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Letters to the Editor

Illuminating Lessons

I was most interested to read the article Water Women (NewsReach August 2001). It confirms some of my own findings, contradicts others and generally teaches me a great deal. I am attempting to assist some communities to take over the management of some very large lift irrigation (LI) schemes along the Krishna River in Andhra Pradesh. These have been lying dormant for several years because of mismanagement by the state government. The concerned farmers are now allowed to take over and run these schemes.

The situation here is very different since the command areas of the schemes often cover over a thousand hectares and most critically, the pumps are powered by electricity. This is much less expensive than diesel, particularly at the heavily subsidised tariffs that farmers enjoy in Andhra Pradesh. But sadly, electric power is more a matter of politics than economics. Many of the attempts to revive the LI schemes have failed mainly because politicians make unrealistic promises of waivers and grants which discourage the farmers from raising the necessary funds themselves.

The success of the women in Chotanagpur demonstrates a number of vital points apart from the obvious but often neglected fact that women are almost always better than men at any form of group management. The following 4 points struck me as particularly significant.

- Economies of scale are important in the technical design of any project but there are also important diseconomies of scale in management. Small is beautiful. It is not an original conclusion but needs to be regularly restated.
- Small projects are of little interest to politicians since each one is worth so few votes. In a highly politicised situation, this is one of the main arguments against small-scale.
- SHGs are an excellent training ground for management but it is usually not a good idea to ask a self-help group (SHG) to manage additional activities as well as their quite complex savings and credit operations. I was with a community electric power distribution management committee in Kalahandi in Orissa last week. It was one of several thousand that we have set up in the last year or so but this comprised only of women members. I asked the women whether they were also members of an SHG. They said that most of them were but that they carefully avoided over-burdening one group with several tasks. They set up new groups for each task.
- The financial management of an activity needs the same ingenuity as the technical design. The coupon system is great.

I also have a couple of questions. First, you say that in one case the operator took the scheme over as if it was his personal property. Might this not be an alternative approach if group management was for some reason unfeasible? If the operator actually was the owner and had made

a personal financial commitment, might he (or she) not run it just like any other village business, serving customers and his own interest together? Secondly, Chotanagpur is a mainly tribal area. I believe that tribal communities are far ahead of non-tribals in their treatment of women. Would it be feasible for women to manage irrigation in a more typical non-tribal community where they are oppressed in so many ways?

But congratulations on what you have achieved and what you have taught me. I hope that many more such schemes come up and that the experience is brought to the attention of as many people as possible.

Malcolm Harper, Emeritus Professor of Enterprise Development, Cranfield University, UK

Sharing Core Values

I read Neelima's article Enigmas of Professional Action (NewsReach August 2001) with a great deal of interest. I think she has raised very pertinent issues about the unfinished agenda of Pradan: that of providing professional assistance to grassroots development efforts and on professionals in development. Looking back, I think Pradan withdrew from action consulting not because it was no longer an issue but because it could not handle it. In fact, like Neelima, I too find it has a lot of relevance even today.

I agree with her in that the assistance should not be seen in a limited techno-managerial perspective. The approach has to be more holistic. The starting point is the organisation's leadership. The whole exercise has to be done from the perspective of the leadership. Over a period of time an external consultant also brings her or his professional inputs and values to shape the perspective of the leadership and the organisation in an interactive way. This is the value addition by the external resource person. The external consultant strives to bring greater effectiveness in the organisation and greater relevance of the organisation to the society. I do however believe that the external development consultant and the organisation's leadership have to share some common core values for the relationship to be lasting and fruitful. This is the non-negotiable element if one may say so.

I would also like to add that the development profession has not yet reached maturity and acceptance in the way other professions like medicine and teaching have. Hence, professionals in development face a mid-age crisis when children grow up and begin to question their parents on what they are doing. The entry-level crisis, when peers and relatives ask the same question, is easier to deal with, when it involves a rebellious stance to mainstream vocations.

