setting up a rent-seeking system, such as laws facilitating corruption (say lobbying cost for bureaucrats for pushing through a legal requirement of a particular regulatory regime). Once such government regulations are in place however, bureaucrats can cheaply impose bribes for enabling the entrepreneurs or private sector entities adversely affected by such regulations to avoid them. Similarly, rent seekers have strength in numbers. If a few people steal, they are likely to be caught; if many do, the probability that any one of them is caught is much lower and hence the return to stealing is higher. (Shleifer and Vishny 1998).

Second, seeking political advantage through appointments, transfers, selection of public sector development projects that win the bureaucrat political support for the furtherance of his career can also set up allocation distortions in the economy. This is because the most talented people may be blocked from progressing up the hierarchy of the bureaucracy at the expense of the most influential people, thereby distorting the former’s effort incentives.

The social costs of such distortions in terms of lost output can be significant. Cross country evidence finds a robust negative association between investment and corruption (a proxy for rent-seeking) across a broad cross section of countries (Mauro 1995).

We examine two tiers of government, the provincial bureaucracy and local government. The un-elected provincial bureaucracy has traditionally sought to establish a domain of power within which it can construct and maintain patron–client relationships to acquire political advantage (such as furtherance of an individual's bureaucratic career) on the one hand and economic rents (such as bribes) on the other. Individual members of the bureaucracy have sought to build factions of clients using various instruments. These include grants of permits, contracts, and exemptions associated within a regulatory economic regime; appointment and transfer of individuals in various tiers of government departments and public sector industries; utilization of government financial resources in terms of the selection and implementation of various development schemes and government administrative expenditures. Political alliance building through granting favours to individual members of civil society allows the provincial bureaucrats to build political support in civil society. These political alliances wielded by bureaucrats can prove valuable when made available to elected cabinet ministers and political leaders, and hence can be used by bureaucrats as a *quid pro quo* for career advancement. Similarly, bureaucratic control over appointments and transfers of personnel, regulatory mechanisms such as permits and involvement in development projects can provide bureaucrats rents in the form of bribes and career promotions unrelated with merit.

Elected local government officials who have key administrative roles in the administration seek primarily to establish and maintain power based on broad based electoral support. This objective creates the imperative to improve the quality and coverage of development projects and public services within their constituencies. There would still be a tendency to build patron–client relationships to seek both private or factional gain as well as economic rent. However, this tendency would be restrained by the imperative for more efficient service delivery in a situation where proximity to their constituencies makes their actions both transparent and accountable through the electoral process. Proximity to their constituencies and the need for re-election thus constrains the 'grabbing hand' of LG officials



as they attempt to seek rents through misappropriation of state resources and/or bribes from the private sector. These additional features of accountability and the need for re-election begetting responsibility can set the LG administration apart from the provincial bureaucracy vis-à-vis political alliance building and rent-seeking. However, the extent of LG pursuit of power through relatively efficient utilization of public resources (for improved coverage and quality of various services and development projects) will depend on the scale of financial and technical resources it can draw upon, together with the authority over allocation of resources and degree of autonomy over management decisions available to them.

## CONCLUSION

In this paper, we have shown how since the British Raj and during the various regimes in the post-independence period, economic policy was designed to enable the elite to use state resources for building a domain of dependency amongst various social strata. Over the last four decades, the patron–client model of governance has led to the emergence of an economic structure that restricts poverty reduction for given GDP growth rates and also constrains the growth potential of the economy from being realized.

One of the approaches to poverty alleviation that has been demonstrated in South Asia is empowerment of the poor at the local level on the basis of participatory development. This is a process that involves the participation of the poor at the village level to build their human, natural and economic resource base for breaking out of the poverty nexus.

The question that arises is, can such empowerment of the poor emerge out of the decentralization reforms currently underway in Pakistan? The lessons of decentralization in South Asian countries suggest that even within the constraints imposed by elite dominance at the national level, it must go beyond mere decentralization of *administrative* functions for the ongoing decentralization to work for the poor. Rather, decentralization has to create the space within which an institutionalized relationship can emerge between autonomous organizations of the poor and various tiers of local government.

The functioning of existing local government in Pakistan is characterized by a contention for power between elected district government officials and the provincial bureaucracy. This contention threatens to paralyze the effective functioning of local government even for the limited objective of providing more efficient service delivery to the poor.

Our analysis of the differing incentives and constraints operating on the provincial bureaucracy and local government shows that the latter are more likely to pursue pro-growth and pro-poor policies. At the same time, elected local governments face a set of incentives that induce them to be relatively less corrupt and seek relatively greater social welfare. This is because elected governments are impelled by the imperative of electability and proximity to their electorate. In terms of incentives and constraints, these are more stringent than the service rules operating on the provincial bureaucracy. However, the necessary condition for the results indicated above is the availability of a set of complementary inputs—adequate authority and resources to the local governments. These could be provided within an institutionalized relationship between organizations of the poor and local government. Such a local governance structure could enable the poor to participate in the process of resource allocation and resource use at the local level, even though there is very limited space for empowerment at the national level where the power structure is still dominated by traditional elites practicing power within the patron–client model.

## APPENDIX: COMPARING THE EFFICIENCY OF LOCAL GOVERNMENT WITH THE PROVINCIAL BUREAUCRACY<sup>16</sup>

### Model [A]: Growth and Efficiency<sup>17</sup>

In this sub section, we model the relative efficiency of local government compared to the provincial bureaucracy in Pakistan in terms of service delivery and pro-growth policy objectives, using the framework developed by Shleifer and Blanchard (2000).

Think of government as having two levels, provincial bureaucracy and local government (LG). The LG is elected while members of the provincial bureaucracy are appointed and disciplined according to service rules. Each tier of government has two possible policy options. They can foster growth by limiting the transfer of state resources to local elites and other interest groups and allow the private sector to develop and focus on efficient service delivery. Alternatively, they can be anti-growth by transferring state resources to old, established elites, hence deterring the private sector as the initial rent holders are protected from competition, together with a poor service delivery record. Why might a LG choose the second policy option?

There are two main hypotheses, the first—call it ‘capture’—is that local governments can be captured by the initial rent holders, primarily the old, local landed elite, local state structures (for example, revenue and police officials), traders or ‘firms’. In this view, local governments work to generate transfer of state resources to these entities and protect them from competition by new entities while efficient service delivery is ignored, in return for bribes and kick backs. The second view, call it ‘competition for rents’, is that the behaviour of local governments is the unintended result of administrative disorganization. Too many agencies, all uncoordinated, try to extract rents from private firms,<sup>18</sup> making it unprofitable to create or run a private business legally, thus impeding localized capital accumulation by the poor. Here service delivery as well as economic growth suffers.

We define the key parameters of the model as follows:

Let ‘b’ be private benefits to the LG of ‘killing growth’. Under the capture interpretation, b may reflect the transfers back from existing elites to LG in the form of bribes, cash or in kind payments. Under the competition for rents interpretation, b may reflect the cost to a LG of reducing individual bribe taking by local officials, for example, through enforcing costly reform measures.

Let ‘y’ be the additional output under growth. With appropriate normalization, let y also stand for additional revenues available to the provincial bureaucracy and LGs under growth.

Suppose that a fraction ‘a’ of additional revenues from growth go to LG. Thus additional revenues from growth to LGs are simply: ‘ay’. Assume further that a proportion  $\phi$  of additional revenues from growth are misappropriated by government officials in the form of kick backs from discretionary spending. Thus for LG officials, the returns from growth are  $\phi$  (ay).

All benefits to government officials from pursuing pro-growth or anti-growth policies depend on them holding office.

In addition to benefits associated with the type of policy option chosen, LG government officials by remaining in office, also derive benefit from the sense of respect that is associated with elected office. Let us call this measure of benefit from holding elected office  $k_{LG} = T^{1/2}$ , where T is number

of terms in office. This particular functional form for  $k_{LG}$ , specifically  $k'_{LG} > 0$  and  $k''_{LG} < 0$ , captures the notion that the marginal returns to re-election are positive but diminishing.

The justification for including  $k_{LG}$  in the model is that each LG official values remaining in office through the electoral process. The bureaucratic official also derives pleasure from holding office. However, his stay in office is determined not by the voters but by his superiors in the bureaucratic hierarchy. We can take the benefit from holding a bureaucratic office as  $k_B = X$ , where  $X$  is a constant. Since there is no conception of election to office, the pleasure of acquiring public office through the electoral process is absent for bureaucrats.

Let  $p^y_{LG}$  be the probability that a LG remains in office either by finishing his term or being re-elected, given that he follows pro-growth, efficient service delivery policies. Suppose further that  $p^x_{LG}$  is the probability that a LG remains in power if it pursues anti-growth policies along with poor service delivery. Similarly, suppose  $p^y_B$  is the probability that a provincial bureaucracy remains in office if it pursues pro-growth, efficient service delivery policies and let  $p^x_B$  be the probability that it remains in power if it follows anti-growth policies together with poor service delivery.

$$\text{Let } P_{LG} = p^y_{LG}/p^x_{LG} \text{ and } P_B = p^y_B/p^x_B.$$

Under these assumptions, an LG in a given term chooses growth if:

$$\begin{aligned} p^y_{LG} [\varphi(ay) + k_{LG}] &> p^x_{LG} (b + k_{LG}) \text{ or alternatively} \\ P_{LG} [\varphi(ay) + k_{LG}] &> b + k_{LG} \end{aligned} \quad (1)$$

Similarly, during a particular term and given  $a$ ,  $y$ , and  $b$ , a provincial bureaucracy will choose growth if:

$$\begin{aligned} p^y_B [\varphi(ay) + k_B] &> p^x_B (b + k_B) \text{ or alternatively} \\ P_B [\varphi(ay) + k_B] &> b + k_B \end{aligned} \quad (2)$$

Which tier of government is more likely to pursue pro-growth, efficient service delivery policies? To answer this question, we have to delve into the nature of the set of rules that govern an official's stay in office, be it LG or provincial bureaucracy. Since LG officials are elected and electoral success can safely be assumed to depend upon delivering pro-growth, efficient service delivery policies,  $P_{LG}$  is likely to be large both because of a high  $p^y_{LG}$  and a low  $p^x_{LG}$ . This hypothesis accords well with intuition: An LG is more likely to be re-elected if it adheres to pro-growth policies and less likely to remain in office if it follows anti-growth policies. The fact is that the proximity of LGs to their electorate adds to transparency, and hence greater accountability of government adds weight to our argument for a large value of  $P_{LG}$ .