The trick may perhaps be to re-ignite the rebel and reinforce the commitment at mid life. At another level, it seems enough to me if someone has put about 10 years in grassroots action. It would be more desirable to move on to support roles that are equally valid for nurturing grassroots action by the younger set of development professionals.

Vinod Jain, Pradan Alumnus, Lucknow

A Gathering of Guides

The Field Guide's Forum is emerging as a robust assembly for field guides to hone and reinforce their skills

Dibyendu Chaudhari

In the beginning of August 2000 I got a telephone call from Arnab. It was a year after I had completed the 4th phase of FGDP (Field Guides' Development Programme) in June 1999. I was in the first batch of 15 field guides to graduate from the FGDP.

Arnab told me that we were organising a meeting at Ranchi for people who have completed all the phases of FGDP. I was asked to join the meeting.

When I asked the reason for the meeting, he answered that we would discuss the effect of FGDP in human life. I thought it would be an interesting topic for the meeting, which Arnab said will be facilitated by Deepankar and Sukhvarsha. I thought they would come to see the output of the 4 phases and would try to ascertain the effects of the programme on us.

The meeting was scheduled for August 13-14. On the 14th Arnab and I reached Ranchi at 9 in the morning. The meeting started at 10 am at our Ranchi office. The 14 participants were Soumen and Manas from Ranchi, Sujata from Khunti, Kirtti from Gumla (presently based at Jamshedpur), Jibdas and Rajesh from Dumka, Saroj (now based at Chaibasa) and Madhab from Godda, Abhijit from Barhi, Anil from West Singhbhum, Ajaya from Lohardaga, Jui from East Singhbhum and Arnab and I from Purulia.

Support System

All participants in the meeting agreed that we needed a forum to sustain the learning from the FGDP. Although people would be

practising the principles in the field, we felt that a support system was required to monitor future growth.

We then discussed the objective of the forum. Obviously it had to be at par with the objective of the FGDP. We decided that the forum would be utilised for self-development and all kinds of human interactions, particularly the relationship between the guide and the apprentice. We also debated on what we really wanted to discuss on self-development and interpersonal relationship development.

We also discussed topics such as balancing between introversion and extroversion, difficulty in accepting others as they are, too much responsibility on self, communication problem, lack of skills in giving feedback and lack of skills in helping others. We felt that since these trouble most of us, we need to address these issues. But could this proposed forum provide that opportunity?

Till then I had a notion that Deepankar and Sukhvarsha will always be there to facilitate. We would come with some issues related to self and interpersonal relationships and they would facilitate the forum to deliberate on and help find a way for a better and meaningful life. But they made it clear that they had come only for the first meeting. If we wanted to continue this forum, we had to do it on our own. A couple of us could facilitate

We decided that the forum would be utilised for self-development and all kinds of human interactions, particularly the relationship between the guide and the apprentice

the meeting and a couple could provide logistics support.

The facilitators would design the whole meeting. I thought it would be difficult for us to facilitate this kind of sessions where a different kind of atmosphere, trust and confidentiality is required. I thought it was not possible without skilled persons like Deepankar and Sukhvarsha. Ultimately we decided to conduct 3 meetings, after which we would review whether those had been purposeful or not. We would then rethink about continuing the forum.

The next day participants tried out the facilitator's role. Two sets of facilitators conducted 2 sessions. Ajaya and Jui comprised one set and Sujata and Manas the other. The facilitators designed and conducted the sessions. As the sessions were only 2 hours long, it was difficult to sustain intensive discussion. But we gained some idea about facilitating such groups. We learnt how to set an agenda, what process to follow in order to generate data and to intensify discussion and what factors to keep in mind while designing the meeting.

Role Playing

We also got some practical experience on that day. For example, one set of facilitators designed 'role-playing'. A person played the role of apprentice while the other played the role of his guide. They were asked to interact. There were animated discussions after their interaction. Some felt that the apprentice was not properly represented in the role-playing. Somebody said that the guide was feeling pressurised because he was performing in front of others.