The tenure in office of a particular official in the provincial bureaucracy is governed by a different set of rules: *not the electoral process driven by performance, but rather by service rules*. Service rules are generally accepted to be less stringent than the electoral process when it comes to rewarding or penalizing governmental performance. Furthermore, the bureaucracy has a comparative disadvantage compared to LG when it comes to proximity with the people who are affected by their policies. The boost that proximity gives to accountability (via greater transparency) of government is thus weaker for provincial bureaucracy as opposed to LG. We can then take  $P_B$  to be relatively lower than  $P_{LG}$ . Specifically,  $p_B^y$  can be taken to be close to 0, since what determines a bureaucrat's stay in office is not how well he delivers in devising and implementing pro-growth policies and efficient service delivery, but rather how effectively he can lobby the upper echelons of the bureaucratic hierarchy who control his appointment within and movement up the bureaucratic order. This also implies that poor performance in terms of development is less likely to be penalized within a bureaucratic order compared to LG who can be voted out in the next election cycle. Thus  $p_B^x$  is likely to be higher than  $p_{LG}^x$ . Our analysis then leads us to the following inequality:

$$P_{LG} = p_{LG}^y / p_{LG}^x > P_B = p_B^y / p_B^x \quad (3)$$

Applying (3) to (2) for given  $a$ ,  $b$ ,  $k_{LG}$  and  $k_B$  and taking  $p_B^y = 0$  we find that:

$$P_B [\varphi(ay) + X] < b + X$$

**THE ABOVE INEQUALITY IMPLIES THAT THE PROVINCIAL BUREAUCRACY WILL UNAMBIGUOUSLY PURSUE ANTI-GROWTH POLICIES GIVEN  $B > 0$ .**

Given that  $P_{LG}$  is  $> 0$ , an LG is thus more likely to pursue pro-growth, efficient service delivery policies than a provincial bureaucracy.

### Model [B]: Inter-Temporal Rent-Seeking<sup>19</sup>

In this sub section, we use and extend the analytical framework developed by Shleifer and Vishny (1993) by using a multi period setting to demonstrate how rent-seeking under LG is likely to be lower than under the provincial bureaucracy in Pakistan.

Suppose there are two government produced goods such as building permits  $x_1$  and  $x_2$ . The former can only be sold in period one and the latter only in period two. We assume there is demand for these goods is  $D(p_i)$  from private agents, where  $i$ , is an index for time period. Assume further that the price elasticity of demand for both permits is less than 1. We assume that these goods are sold for the local government by an official who has monopoly over supply and who thus has the opportunity to restrict quantity of the good that is sold in each period in order to raise its price and hence earn bribe revenues or rent. Let the price of the building permit  $x_1$  be  $p_1$  and let the price of the building permit  $x_2$  be  $p_2$ . We assume that the official has to turn in the official government price to the state treasury after each sale. The official government prices for the building permits in periods one and two can then be viewed as the official's marginal cost of supplying the permits. Let the official government price of the building permits in periods one and two be  $MC_1$  and  $MC_2$  respectively.

For the sake of clarity, imagine the governmental official in-charge of granting the permits as an agency that produces and sells building permits in two periods at prices  $p_1$  and  $p_2$  at marginal costs of  $MC_1$  and  $MC_2$ . The official remains in office for a maximum of two time periods  $t_1$  and  $t_2$ , and can sell one permit per period. Whether his tenure in office extends to  $t_2$  depends on his re-election to office. Re-election in turn is determined by how far the official can limit corruption in his administration, and how well he delivers on service delivery and whether he pursues pro-growth policies. In order to maximize rents from both types of permits over the two time periods, the official is constrained from maximizing bribe revenues in the first period from permit  $x_1$ , for doing so means he won't be re-elected and thus will not extend his tenure in office into the second period. For analytical purposes then, we can treat  $x_1$  and  $x_2$  as complimentary goods from the official's perspective, for how  $x_1$  is priced will determine the demand for both  $x_1$  and  $x_2$  as far as the official is concerned. Specifically, if the bribe price of the permits in period one is set too high, then the official will be voted out of office and will not earn any returns on the permits in period two, that is, as far as the official is concerned, demand for  $x_2$  will be zero. Formally then if the official wants to maximize joint revenues from  $x_1$  and  $x_2$ , he will set  $p_1$  such that:

$$\frac{[MR_2 dx_2]}{MR_1 + \frac{dx_1}{1+r}} = MC_1 \quad (1)$$

We then take  $\frac{dx_2}{dx_1} > 0$ , given the complementarity between  $x_1$  and  $x_2$  and  $r$  is the interest rate.

(1) implies that at the optimum  $MR_1 < MC_1$ . The monopolist agency keeps the per unit bribe ( $P_1 - MC_1$ ) on the permit in period one down to expand the demand for the complimentary permit in period two. Given an  $N$  period time horizon, the monopolist agency will keep the bribe down on building permits for  $N-1$  periods.

Suppose alternatively that the building permits are allocated by a bureaucrat. Suppose, alternatively, that the building permits are allocated by a bureaucrat. A bureaucrat's stay in office as we discussed earlier is not determined through the electoral process but rather by a set of service rules and members of the bureaucratic hierarchy sitting above the particular bureaucrat in question. Service rules are less rigorous when it comes to providing appropriate incentives and disincentives for those in the public domain to ensure improved service delivery and pursue pro-growth policies. Progress up the bureaucratic hierarchy also involves lobbying senior members and again performance within the public domain does not have to be the driving force behind a bureaucrat's promotion. Members of the bureaucracy are also at a comparative disadvantage compared to LG members when it comes to proximity with the beneficiaries of their policies. Accountability is thus lower for bureaucrats due to reasons of transparency than LG officials.

Furthermore, members of the bureaucracy compared with officials of LG have a comparative disadvantage when it comes to proximity with the beneficiaries of their policies. Accountability is thus lower for bureaucrats due to reasons of transparency than LG officials.

Given these arguments, (1) would have to be modified if the bureaucracy rather than the LG was in charge of issuing permits  $x_1$  and  $x_2$ . Specifically, the absence of the electability constraint and the lower public accountability of the bureaucrat (supplying permits on behalf of the bureaucracy) implies that he can maximize bribe revenues from each permit in each period without fear of dismissal, for dismissal is unlikely to be related to performance but depends on the bureaucrat's effectiveness in lobbying the upper echelons of the bureaucracy and his ability to work around service rules that regulate his tenure in office. In fact, given that lobbying costs are positive and likely to be increasing for higher posts in the bureaucratic hierarchy, there will be strong incentives for bureaucrats seeking promotion to earn as much as they can from a particular office in a bid to lobby up the hierarchy.

We then take  $\frac{dx_2}{dx_1} = 0$ , when dealing with a bureaucrat, for as far as he is concerned, there is no complimentary relationship between  $x_1$  and  $x_2$ . The Bureaucrat maximizes his objective function when  $MR_1 = MC_1$ . Hence the per unit bribe on the permits in period one is going to be higher and output lower than at the joint monopolist optimum. Given  $N$  periods, the above optimality condition applies to permits in all  $N$  periods.

Our model of inter-temporal rent-seeking suggests that the rents sought by LG officials are lower than those appropriated by bureaucrats. The main reasons why rent seeking will be higher under the provincial bureaucracy than LG are the absence of the electability constraint on bureaucrats together with lower public accountability stemming from lesser transparency.

## NOTES

1. For data and analysis on the processes of poverty within the structure of elite power at the local level, see Hussain et al. (2003).
2. For a detailed discussion with supportive evidence, see Ali 1988.
3. Unlike most other parts of pre-British India, in Punjab, the upper echelons of the social hierarchy were extensively displaced at the end of the Mughal period. The growing momentum of peasant uprising in the 18th century led by land holding segments of the peasantry, culminated in these peasant war bands asserting autonomous control over land and political authority. The upper peasant rebel leadership emerged as a new class of superior land holders, who with the onset of the British Raj, were later acknowledged as such by the British. Evidence of the displacement of the older Mughal period elite comes from British documentation such as the District Gazetteers and Griffin and Massy's tome, *Chiefs and Families of Note in the Punjab*. Very few families identified at the district level as of elite status, had such antecedents prior to the late 18th century. See Ali (2002).
4. For a more detailed discussion, and evidence, see Ali (1980), Ali (1987), Ali (1988).
5. That protection to the large-scale manufacturing sector persisted for the next three decades is indicated by the fact that even in 1990–91 by which time the rate of effective protection had been considerably reduced, the increase in the share of manufacturing attributable to protection amounted to 5 per cent of the GDP. Similarly the failure of the industrial elite to diversify exports into high value added non-traditional industries is indicated by the fact that the textiles and related goods sector constituted 5 per cent of commodity exports in the period 1960–70, and continued to remain as high as 50 per cent three decades later in the period 1988–99. See Hussain (2004).
6. During the 1960s, while a highly monopolistic elite was amassing wealth, the poor in Pakistan were experiencing an absolute decline in living standards. This is indicated by the fact that the per capita consumption of food grain of the poorest 60 per cent of Pakistan's urban population declined from an index of 100 in 1963–64 to 96.1 in 1969–70. The decline was even greater over the same period in the case of the poorest 60 per cent of rural population. In their case, per capita consumption of food grain declined from an index of 100 in 1963–64 to only 91 in 1969–70 (see Hamid 1974). There was an even larger decline in the real wages in the industry: In the decade and a half ending in 1967, real wages in the industry declined by 25 per cent (see Griffin and Khan 1972). According to one estimate, in 1971–72, poverty in the rural sector was so acute that 82 per cent of rural households could not afford to provide even 2,100 calories per day per family member. (see Naseem 1977).