The practical experience we gained on that day on the uses of different tools for gener-

ating data, practising skills and giving feedback ultimately helped us to design the next meetings. Earlier we had seen Deepankar and Sukhvarsha jointly facilitating a session. This time we got a chance to practice it.

The apprentice facilitators faced some difficulties in the first session. It looked like one of them was facilitating and the other was helping that person. We raised the issue and discussed ways to facilitate jointly. In the next session the facilitators divided responsibility among them and could jointly facilitate the sessions.

I remember there was a long discussion about giving a name for this forum. Somebody proposed that the forum should have a name. So people started generating names. We could generate around 20 names which included Atmamanthan, Follow-up of FGDP, Trained Guide's Meet, Inter Action, SADHU (Self-Advancement for Helping Us), SIDDHI (Self-Improvement to Develop the Depth of Human Interaction), Field Guide's Network and Network on Helping Relationships. Although SIDDHI and Network on Helping Relationships emerged as frontrunners, we could not reach a consensus on the name. But gradually people started to call it the Field Guide's Forum (FGF).

On the 15th we fixed dates for the next 3 meetings. We also decided that each meeting will last one and half days because we felt that investing more than 2 days, including travel, was not sustainable. For the next meeting Madhab, Saroj, Jibdas and Rajesh took on the responsibility to facilitate. According to all the participants, they were to design the meeting in such a way that they themselves could participate in the discussions. We decided to meet in Ranchi on October 30.

In the meantime I became guide to an apprentice. This was my first experience after completing the programme. While guiding I found that I needed to develop skills to write feedback. We had learnt some related skills in the last phase of FGDP. We had learnt how to attend to someone who has come to share something, how to listen, how to respond, how to personalise it and how to help the person to prepare an action plan so that he could come out from his dilemma or problem. I faced difficulties in some of these skills and expected that FGF would help me in this area. Some of my expectations were fulfilled in the next meeting itself.

In the next meeting I got an opportunity to learn about how to write feedback. The facilitators had already collected a report of an apprentice. We read it and then tried to write a feedback to that report. We then sat in small groups and discussed each written feedback.

The Spirit of Feedback

The apprentice should get the feeling that his guide had made a genuine effort to understand the report. Wherever the guide faced difficulties in understanding the report, he or she could ask the apprentice to make it clearer. The objective of the feedback should be raising issues and questions, which would lead to more exploration on the part of the apprentice.

We should also keep in mind that the written feedback is not an evaluation sheet of the periodic report. This discussion helped us to see the written feedback in a different way. For example, when we found that some portions of the feedback were evaluative, we re-framed the sentences to be non-evaluative. That was the whole spirit of the feedback.

The most interesting thing about the second meeting was that we had been able to address, practice and deliberate on such issues without Deepankar and Sukhvarsha. After this meeting I took to writing the feedback in a different way. I could see a sea change in my way of writing feedback. Earlier my written feedback used to be more suggestive and in some instances, evaluative. But now I consciously tried to follow the concept that was discussed in the meeting.

Although from the very first meeting it was clear that this forum was meant the guide's development, we did sometimes get into discussion about the apprentice's development. But we tried to keep the focus on guides. After the second meeting I began to see the forum as a collection of people who are in a helping role coming together to get help and reinforcement from each other so that they can perform better.

Sharing Cases

In that meeting we also discussed some part of the review system. While discussing the review system something came up that can be called the turning point of the forum. While talking about effort one guide shared a real-life case which sounded very lively to all of us. We considered this "sharing of cases" a major element in all our future meetings as they were based on real experiences. It would be easier for others to help some one by providing feedback for his particular behaviour. Others too could learn from a successful case.

In the next meeting that was held on January 5-6, 2001, at Deoghar, Arnab and I got a chance to facilitate. Although we had 2 months time to design, we ultimately did it just a few days before the meeting. Arnab

and I decided that in the next meeting we should get a chance to practice skills such as attending, responding, personalising and initiating. While designing the meeting we asked for advice from Dinabandhu. He suggested that participants should feel that they were getting something for their own from the meeting. We tried to design the meeting keeping that factor in mind.