7. This social process was catalyzed by the Afghan war. Zia sought political, economic and military support from the US by offering to play the role of a front line state in the Afghan guerrilla war against the occupying Soviet army. Accordingly, Pakistan obtained a package of US\$ 3.2 billion in financial loans. Additional fiscal space was obtained by getting foreign debt rescheduled and increased private foreign capital inflows. These official and private capital inflows played an important role in stimulating economic growth in this period. They also helped establish a political constituency both within the institutions of the state and in the conservative urban petit bourgeoisie for a theocratic form of military dictatorship.
8. Private sector gross fixed investment increased from 7.1 per cent of the GDP in the Bhutto period to 9.2 per cent in the Zia period. At the same time, GDP growth accelerated from 4.9 per cent in the Bhutto period to 6.6 per cent in the Zia period (Hussain 2004: Table 3).
9. For example, S. J. Burki has shown that during the mid 1990s, large amounts of funds were siphoned off from public sector banks, insurance companies and investment institutions such as the National Investment Trust (NIT) and the Investment Corporation of Pakistan (ICP). The evidence was found in the non-performing loans, which the state controlled financial institutions were forced to give to the friends of the regime, in most cases without collateral. During this period, the NIT and ICP were forced to lend to patently unviable projects, which were then quickly liquidated. The purpose of such lending apparently was not to initiate projects but to transfer state resources into private hands. The case of an oil refinery in Karachi and a cement plant in Chakwal have been quoted as examples of infeasible projects funded by the NIT on political grounds with both projects declaring bankruptcy (see Burki 1999: 175).
10. For a discussion based on survey data that shows how poor peasants tied to the landlord get less than market wage rates when working as day labourers on the landlord's owner cultivated farms, see Hussain 1980: 363–81. For a more recent discussion based on the latest survey data, see Hussain et al. 2003: 62–63.
11. For an analysis of this phenomenon based on the Punjabi Sufi tradition, see Syed (1969).
12. (i) For a first hand field experience account of a Participatory Development initiative in 10 districts of the Punjab, see Hussain 1998.  
(ii) For an articulation of the theory of Participatory Development and illustrative case studies of initiatives in the field in a number of South Asian countries, see Wignaraja et al. (1991).
13. For details see: Wignaraja and Sirivardana (2004).
14. For a review of the literature on the economic arguments for decentralization, see Tanzi (1995).
15. According to the *Nazim* of city district Lahore, the financial resource constraint was so severe that only rupees 70 million were available for new development, a sum which was not even enough for painting traffic markers on the roads of Lahore city. At the same time, almost all the local government officials interviewed reported an absence of adequate technical expertise within their administration and hence a severe constraint in designing development projects. (The project proposal form that is required to be submitted for funds allocation runs into about a hundred pages and requires specialized technical expertise to fill).

16. For a detailed examination of this point see Shleifer and Vishny (1993).
17. This section draws and builds on analytical frameworks developed by Shleifer and Blanchard (2000) and Shleifer and Vishny (1993).
18. This sub-section draws and builds on Shleifer and Blanchard (2000).
19. This part of the sub-section adapts and builds on Shleifer and Vishny (1993).

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## **Values, Development with Equity and Democracy: The Dynamics in Bangladesh**

*Shaikh Maqsood Ali*

Twentieth century has been a period of rapid progress in the fields of modernization, economic development and technological change. However, we have also witnessed two world wars, a number of smaller regional conflicts, substantial rise in population, particularly in poorer areas and dangerous environmental degradation around us during the same period. The expected shape of the world in the new millennium, therefore, has become our crucial concern. For South Asia, this concern has added dimension—about one-fifth of the world population lives in this region, of which about 30–40 per cent (however defined) live below the poverty line. Moreover, economic and technological progress has been relatively slow here (except for India and Pakistan in the field of nuclear warheads) compared to many countries in other parts of the world. So, how are people in this region going to perform in the new century compared to their performance in the past?

A partial answer to the above question can be found from our donors' perspective. Because of poverty, South Asia is highly dependent on foreign assistance. During the last three decades, the donor countries/agencies have been particularly critical of import substitution oriented interventionist economic policies of the South Asian countries. The prescription for present and immediate future has been in favour of increased globalization of the economy with increased privatization, de-nationalization and export oriented competitive efficiency. Consequently, most South Asian countries now have Structural Adjustment Reform Policy (SARP) matrices to implement the above strategies. Countries that have internalized this policy even partially, have acquired higher places in the preference scale of the donors. These countries are now being persuaded to realize how the institution of democratic polity (with particular focus on the concept of good governance and civilian transfer of power)

can create further enabling conditions for implementation of the reform agenda that is still in hand. Seen from this perspective, South Asia has a charter of duty to perform in the new millennium in order to complete the unfinished task of structural adjustments not only in the field of economics, but also in related fields of political and social development without further delay or major reservation.

However, there seems to be at least one important obstruction to travel further on the above path—South Asia is not only a geographical region exposed to western ideas and development prescriptions, it is also an ancient civilization. Apparently, this civilization seems to be divisive; its four main components—Hinduism, Buddhism, Islam and Christianity have their areas of disagreements—some of which often appear irreconcilable. But, a very interesting development has taken place in this region over the last three decades: A large number of poor scattered over this region have simultaneously discovered that their diverse religious teachings also have ‘an element of fundamental unity’; unanimously they have identified it as the ‘values of sharing and caring’. Implicitly, they also seem to be telling us that this value system had not only helped them to survive through ages in the face of most difficult circumstances, it had also ‘enriched’ them as ‘human beings’ in spite of their poverty and, therefore, given the choice, they would try to build their new vision in the new century around this internalized value-perspective.

This implicit preference of the poor for development through their own value system has come into focus in recent years in the report of the Independent Commission for Poverty Alleviation in South Asia, entitled ‘Meeting the Challenge’ (ISACPA 1992). This report was submitted to the seventh summit meeting of the heads of states/governments of the South Asian Association for Regional Co-operation (SAARC) countries at Dhaka in April 1993. It highlighted a number of scattered but highly innovative grassroots experiments of survival for the poor through their own value system and made a number of recommendations for consolidating and expanding it. The initial support to the experiments was given by the SAARC heads of states/governments through Dhaka Declaration in April 1993, followed by Delhi Declaration of SAARC Summit in May 1995 and May Declaration in 1997. The main elements of the support were:

1. Recognition that the poor in South Asia are efficient (particularly in using their limited resources). When the poor

get organized, this efficiency goes up. When they get credit intervention in their favour, the efficiency increases further. When their efforts are supported by other sensitive measures (like price and marketing support, skill training, and so on), they can come to the main stream of development planning and contribute creatively not only to their own poverty alleviation but also to increased national growth.

2. The Dhaka Declaration (1993) on poverty eradication supported the above claim of the efficiency of the poor by stipulating that the SAARC countries should henceforth move in two fronts: The conventional SARP front (that would supposedly incorporate the dynamics of efficient rich) and a social mobilization front (that would supposedly incorporate the dynamics of efficient poor). Under the second front, a 10-year time-bound pro-poor plan should be prepared in each country to eradicate its hard-core poverty. The Delhi Declaration (1995) reinforced this demand by recognizing the right of the poor on resources and information. The Male Summit (1997) brought the concept of participatory governance as an integral part of this initiative.

During the next few years, two main developments followed. First, the new concept that the poor could graduate to self-reliance and at the same time creatively contribute to additional points of growth—these had to be presented before the donors for their support. This was done mainly through two informal workshops. The first workshop was held at Annapolis, Maryland, USA in October 1993, where the intrinsic dynamics of the poor were recognized by donors and they agreed to help this dynamic process provided the respective government would first touch the poor (World Bank 1993). The second round table was organized at Bonn, Germany at the initiative of German International Foundation in March 1995, where, in spite of the emphasis of market economy, the role of national government in poverty alleviation through pro-poor intervention was explicitly recognized at least in 16 important areas (GFID 1995).

Second, some efforts were made within the SAARC region to institutionalize the new dynamics. The first step in this direction was to hold annual meetings of the social, finance and planning secretaries to be followed by annual meetings of the finance and planning ministers of the SAARC region for ensuring an increasing allocation of

development resources in favour of the social sectors and within the social sectors, in favour of the relatively poor. As a second step, a number of efforts were also made to exchange information about the relative successes/failures of the various innovative experiments at the grassroots in SAARC countries so that the preparation of a pro-poor plan in each country could start at an early date.

It is noteworthy that a number of donor agencies are also now talking about the need for putting a 'human face' in their structural adjustment reform programmes. This realization seemed to have come to them mainly out of their experience in a number of countries where the short term macro-economic policies had adverse effects on the poor, and as a consequence, the prospect of a shift in the long-run growth curve through further SAR policies appeared to be frustrating. In this background, two important related questions could be asked afresh: (i) When the donors speak about the incorporation of human face in the structural adjustment reform policies, do they mean the same thing which the poor in South Asia have demonstrated at the grassroots? (ii) How committed are the governments of the South Asian countries themselves to consolidate and expand the dynamics of the poor at the grassroots and integrate the micro-dynamics with their existing macro policies?

There are problems in getting answers in both the above areas. While the donors are getting enthusiastic about their ability to accommodate the dynamics of the poor in their structural adjustment reform policies, the apprehension is that they are doing so on the basis of inadequate understanding of the process of social mobilization. This is so because, understanding the process of social mobilization would remain inadequate unless one understands the concept of 'social capital'. In conventional neo-classical economics, we have no place for social capital; we only have natural capital, physical capital and human capital (based on very narrow definition of human resource development through skill training). Social capital on the other hand has high non-economic contents—it is based mainly on the relationships between man and God, man and man, and man and nature. The relationship between man and God gives men (and women) their humane qualities such as love, compassion, mercy, and so on. It is this composite bundle of divine qualities that the South Asian poor believe to have symbolized in their operational strategies of helping one another in their struggle of survival throughout history and also given them strength to face the

next phase of their lives with relative confidence. This understanding, in turn, helps them to define the relationship between man and man on the basis of justice, equity and brotherhood with obligation to share each others' joys and sufferings (a phenomenon that cannot be accommodated where man is reduced to a labour unit primarily driven by animal instincts of survival of the fittest). Finally, the relationship between man and nature makes human being a part of nature with responsibility to share the blessings of nature with each other and with other creations of the Earth with great pleasure.

Most non-poor in South Asia (as also in other countries) regard the above ideas/social capital to be quite good or at least not bad, and therefore can be respected, but these are also taken as intangibles, and therefore cannot be practised. So the poor are left to live with these ideas alone and give them further shape as they wish.

It is remarkable to see that some poor in South Asia have taken up this challenge of further consolidating and better use of their social capital for development. They are using this element of social capital to mobilize themselves through their own organizations and help not only themselves but also the whole country to graduate to self-reliance. In Bangladesh, their innovative experiments of social mobilization based on social capital have also enriched our conventional economic theories of development. The new additions to the conventional theories of economic development are: (i) because of their efficiency, the poor have 'their right to resources including credit', (ii) 'family units' and their cohesion are important for the poor. The family units help them to graduate to self-reliance with small capital and other relevant supports in comparatively shorter periods of time, (iii) organization based on the concept of social capital helps the development of 'socially conscious institutions' (like Grameen Bank<sup>1</sup> and the Palli Karma Shahayak (Rural Employment Support) Foundation (PKSF), in Bangladesh) that play a creative role in injecting collateral free credit to the poor for poverty alleviation, (iv) social mobilization allows the 'women to empower' themselves and be in the forefront of economic activities (without family disintegration and commercialization of their role), (v) given sensitive support, the poor can play an aggressive 'entrepreneurial role' in the economy (the entrepreneurial role of the poor gets blurred in conventional economics because of their inaccessibility to capital), and (vi) for the poor in the informal sector, the concept of 'self-employment' is more important than wage-employment as



they have the capacity to convert their idle labour into productive capital with very little physical capital.

The above innovative development concepts have given rise to the following six innovative strategies for consolidating and further expanding the grassroots dynamics in Bangladesh (SAPNA 1998):

1. Evaluate the social mobilization programmes/projects in the government sector and devise strategies for raising the scale of the relatively successful ones (about 66 programmes/projects have been identified so far for this purpose).
2. Evaluate social mobilization programmes/projects of the NGOs/Partner Organizations (POs) and devise strategies for raising the scale of the relatively successful ones. Increase cooperation between government and NGOs/POs for this purpose. (A consultative committee has been set up with the Director General of NGO Bureau for this purpose).
3. Integrate local government institutions with the social mobilization based development process. Various innovative experiments are being made to give local government a greater role in social mobilization based development.
4. Train in massive scale all concerned sectors of social mobilization including government servants, public representatives and others for becoming development catalysts/solicitors/animators, and so on (this is being organized both by the NGOs and the GOs).
5. Take steps for inflow of greater amount of development fund to the poor through innovative organizations like Palli Karma Shahayak Foundation (the formal financial system has proved incapable of channeling development funds to the creative poor in adequate amount).
6. Keep a separate percentage of allocation (at least 10 per cent) to begin with for touching the very poor (even the NGOs often cannot touch the very poor because of their poverty). This proposal is under examination.

The development message that the above strategies have been trying to communicate to the policy makers who want both poverty alleviation and higher growth without trade-off are:

1. Social mobilization can raise extra savings for productive investment by the poor and is likely to double the existing

savings rate of 8–9 per cent of the GDP, an effort which seems impossible to achieve by SARP alone.

2. Social mobilization has developed techniques for giving loans to the very poor without collaterals—there is demonstrative evidence that this strategy has generated self-employment for about 7 million clientele, mostly women in Bangladesh. This would have been impossible if the country had depended on SARP policies alone.
3. Social mobilization can convert idle labour into social capital by creating job opportunities for them within the family based enterprises supported by microcredit. This is particularly important for countries like Bangladesh where about one third of the adult population is unemployed or under-employed.

However, there are also new difficulties. In particular, the process of harmonization of social mobilization with structural adjustment reform policies cannot be taken for granted. In fact, there may be three main ways of looking at it:

1. In option one, no question is asked about the process of pauperization and dehumanization of the poor through the existing economic policies including structural adjustment reform policies.
2. In option two, the above question is asked but policy prescriptions are given mostly within the existing constraints of conventional economics where policy makers do not take it seriously. They would rather like to improve the structure through political interventions with particular focus on 'good governance' within the constraints of free market.
3. In option three, the above question is specifically taken up and social mobilization for economic development gives highest priority to restoring 'justice and equity' for the poor. This approach is heavy on social capital that prepares fellow human beings to fight injustice and inequity through an empowerment process.

This brings us to the critical question of how committed are the policy makers to implement social mobilization based strategies of development that the poor have brought to the forefront of development? Since most policy makers belong to the category of non-poor, our experience has been that by and large, they are not very

enthusiastic about the poor coming to the mainstream of planning (which might threaten their leadership). They would rather prefer the implementation of the existing policies of SARP with some notional integration of 'a human face' to make it look apparently more humane. Naturally, their determination for decentralization and devolution of power in favour of the local government and good governance with greater accountability and transparency falls far short of getting the reform agenda backed by empowering the poor through a process of social mobilization that we have highlighted.

This may partially explain why there has been not much progress in implementing 'a time bound pro-poor plan for eradication of poverty' during the last six years (1993–99) in spite of the support it had got from three SAARC summit meetings of the heads of state/governments of these countries. However, in spite of this failure, we can note that Bangladesh villages are now divided into two broad categories. In the socially organized villages, a number of economic indicators show better results such as rise in savings, investment, and income and employment with simultaneous rise in a number of social indicators (like better health and sanitation, higher family planning acceptance rate and empowerment). The policy makers, therefore, now have two alternatives: They may get educated to give support to the new dynamics of the poor or they may continue to make rhetoric about poverty alleviation without giving it adequate support. The absence of 'social capital' among the non-poor makes it more difficult to see the process of pauperization and dehumanization of the poor inherent in the conventional neo-classical economics. Nor can they see the relative merit of recognizing the conventional neo-classical economics or the relative merit of recognizing the dynamics of the efficient poor and the imperative of bringing their efficiency to the mainstream of development.

We may recapitulate that in South Asia, the ancient wisdom to make the non-poor, better human beings was to catch them in their young age and make them understand that one's wealth would not decrease when the person shared it with others, particularly with those who are in distress. Hinduism, for example, would try to impart a number of qualities in young minds, which seems to us to have significant implication for distributive justice such as non-killing (let the weak survive); non-violence (develop without muscle power); non-possession (maximize distribution); austerity (minimize consumption); celibacy (control greed); contentment

(seek happiness rather than satisfaction, which leads to greater dissatisfaction); truth (do not worship the relative in place of the absolute); purity (let the earning be without exploitation) and total submission at the feet of God (cultivate divine qualities that enables a man to be enriched with the ability of sharing and caring). Without this package of 'social capital', it was feared that the economic activities of men might get twisted to such an extent that they would eventually create an unjust and iniquitous society from which it might be impossible to come out.

Like Hinduism, Buddhism also had its high content of social capital. It brings the concept of 'happiness' in place of 'greed' that needs to be maximized. Simultaneously, it teaches human beings to share their 'sufferings'. Its emphasis on 'mindfulness' about the value of sharing and caring over the crude idea of survival of the fittest is relevant in the new century to support the poor in their effort to look after themselves and for the non-poor to try and become better human beings. Like Hinduism and Buddhism, Islam too emphasizes the merit of distribution for both present and the future generations. In particular, it recognizes the right of the poor on the wealth of the non-poor. Likewise, Christianity had, long ago stipulated the superior virtue of 'love thy neighbour as you love yourself'. Today, our non-poor have introduced an amendment to it: To fit into the neo-classical economics, the sentence now reads, 'love yourself no less than thy neighbour'. This means we need not care for our poor or if we are nationalists, we may justify exploitation of the poor in other countries to give some relief to our own poor. We can then feel morally justified to leave the business of caring for the poor and the distressed mainly to the market and the UN agencies.

It is interesting to note that under social mobilization, the task of organizing the poor groups starts with assertion of the above mentioned traditional values with focus on 'sharing and caring'. This helps them in the first instance, to consider all members of the community as an extended family—all members of the community get lovable titles of uncles, aunts, nephews, nieces and so on. When they get down to work at the grassroots through social mobilization, these values get reinforced with new commitments, new enthusiasm and new songs, slogans and symbols crossing the boundary of religious, ethnic and other differences.

How good is the chance of survival of the above process coming from the grassroots in the near future? Because this process has not

been imported but has emerged on our soil (Ali and Sirivardana 1996), the chances of its survival should be good. However, effectiveness of the poor would significantly depend upon the social dynamics of the society of the country concerned. In Bangladesh, social development has been moving faster than political and economic developments. The Bangladesh society has now become highly vertically mobile (the incidence of caste/feudalism was weak here; it is getting even weaker). The process of social mobilization, therefore, is moving faster. However, this development has its advantages and its dangers. We must warn ourselves that the task of managing a vertically mobile society is more difficult than managing a significantly structured society. The Bangladeshi poor have given us an option: Let social capital have its legitimate place in sustainable development. The consequences of the failure may not be very pleasant; with about 44 per cent of population below poverty line in this country, the situation is already explosive.