In that meeting all participants got a chance to play the role of a guide and an apprentice. All 'apprentices' shared a case to their respective 'guide'. The case was to be about an interaction with any human being, which had till then a deep impact on them. After that they shared why they had selected that particular case.

On the first day there was one 'guide', one 'apprentice' and 2 to 3 observers in every subgroup. The 'guide' would attend to the 'apprentice', respond, personalise and try that the 'apprentice' prepares a plan of action. While doing this all of us found that it was very difficult to do counselling in front of observers. The 'apprentices' found it difficult to open up in front of observers.

So on the next day we decided to repeat the exercise without observers. It was a great experience for me. While I was playing the role of 'guide' my partner started with his issue that was bothering him. I attended to him and responded with feeling. As the discussion progressed I also started raising issues. My partner found that what he shared at first was only the surface of a deep-rooted problem. Then I tried to help him to formulate an action plan to overcome the situation. We made an action plan but both of us realised that this action plan was made in hurry and would not be very effective. Actually we needed more time for that. In a

real situation this discussion would take several days.

As an 'apprentice' I found that just by getting a person who would listen to me eagerly and could relate to me, I could tell him everything what I wanted to say. When he started raising issues and questions, it helped me to clarify my doubts. In this case also we tried to make the action plan as if it was our ultimate output.

While presenting their experience almost every group felt that this desire for an output was not proper. Attending and responding was comparatively easier than personalising or initiating. The forum wanted a more intense understanding on this issue. We thought about calling some outsider who could help us in this regard; one who might show a different way of looking at the whole thing.

At the end of the meeting Arnab and I got suggestions from the forum on how to improve us in the role of a facilitator. People pointed out our faults and gave suggestions to overcome those. It was useful for the next set of facilitators too so that they would not repeat the same mistake in the next meeting.

Soumen and Manas were selected as facilitators for the next meeting. Since we had decided to invite experts, Soumen contacted Deepankar and Sukhvarsha for their suggestions. I forgot to mention that we had an unwritten law that the facilitators for the next meeting would be the office bearers for the time between the meetings.

Is the Guide a Counsellor?

On the last day of February Soumen issued a letter to all forum members. This was in connection to his letter to Deepankar and

Sukhvarsha regarding their help in understanding a helping relationship. Their reply was attached with his letter. They suggested that we should not be too bothered about personalising and initiating. Rather, if someone among us had some positive experience regarding these, it could be shared in the meetings. They also raised a question: How did the forum visualise the relationship between a guide and an apprentice? Was the guide a counsellor?

In the forum and in FGDP workshops we had discussed about the relationship. This relationship, we had discussed, was like friends and co-travellers. We never thought of the counsellor role. In the letter they also suggested that we establish a co-traveller kind of relationship with the apprentice. About counselling, they wrote that it was not merely a technique or skill. It is an art that needs a certain kind of quality.

Our next meeting was held on May 3-4. Manas and Soumen came up with the design that 2 persons will share their experience of guiding their apprentices. Anil and I wanted to make the presentations. The participants decided that I would discuss the first phase of apprenticeship and Anil would talk about the second phase.

In my presentation I focussed on the decision making process of my apprentice. There was a discussion after my presentation. Since most of the time is spent in villages in the first phase of apprenticeship, we discussed more about it. The role of field guides and their availability to the apprentices were the main issues around which the discussion was held.

Next to present was Anil. He made a presentation up to the ninth month of the appren-

ticeship. The major discussion on the presentation revolves around giving assignments to the apprentice.

It might be questioned that all these discussions and presentations can be done at the team level. So why have another forum for it? First, in the team meetings we discuss several types of issues. Most are field related work and experience, targets and achievements. So it is almost impossible to talk only about interpersonal relationship issues in one team meeting.