To a substantial extent, this warning may remain foreign to the non-poor. The question of a new 'social contract' becomes important at this point. In the new social contract, we are not saying that we would discard western economics or technological changes in favour of social mobilization; we are saying that our education based on sharing and caring should precede our education based on the dictates of self interest. Our self interest based development literature tells us that we cannot distribute unless the size of the cake is sufficiently large; otherwise we would only be distributing poverty. Our social capital based development tells us that we can start sharing and caring at any stage of our life and with any level of our income and assets, and that distribution contributes further to production by bringing the latent productive capacities of those who are at the periphery. Our concept of democracy, therefore, should be one that would help us to enter into a social contract with our poor who have high social capital and high commitment to the values of sharing and caring and to the principle of distributive justice (not only in the regional context but also in the global context). We are also not saying that getting enriched in social capital is the prerogative of only the poor; the non-poor are openly invited to pay their attention to the new window that the poor in different regions of South Asia have recently opened up for us as a byproduct of their struggle for survival against existing adverse circumstances. I have given the information about this window mainly in the context

of Bangladesh, but I have also found such windows to have been opened in other South Asian countries. May we care to look into our future through these little windows in the 21st century? If we are not merely a region but also a civilization, then we (both poor and non-poor) own this responsibility both to us and to our future generations.

## ANNEXURE

### The Evolving Transitional Paradigm Shift Required for Poverty Eradication in Bangladesh

***Dr Shaikh Maqsood Ali***

The term 'decentralization' emphasizes the paradigm shift and politico-administrative reforms through which the local people can be given scope for effective participation in decision-making and policy implementation processes that concern them most. These reforms can be of several types: It is de-concentration when the central government delegates its administrative power in favour of its regional/local offices but not in favour of the local people. In such a situation, the central government retains most of the decision-making powers in its hands and therefore, the term 'participation' of the people here at best means a 'top-down process of consultation'. For more effective participation in the decision-making and implementing process, the representative institutions of the people require 'devolution' of decision-making power in their favour. In between these two types, there might be various degrees of decentralization of power. Where the element of de-concentration is relatively high and participation is low, the resultant governance tends to treat people mostly as 'objects' (not as 'subjects') of development. On the other hand, where devolution and people's participation are relatively high in favour of local government institutions, people tend to be treated as 'subjects' of development. More specifically, the chances of the three items, 'governance', 'poverty alleviation' and 'decentralization' getting integrated are higher when the local people (particularly the poor) are treated as 'subjects' (rather than as objects) of development. Whether the poor in a country would be treated as subjects or objects of development depends mainly on a related question: Are the poor largely 'efficient' or 'inefficient'?

### ***Steps in the Transition in Bangladesh***

For many years, the people of the region now called Bangladesh have been struggling to be treated as 'subjects' (rather than as 'objects') of development. By now, this struggle has reached a 'momentum' that can no longer be ignored. This demand (of accepting the poor as subjects of development) cannot be accommodated in the conventional concept of 'governance' where the poor survive mainly at the 'periphery' of development. To bring them into the mainstream of development, a new kind of governance based on 'a shift in the development paradigm' is in order.

To explain this, I have used the term 'governance', meaning broadly how a country is ruled through its institutions and processes.

### ***The First Phase: Constitutional Support for Decentralized Governance***

Independence of Bangladesh in 1971 brought fresh opportunities to the people of the country to set up a truly democratic government at the centre with substantial devolution of power in favour of local government. The Constitution of Bangladesh, effective from March 1973, re-affirmed this optimism as may be seen below:

1. Article 59 provided that, local government in every administrative unit of the Republic be entrusted to bodies composed of persons in accordance with law.
2. Article 60 of the Constitution provided that for the purpose of giving full effect to the provision of Article 59, the Parliament shall by law, confer power to the local government bodies referred to in the article including power to impose taxes for local purposes, in preparing their budgets and maintaining funds.

The above constitutional provision in favour of decentralized local government institutions and planning from below brought several structural questions to the forefront. If rural people at the grassroots are to be given power and authority for planning and development in the areas that concern them most, they have to be substantially empowered. The reality on the ground was significantly different. The poor masses that had played a dominant role in the independence war were not organized in interest groups. On the other hand the immediate preoccupation of the new government was to revamp the central administration by introducing nationalization of industries in the industrial sector and socialism in the agricultural sector in stages. Obviously, the conflict of these ideas with the ideas of western democracy and market mechanism had to be sorted out.

Further, in the immediate post-independence period, the country needed massive investment for rehabilitation and reconstruction of the war damaged economy. As an interim measure, President's Order No. 22 of 1973 defined the composition, functions and sources of income of the institutions at the union level now called *Union Parishads* on a more or less similar line as Basic Democracy Order of 1959 pending their future modification with the ideology of democratic socialism. However, before the ideas on the future development of the local government could be sorted out, there was a violent overthrow of the government (in August 1975).

### ***The Second Phase: Emergence of Grassroots Dynamics***

*The Comilla Approach and its Follow-Up Momentum* Before initiating the Comilla Approach (Khan 1979) in the 1960s, Akhtar Hamid Khan, worked as the principal of the local college in Comilla district. To his surprise, he observed that the enrolment of students of his college was directly related to the income earned by the farmers from agricultural production. When this income was good, enrolments increased and vice-versa. He then decided to leave his job in the college and try to improve farmers' income at the grassroots level to give sustainability to his human development effort. In the process, he became instrumental in bringing the green revolution in Bangladesh. It may be mentioned in this connection that in India and Pakistan, 'green revolution' came mainly by the patronization of the large farmers by the State. Naturally it was concentrated in selected areas. In Bangladesh, the organizations of the marginal and small farmers played a critical role in this area. Akhtar Hamid Khan understood the potential dynamics of the poor farmers of Bangladesh. With remarkable skill and insight, he developed the following five main strategies for mobilizing the poor farmers for further development with considerable significance in the long run:

1. Organize the small and marginal farmers at the grassroots in their own primary cooperatives called KSS (Krishi Samabay Samiti). The most important aspect of these organizations was that the non-poor were not allowed to enter these cooperatives at any stage and undermine them from within, as has been the case in most of the formal cooperatives.
2. Link these small farmers' cooperatives with adequate supply of credit through *Thana* Central Cooperative Association (TCCA) which was the nearest administrative tier for the farmer. The TCCAs were appropriately reorganized to perform this task.
3. Train the small and marginal farmers and other related persons (including the local officials and the people's representatives) in



HYV techniques in the newly set up *Thana* Training and Development Centers (TTDC). For this purpose, TTDCs was set up in every *thana* all over Bangladesh.

4. Arrangements were made to provide other strategic inputs (like water, fertilizer, better seeds, and so on) to the farmers through a number of experimental projects/programmes.
5. At a later stage, a number of complementary co-operatives were also set up separately for the landless (males) and assetless (females) for helping them become self-reliant through non-farm activities.

The above demonstrated how breakthrough in agricultural practice could be achieved in Bangladesh through mobilizing the efficiency of poor farmers along with helping the better-off farmers. Initially, there was criticism that the Comilla approach had favoured the rich farmers more than the poor, but as new technology spread and deepened in food production, the creative role and efficiency of the small and marginal farmers also came to surface.

More importantly, Akhtar Hamid Khan believed that the question of rural poverty in Bangladesh should be approached mainly through: (i) further spread of Comilla model of labour intensive agriculture that would help marginal farmers raise themselves to the status of small farmers and the small farmers to the status of middle farmers over a period of time, simultaneously providing more wage employment for the landless, (ii) development of decentralized local level planning that would promote land classification based diversified agricultural development over Bangladesh and (iii) simultaneous promotion of agro-based industries.

This village development format was to be integrated at subsequent higher tiers of local government, namely, at the union and the *thana* levels. These formats of village, union and *thana* development plans subsequently became training materials and a very large number of concerned officials, public representatives and farmers were actually trained at Comilla in these areas. If the constitutional direction for local level planning and development (stated above) could be integrated with the dynamics of agricultural development planning initiated at the Comilla Academy, food autarky in Bangladesh might have come even earlier with better crop diversification, greater income for the poor and better linkage of agro industries. However, lack of adequate political support as well as political uncertainties in the 1970s and 80s disrupted this transition.

### ***The Third Phase: Search for Political Space by People at the Grassroots for Social Mobilization from Below***

*The Case of Village Government* (Ali 1979) A severe flood affected northern Bangladesh in the early 1970s. The situation became serious

due to the alleged diversion of US wheat from Bangladesh presumably for political reasons. The situation worsened due to the prevailing condition of disrupted infrastructure in Bangladesh as well as political turmoil. In that dismal situation, drawing lessons from the Comilla Approach, the poor at the affected areas acted on their own at different places with the help of district administrations. They set up 'after flood recovery programs' in some districts and gave them some beautiful names (like colourful, green, and so on ) (Ali 1979). In some places, the momentum continued beyond the flood recovery programme, giving birth to a number of innovative ideas for development of self-help organizations at the grassroots.

A new military government (led by President Zia ur Rahman) came to power in 1976. It wanted to build up its own support base in the rural areas. Initially, the government encouraged this spontaneous effort of local people to stand on their own feet. As a result, the people in some of these areas set up what came to be known as the *Swanirvar Gram Sarkar* (Self-Reliant Village Government) type development (Ali 1979). It had a mini Parliament consisting of the adult population of the village, known as *Gram Shava* (Village Assembly) and a small Cabinet (leaders chosen by the villagers to represent them as 'Village Ministers' in their dealing with government officials. Some central ministers found this to be a highly objectionable development. Initially, the government overlooked such development.<sup>2</sup> When the development gained some momentum, opposition to such a social development grew among some members of the cabinet, and eventually they succeeded in issuing a government circular prohibiting formation of such organizations. Subsequently, the government tried to control this development through its own variant of government in 1981.

The short-lived experience of *Gram Sarkar* showed that:

1. people in Bangladesh at the grassroots could be organized at short notice
2. they were ready to be empowered faster than at the pace the policy makers (mostly represented by the higher middle class) were ready to allow them to do so.
3. the process of empowerment could proceed immediately even without the backing of radical social legislation (which, however, remained as a historical demand in this region).
4. the organization of the poor at the grassroots could function independent of the existing local government institutions (there could be, however, a number of ways to link the two experiments).
5. once organized, the people showed considerable skill to assert themselves for better delivery services from the local government officials.
6. how the local government institution should function at the grassroots in the area of bottom-up planning and local resource mobilization.

### **The Fourth Phase: Taking Administration Nearer to the People**

*The Upazila (Sub-District) System of Local Government and its Governance* When the Ershad government came to power in 1992 through another military takeover, his immediate task, like his predecessor President Zia was to build new support networks in the country in favour of the new government. The strategy chosen at the time came to be known as 'taking administration nearer to the people'. A new committee on administrative reorganization/reform was set up to explore how this could be done. This committee recommended upgrading of *thanas* into subdistricts and of sub-divisions into districts along with strengthening of local governments with greater devolution of power and greater participation of people at its various tiers, beginning from the villages. However, in accepting the recommendations of the committee, the government mostly sidetracked the recommendations for consolidation and further expansion of village dynamics through new village organizations at the base. Instead, the focus was on upgrading of the *thana*. The new system of local government came to be known as the *Upazila* (Sub-District) system.<sup>3</sup> It was set up by the promulgation of the local government (*Upazila Parishad* and *Upazila Administration Reorganization*) Ordinance, 1982. Under it, the *thana* which was mainly a coordinating unit in between the Union and the district, was upgraded into an *Upazila* with (i) an elected chairman, (ii) representative members, that is, all chairmen of the *Union Parishads* within the jurisdiction of the *Upazila*, (iii) three women members nominated by the government and (iv) a number of other official members without a right to vote. It claimed to be an improvement over the previous setup of the local government.

In 1991, a popular movement threw the military government out. A general election brought Khaleda Zia to power. This new government immediately abolished the *Upazila* system mainly on the following grounds:

1. Previously the *thana* was only an administrative unit. It had no legal backing for becoming a unit of local government administration under the *Upazila* system.
2. Lack of fairness in the election of previous *Upazila* chairmen.
3. Absence of institutional accountability, particularly in the use of development funds.
4. Weakening of the *Union Parishad* through deprivation of its taxing powers.
5. Significant corruption in the use of *Upazila* funds.
6. Inability to prepare five year development plans.
7. Top-heavy administration relative to its development functions.

However, in retrospect, it appears that the *Upazila* system contributed significantly in urbanizing the rural *thanas* and in establishing the precedence for the government officials to work under the supervision of elected representatives. It also gave an opportunity to the elected representatives to understand and learn how the bureaucratic system works at the local level and how local development efforts could be improved and expanded. More important, the political space created by the *Upazila* system showed that it was possible to make the local government officials work under the supervision and control of an elected representative.

### ***The Fifth Phase: Revaluation of the Role of Local Government in Bangladesh***

*The Gap Between Theory and Practice* With the abolition of the *Upazila* system in 1991, the *Union Parishads* once again became the focus of development with the *thana* (reverted into an administrative unit) to approve and coordinate their development work under *Thana Nirbahi* (Executive) Officer (TNO). The local member of the parliament was to be an adviser in this coordinating process. There were some functional problems in this system.

1. In the past, the Central Government had given the *Union Parishads* a large number of functions (about 37 compulsory functions and about an equal number of optional functions) but without sufficient autonomy and financial support<sup>4</sup> to plan and implement development projects in the concerned areas. It was assumed that it was not necessary to give much funds to these unions from the Annual Development Program (ADP) because the task for preparing development projects was mainly retained by the Central Government. The responsibility given to the *Union Parishads* was mainly to help the Central Government officials execute centrally prepared projects in the respective local areas. Even under the *Upazila* system (when for the first time, responsibility for preparing a five year plan at each *Upazila* was given to the concerned *Upazila Parishad*), under the 'guidelines', the *Upazila* was authorized to approve the plans and the projects; but under the ordinance, the development plans were to be approved by the government. Further, the government provided block allocations as development assistance for financing *Upazila Parishad* projects, but at the same time, imposed some restrictions on the manner of utilizing the block funds. There was therefore, a need for clearly defining the autonomy of the local government institution

in respect of preparing the plan and utilizing government funds vis-à-vis the Central Government. With the abolition of the *Upazila* system, the autonomy for preparing a local level plan by the *Union Parishad* became further blurred.

2. The inadequate transparency and accountability in the process of allocation of wheat under Food for Work Programmes provided one of the major incentives for unscrupulous persons to contest elections for chairmen and members of *Union Parishads*. Frequently, it also made elections quite expensive.
3. The local government representatives usually did not like to utilize even the limited taxing power they were given for fear of becoming unpopular with the voters. Therefore, local taxes and non-tax revenue could at best finance only 30–40 per cent of the revenue expenditures of the local government institutions in most cases, not to speak of meeting the extra demand for funds for development.
4. The Central Government had always retained the control of the representatives of local government through the Ministry of local government and the concerned deputy commissioner. The ministry could dismiss the local government representatives on a number of grounds. There was hardly any effort to build up responsibility of the local government representatives to the electorates.
5. The role of the members of the parliament in local government remained unresolved. Frequently, a member of parliament felt that they were responsible for the development of their constituencies and as such wanted to play an active role as a development leader with adequate access to government resources for the purpose. The other view was that the members of parliament should limit themselves to their legislative role particularly in a country, which historically has become ripe for a second and even a third round of progressive social legislation (these historical dynamics have been explained earlier). There was also a third view that many of the elected representatives in Bangladesh have mostly become investors who would buy votes in getting elected and then would seek opportunities to recover their expenditures incurred and make more money for future investment out of their access to government funds. As a result, there was a strong demand for banning those who have corruption cases (including cases of loan default) against them from competing in elections.
6. The relationship between the civil servants and the public representatives remained tense. Under the *Upazila* system, effort was taken to sort out this tension by placing the former under the later. With the abolition of the *Upazila* system, the institutional mechanism for such conflict resolution weakened.
7. There have been historic debates on who—the civil servants or the ministers—should bear greater responsibility for corruption, nepotism

and graft. When politicians blamed the bureaucrats for these, their standard reply had been that government servants could not be responsible, responsive and accountable unless the ministers are responsible, responsive and accountable. The debate continues.

To overcome the above constraints at least partially, some efforts were made in 1996 to help prepare decentralized district plans with informal participation of people at the district level. The strategy was to send a number of government officials mainly from the planning commission to selected districts for collecting district data and organizing meetings with cross sections of the people for identifying development problems and projects under UNDP assistance. The meetings were presided by local political leaders led by the then state minister in charge for planning.

This exercise had two main limitations. First, the participatory exercise for development planning remained concentrated mainly at the district level. It did not start at the village and then move upwards to the district. Second, the experiment was in a project form and it lost its momentum with the change in government in 1996 (Planning Commission of Bangladesh 1995–96). However, the experiment strengthened the new demand of the local people to consult them in the process of formulation of the annual development programme.

### ***The Sixth Phase: Continuation of Experiments on Village Development Dynamics through Social Mobilization Outside the Formal Government Structure***

One important feature of development in Bangladesh has been that the demand for self-governing type local government institutions continued not only within the government but also informally outside the government. The *Swanirvar Gram Sarkar* initiated by Zia to build his support network at the village level and the CVDP format under the Comilla approach (that tried to integrate people based development at the village level with the local government institutions and local administration) have already been mentioned. There have been a few other isolated but innovative experiments in Bangladesh that have important lessons to teach in this area of making people more directly involved in local development. As an example, four such efforts are delineated.

First, the Batasan-Durgapur format.<sup>4</sup> This format evolved at Village Batasan-Durgapur in the Mithapukur *thana* of the Greater Rangpur district. This was one of the earliest (mid-1970s) formats of rural development in which people acted as ‘subjects of development’ led by a local social activist. The model showed that:

1. even without formal support of the local government institutions (which are alleged to be mainly in the hands of the local power elite who are not interested in people based development), people in a village can take important steps for development through their own informal organizations under local catalysts.
2. when people organize, they cannot only develop their own areas but also bring their 'own objectives of village development' on the surface which might have important implications for the national macro-economic planning. In case of Batasan-Durgapur, these development objectives were:
  - (a) 'No one should remain hungry in the village', that is, self sufficiency of village in food grains (the village was previously rice deficit; it was made rice surplus)
  - (b) 'Population growth rate to be brought down to zero' (substantially achieved)
  - (c) 'No one should remain illiterate in the village' (substantially achieved)
  - (d) 'No one should be allowed to remain idle in the village' (provision for employment for every adult which was substantially achieved)
  - (e) 'Police should not enter the village', that is, the village should be made crime free and/or all serious disputes should be resolved by a local justice committee
  - (f) 'The villagers shall not beg', implying that the utilization of local resources through self-help should be given priority.

The villagers did not have to publish these objectives for dissemination; they wrote the message on a tin sheet and hung it on the top of a tree for people to act on it.

The strategies for achieving the above objectives were also innovative. Their first step to initiate the village into such grassroots development was 'conflict resolution' by formation of a Justice Committee under one of the most respectable elderly persons in the village. He was a non-elite. He had problems to settle with the elite but the resistance could be handled by solidarity of the village organization. The second sensitive area was family planning. It was very difficult to mobilize public opinion in its favour during the early 1970s. The village organization first neutralized the religious leaders by insisting that the issue should be discussed inside the village mosque and by showing that it was not anti Islamic. Then, they mobilized the elderly ladies in the village for quietly supplying relevant inputs among the clients including the conservative households. In addition, they had organizational and educational campaigns to get the support of the youth. There was massive search for water for agricultural development, including digging of a large number of tube wells at the initial stage followed by sinking of two deep tube wells.

Second, the Dhamsona format (Rahman 1994): This experiment was made at the initiative of the district administration in the late 1980s at a union named Dhamsona at Savar *thana* in Dhaka district. The steps in the experiment were as follows:

1. A group of local young boys and girls were mobilized and trained to collect village statistics through a sample household survey format developed in consultation with the villagers. The advantage of such a collection of village data was that it could be more reliable and could also be corrected at regular intervals to introduce changes, if any (actually the data were continuously updated every six months).
2. The population of the village could be functionally organized (representing mainly the landless, marginal farmers, small farmers, large farmers, other professional groups such as weavers, fishermen and the like, and two other specific groups like women and youth) on the basis of the above data.
3. A village development committee was then set up representing the members of these functional groups. These representatives were then asked to form development projects/programmes for their respective groups.
4. The district administration organized some training for skills upgrading and more importantly, link these groups with the concerned *thana* officials (like the agricultural officer, education officer, engineer, public health officials), who would come to the union to help these groups facilitate the process of project preparation and implementation.

Under this action agenda, a large number of village youth (both males and females) were mobilized as ‘catalysts’ and the different functional groups responded enthusiastically in the task of preparation of project and programmes, mobilization of resources and implementation of these projects and programmes.

Third, the Bhitabaria Model: The above Dhamsona model came into existence during the 1980s. The case of Bhitabaria model came into the limelight in the 1990s. Here, the initiative was taken from the existing Union Parishad Chairman. Bhitabaria is a union in the Pirojpur district of Bangladesh. It consists of four villages. Thirty-three Village Development Committees (VDCs) were formed in this union covering about 80 to 100 families in each VDC. Each VDC had 11 members—one adviser (Union Parishad member, ex-officio), one coordinator (Union Parishad member, ex-officio), one chairman, one secretary, one treasurer and six members. The functions assigned to the VDC were mainly:

1. Economic development including poverty alleviation
2. Social development



3. Local resource mobilization
4. Improved governance

In the field of economic development, they mobilized mainly the landless poor and the unemployed for massive planting of fruit trees along village roads and distributing these plants to the poorest groups in the village at nominal charges.

The result was substantial additional income for the union as well as substantial economic benefit to the target groups. Another significant achievement of the Union Parishad was improved governance in the face of an increasingly deteriorating law and order situation elsewhere. This union mobilized the youth as night guards on rotational basis and used newly set up village justice committees for settling local disputes. In the process, an enabling condition was created for more effective functioning of the local government institutions.

Fourth, the Kishoreganj model: The above experiment of the Bhitabaria model took place within the conventional framework of the Union Parishad. A more holistic approach to rural governance, decentralization and poverty alleviation came subsequently from the Kishoreganj model. This experiment tried to revitalize the local government institutions with two main aims:

1. Development of local leadership and its empowerment at the grassroots
2. Improving the quality of life of the concerned people

There are also a number of other such experiments in different places of Bangladesh. Only a few have been mentioned above.

The most important thing to remember here is that the above experiments still remain disjointed. Their long-term sustainability is also under considerable doubt. They could not yet take firm roots and be used for replication. In evaluating the success/failures of these experiments, it should be remembered that there has been significant resistance to these efforts from the existing power structure that gets threatened by the potential capacity of these experiments to throw new leaders and empower the poor at the grassroots.

### ***The Seventh Phase: Bypassing the Resistance of Power Structures***

*The Emergence of Socially Responsible Third Sector Institutions* When social activists who have been helping the process of organizing and empowering the poor found that they had little chance of getting support from the formal local government institutions (by and large, the local government

institutions remained a handmaid of the Central Government for keeping them in power and distributing favours) and the formal financial institutions would not give the poor resources on ground of their inability to produce collateral, the obvious choice was to try to organize the poor outside the formal structure of the local government.

This realization eventually brought two important innovative financial institutions and an innovative NGO, among others in Bangladesh to the forefront. These are:

1. The Grameen Bank (GB)
2. The Palli Karma Shahayak (Rural Employment Support) Foundation (PKSF)
3. The Bangladesh Rural Advancement Committee (BRAC).

Along with these organizations, the activities of other NGOs like Proshika Manosik Unnayan Kendra and so on, also expanded in Bangladesh. The political space for this development widened considerably in the country with the fall of the military dictatorship in 1990. A brief description of the rise of these innovative institutions is presented here.

The Grameen Bank<sup>5</sup> came up with the idea that the poor are bankable (even though they do not have initial collaterals against which they could borrow money). If money could be loaned to them through an innovative process of group organization and group responsibility, the loan repayment rate could be very high. After a period of experiments that started in 1976, the Grameen Bank was formally set up in 1983. By now, GB has advanced small loans to about 3 million poor clients, mostly poor women, with a target rate of repayment of about 98 per cent, covering more than half of villages in Bangladesh at a rate of interest of about 20 per cent or more per annum. This performance compares very favourably to that of the formal financial institutions that give loans mostly to the non-poor at substantially lower rates (16.5 per cent maximum) of interest, but the loan repayment rate in their case frequently seems to be only around 60 per cent.

This highlights the basic flaw in the formal financial system in Bangladesh: In spite of the prospects of higher income, the formal financial institutions are not very interested to invest their funds in the rural areas among the poor. Rather, they have been transferring the rural deposits in favour of the urban areas on the questionable ground that the poor are not bankable. The fund so transferred can then be multiplied as per banking laws several times and be distributed mainly in favour of the non-poor, very often promoting significant rent-seeking both for themselves and for their clients. This discriminatory treatment of the poor worsens when the commercial policy depresses the prices of the primary producers at the farm gate. The situation can further deteriorate through a fiscal policy that shifts the incidence of indirect taxes heavily on the shoulders of the poor

(the share of indirect tax to total tax is about three-fourth in Bangladesh). In contrast, the Grameen Bank is owned by the poor. Its profits, therefore, would benefit the members. Further, the Grameen Bank pumps money in the rural areas and recycles it there. It believes that the most immediate need of the poor is credit to create self-employment opportunities. Therefore, unlike some NGOs which provide skill training and other organizational inputs before distributing credit, the Grameen Bank disburses credit before providing these inputs on the assumption that the poor know best where and how to invest their money. However, the Grameen Bank has developed a comprehensive social development programme outlined by the 'sixteen decisions' in order to promote social and financial discipline among the rural poor.<sup>6</sup>

The Palli Karma Shahayak Foundation (PKSF)<sup>7</sup> is another innovative organization that was set up by the government as a non-profit organization registered under the Companies Act in May 1990. Its main aim is to meet the requirement of increased credit for the organizations of the poor at the grassroots. It enjoys substantial autonomy. It has a mandate for undertaking wide range of activities aimed at poverty alleviation including capacity building of its POs. Its beneficiaries are classified into two categories based on their area of coverage and focus/dimension of activities. The large ones are under BIPOOL (Big Partner Organizations Operating in Large Areas) category and the small ones are under OOSA (Organizations Operating in Small Areas) category. Starting with only 0.006 million beneficiaries in 1990–91, its credit programme in 1999–2000 covered 2.13 million beneficiaries. The total cumulative amount of loan disbursed by PKSF was BDT 7,937 million through 177 POs as of June 2000. PKSF's lending rate varies from 3–5 per cent for small POs and 5–7 per cent for large POs. It allows its POs to charge a minimum of 16 per cent lending rate so that they can become operationally sustainable. Government gives it donor funds on condition that its loan repayment rate is maintained at 98 per cent.

In addition to the above two innovative institutions for financing the credit needs of the very poor, the activities of the NGOs have also expanded rapidly over the last two decades. In fact, the PKSF has been set up mainly to meet the financial needs of the rapidly expanding NGOs.

The emergence of NGOs as 'development catalysts' in Bangladesh in its present form is usually traced to the difficult periods of 1970s when the problem of economic and social reconstruction combined with destructive floods made the lives of the Bangladesh poor more difficult. The initial thrust of the few NGOs that came to help people at that time was on relief and rehabilitation. Gradually, they realized that the poor needed access to credit, other inputs and training for their long-term survival. In the late 1980s and early 1990s, therefore, NGOs expanded rapidly, particularly with microcredit. Initially there was a lot of suspicion on the intentions of the donor financed

NGOs, particularly among the government officials. Subsequently, however, the government realized that it was not possible for it to move to remote areas with its social service programmes, especially in the fields of education and health, and therefore it would be advisable to use the more reliable NGOs for this purpose. As a result, the NGOs have been working both jointly and/or under contract in many places of Bangladesh with the Central Government, particularly in the implementation of the programmes of the social sector. The NGOs in turn have formed their own central association named as the Association of Development Agencies in Bangladesh (ADAB) (ADAB 1994), to reduce overlap and increase effectiveness of their programme. The government has also set up an NGO affairs bureau in the prime minister's Secretariat and a consultative committee under its leadership to increase cooperation between the government and the NGOs. Among the NGOs (their number is now over 1000), the largest 20 account for most of the donor funds. There are, however, two main problems that NGOs still have to face: The heavily foreign financed NGOs are apprehensive that they may not be sustainable when the donor funds dry up. The smaller NGOs do not even get the donor funds. They have to depend on the government or local resources, which often are insufficient. As mentioned above, the PKSF now provides substantial credit to both large and small NGOs for meeting their growing requirements in the rural areas.

Further, there is also an apprehension that if bureaucratic control is imposed on them, it might end their flexibility and effectiveness of operation in the field.

The other view is that there is now better understanding about the relative roles of the government and the NGOs. Indeed at present, in some areas like education, health, social welfare, government agencies and NGOs have been working together under various arrangements like contracts, joint ventures, and so on. However, a number of new concerns about the NGOs have also grown in recent years such as:

1. With greater capacity to expand microcredit programmes, are the NGOs shrinking their activities in the areas of social services like health and education?
2. With increase in their scale, are they also becoming more bureaucratic in operation at the cost of their solidarity with the poor?
3. With their current involvement in 'doing business' in favour of the poor, how far would they remain reliable for promotion of the task of 'social mobilization'?
4. With the current concentration on their economic role, are they getting increasingly involved in some kind of banking function?

In the context noted in the fourth point above, it was observed by the Credit Development Forum (an umbrella of NGOs) that by 1998 (Jackelen Unpublished).

The top NGOs in Bangladesh have close to \$50 million in savings accumulated from clients. Without counting Grameen, a registered bank, a rough approximation would allow an estimate of some \$100 million in total savings by the 200+ organizations conducting these services. In its totality these 'savings' are raised as conditions to loans and as such cannot be considered voluntary savings. There is a growing belief on the part of many observers that the pool of untapped savings in the country is vast and that even with the poorest there is the potential for building appropriate savings products. At the same time there is the growing concern that the mechanisms for governance in this rapidly growing NGO market leaves something to be desired. (Credit Development Forum 1998).

For obvious reasons, the Central Bank could not allow the NGOs under their present charters to act as banks even though in the microcredit programme, sometimes the rural poor might prefer the NGOs to commercial banks for depositing their extra savings. A committee recently set up by the Central Bank has discouraged NGOs from playing such a role.

In spite of the foregoing debates, the NGO-government relationship, particularly NGO-local government relationship is becoming more important particularly in the context of poverty alleviation. Very little information is available on how NGOs are handling their relationship with the local government institutions. Even where some information is available, the attitude of local government representatives towards the role of NGOs seems to vary a great deal from reasonable co-operation to considerable suspicion. In recent years, this complication seems to have increased, particularly as some NGOs now believe that along with microcredit activities, they should significantly get involved in the task of 'empowerment of their clients'. Presumably this would enable the poor to capture at least some seats in local government institutions by participating in local elections and for subsequently voting their 'supporters' to the Parliament through more organized participation in the 'national election'. Needless to say, such efforts increase the tensions between the NGOs and the local government representatives. At the same time, the NGOs and the local government representatives are coming closer in a few instances through the very dynamics of social mobilization at the village level. A good example of such convergence is seen in the case of BRAC. It has now moved in several directions as a multinational player.

While the above development for decentralized planning has been taking place at the micro-level, what has been happening at the macro-level in Bangladesh? It can be seen that the above dynamics of the poor (to be treated as 'subjects of development') could not be accommodated (except partially) in the various planning models that the government has been trying to use for macro planning. On the other hand, 'a paradigm shift' in

development thinking at macro-level has occurred silently out of the struggle of the poor during the last decade to meet the challenges of the day.

In the event of a slowdown of the above dynamics, the role of NGOs could become somewhat more important. They have been contributing substantially in organizing the poor at the grassroots with focus on microcredit. In the above context, a more important question is: Are the NGOs still serious about their solidarity with the poor or are they showing greater preference for running mainly as business concerns, particularly for greater self-reliance?

The answer may not be simple. It has been partly discussed earlier. The situation may vary across places and NGOs. The Grameen Bank has cautiously kept its role limited to banking function in the area of microcredit. It considers social mobilization largely beyond its scope except to the extent necessary for organizing the clientele groups for its innovative credit delivery system. The PKSE, by and large, shares the same outlook. It has substantially increased its support to partner organizations for improving their organizational capabilities, mainly for increasing their efficiency in the delivery of microcredit, but not for social mobilization type movements. In such a situation, how would the social dynamics that the poor in Bangladesh have been demonstrating at the grassroots be handled? Foreseeing such a problem of ownership of grassroots dynamics of development of the poor in Bangladesh as early as September 1980, the following questions were placed before a policy seminar session of the members of the Cabinet presided over by the then President of Bangladesh: When the people in Bangladesh would be able to organize themselves at the village level and start planning for themselves? Would we be able to integrate these plans at the union, *thana* and district levels? Would we be able to integrate this bottom-up process of planning with the top-down planning process of central ministries at the national level?

While raising the above question, it was also suggested (1980) that in the above eventuality, the character of the central planning process had to be substantially changed with focus on promoting people-centred development by converting government functionaries, both political and administrative, as catalytic agents of change. The problem of needed transition from a bureaucratic to a people-oriented development could be sidetracked in the 1980s on the observed ground that the demand was largely premature, but today the situation is different. Bangladeshi villages are now divided into two broad categories: The relatively more organized villages where social mobilization has been in progress, and the villages where such organized social mobilization efforts are largely missing. The poor in the former villages are demonstrating that they are not only in a position to absorb more development resources from outside (the government and the NGO funds), they are also able to formulate and implement development programmes on their own as 'subjects' (as against being 'objects') of development.

The foregoing case study demonstrates how the poor people in Bangladesh could emerge with dynamics of their own in favour of participatory development and governance for historical and other reasons. It has also analyzed how various opposing forces have been trying to obstruct this growth and how the poor have been struggling to overcome these barriers. However, the overall situation now seems to be in favour of the dynamics of the poor, as is evident from the few examples of 'village development from below' cited above (among many others, namely the Comilla approach from 1960s onwards, the Swanirvar movement and the Batasan–Durgapur format during late 1970s, Dhamsona format in 1980s, Bhitabaria and Kishoreganj experiments in 1990s). In recent years, these efforts are being reinforced by the microcredit experiments of the Grameen Bank, PKSF and various NGOs. These efforts are also being complemented by the initiative of some government ministries/agencies in formulating and implementing some central projects with strategies based on grassroots organizations. Together, they give some indication on how the poor people have been demonstrating their readiness for becoming 'subjects' (as opposed to 'objects') of development in Bangladesh.

In order to meet the challenge of poverty alleviation within a time bound frame as recommended by Dhaka Declaration on Poverty Eradication (1993), there has to be a reversal of resource transfer in favour of the poor along with consolidating and expanding the pro-poor dynamics at the grassroots through decentralized governance backed by further social legislation. Viewed from this perspective, the emergence of the new paradigm of development with focus on a new kind of 'governance' based on 'a new social contract' with the explicit recognition of the 'efficiency' of the poor in 'resource use' and their 'rights to resources and information' deserves immediate attention and compliance. This chapter ends with a note of caution: With the existing levels of awareness of the poor about the role they are destined to play in development and governance in this country, there cannot be a return to the status quo anymore.

## NOTES

1. The Grameen Bank in Bangladesh played a pioneering role in highlighting these grassroot concepts of development.
2. There were two main models of *Gram Sarkar*. In the *Kushtia Model* the *Gram Sarkar* at the Village level was linked to the *Union Parishad* through the *Union Parishad* Member representing the villagers. In *Sadullahpur Model* the *Gram Sarkar* at the village level functioned more or less independently of the *Union Parishads*.

3. To understand the background research base of the *Upazila* system, see Ali et al. (1983).
4. For more detailed discussion on the financial problems of Local Government Institutions in Bangladesh, see Blair (1989).
5. See Ali (1981). The name of the social catalyst in Batasan-Durgapur was Nur Mohammed Mondol.
6. For a critical review of Grameen Bank, see Khandker et al. (1995).
7. Khandker et al. (1995): 12. These 16 decisions included four principles—discipline, unity, courage and hard work. Others are—bringing prosperity to family, better housing, plantations, improved education, health, sanitation and other similar indicators.
8. For information on PKSF, see Palli Karma Sahayak Foundation (2000).

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## Postscript

### TOWARDS A NEW SCHOOL OF THOUGHT AND A NEW SOCIAL CONTRACT

Viewed in the context of learning and unlearning reflected in the earlier parts of this book, the fundamentals and values for linking economic democracy and political democracy on a sustainable basis requires:

A new school of thought for a transitional political strategy, where the poor and marginalized are subjects, not objects in a process where they also contribute to sustainable growth and accumulation at the base of the political economies. This transitional process based on the efficiency of the poor will then leave only a residual number of poor to be carried by welfare, safety nets and charity until they too can be brought into the mainstream of development in wider human terms, in keeping with their fundamental human rights.

The material basis for this assertion is provided from the 'success cases' on the ground and the new social movements analyzed. The papers illustrate transitional macro-micro strategies and practices and processes underway in the five different countries within South Asia. These cases bring us back to the need for continuous interdisciplinary action research and the drawing of further lessons from the ground, for identifying and refining rational micro-macro policy options for sustainable development with equity, security and human rights in broader terms, along with more sophisticated knowledge management using state-of-the-art scientific methodologies and praxis.

A critical component that reinforces this need is a new social contract between the state and the poor in South Asia. This social contract is the only instrument that can help regenerate the trust that has been eroded between South Asian states and the people, particularly those who are poor. The new social contract goes beyond the old social contract between management (public or private) and labour, the Keynesian consensus which led to the welfare state, the current discussions in SAARC on a social charter (with microcredit,

improved delivery of services, and so on), which are dependency creating and not sustainable. This new social contract is a political contract that combines good governance with political and economic democracy, thereby ensuring security and human rights, including the right to protection. It is envisaged that this social contract incorporates culturally relevant values such as sharing and caring, right to food and right to work, as well as, non-predatory behaviour towards nature. Unlike the old social contract, which was engaged in anti-colonial struggles, trade union action and political parties, these new social movements represent a new group of actors interested not so much in capturing state power but in creating countervailing people's power where a participatory democratic society is a persistent quest.

The questions that are relevant are: Can these social movements and the successful micro experiments taken together pave the way towards greater coherence and sustainability? Is there sufficient political 'space' for such an orderly and manageable micro-macro transition in South Asia? Are the contradictions within South Asian society being further sharpened by these countries being incorporated into a global system in which they have no power?

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