Secondly, I have noticed that in a team the kind of assignments the apprentices were getting in their first phase was almost the same across time. So when the guides got an opportunity to hear from others, they had different ideas. They also got a chance to revise their design when other people questioned their assignment. This was not possible in team meetings.

In the meeting we had long discussions about knowing, being and doing. We also discussed where we should focus while giving assignments. This discussion provided me more clarity on these issues. We also discussed taking in some new members, especially women members since we did not have any in our group. We decided to invite Dhrubaa, Mousumi and Nityananda for the next meeting.

The next meeting was held at Ranchi on July 14-15 where Kirtti and Anil played the role of facilitators. But due to some communication gap between the facilitators, the new members were not informed about the meeting. We invited Nivedita for this meeting. She wanted to join the meeting for updating the HRD unit. It was a short meeting this time. Some orientation about the apprenticeship

programme was going on at Ranchi. We started after the end of that programme and could continue till afternoon of the next day. Only Rajesh could get time to present his experience of guiding an apprentice.

Here and Now

From the July meeting onwards we consciously started using this forum as a mechanism for confronting or getting and giving feedback for different behaviour and action on a here-and-now basis.

We also took a decision that we would prepare a guideline for this forum. Jibdas took the responsibility for preparing the draft. This article is also a result of that meeting. We decided that others in Pradan should also know what we have been doing in the name of FGF. I was given that assignment.

The FGF is more than one year old now. In the first meeting I thought the group would be short-lived because I did not learn much from that meeting. But the next meeting was exciting. I got something there for myself. But Jui stopped coming after the first meeting. Besides her, Sujata is the only person who stopped coming to this group after leaving Pradan.

In the first meeting we were 14. Now 12 remain. The average attendance is 10-11 per meeting. This is a voluntary group. The organisation will not question if you do not attend. It shows that the participants are benefiting from this.

I can say confidently that I have benefited from this forum, particularly when I was guiding my last apprentice. I drew help from our forum in designing the assignment, spending time with him in the field or in his room, trying to understand him and helping

him to take decisions.

Besides our retreat, there is no smaller forum where people meet regularly. Earlier we used to have thematic forums. Maybe that is why we have started liking this forum so much. Members of this forum have become very close to each other. So when somebody threw up the idea of breaking this forum into regional forums with other members, we could not agree to that. Do we want to form a close group where there is no transaction with the outside world? We discussed this issue in one of our meetings.

Our colleagues who have completed FGDP are also willing to join this forum. Somebody has even said that they would form a forum at their place. So we have decided to invite some new people for our next meeting. If they find it interesting, they might join us. We could also facilitate other regions to form their own groups.

Editor's Note

Entry into Pradan is primarily through our Development Apprenticeship programme. Open to university graduates with 16 years of education, the selected candidates participate in a one-year apprenticeship programme. Joining rural grassroots work is swimming against the social current and bearing with hardship and isolation by choice. Coming to terms with these early in one's professional life is critical as it sets the stage for the future. Therefore the first core objective of the programme is to help newcomers plan for the next few years as a development worker.

Most newcomers have not had an opportunity to pick up practical skills and the per-

spective needed by effective development workers. These can only be acquired through guided practice in the field and continual reflection on one's experience. Therefore, the second core objective of the apprenticeship is to provide opportunities to learn through guided practice at the grassroots.

The apprenticeship programme is centred on the idea that we all learn these under the tutelage of somebody else. This 'somebody else' is perhaps a person who has seen and lived life circumspectly, reflectively and humbly. In short, somewhat more maturely.

This evolving sense of maturity may involve not only earning one's stripes in terms of personal accomplishments and experience, but also greater awareness of processes within and without, of having an urge to be a worthwhile member and contributor to social and other processes around oneself, as well as a need to leave some part of oneself behind in the hands of others who would 'carry the torch' long after one is gone.

Such a person attempts to pass on to others what she or he has learned by a process we call guiding. This encompasses a broad range from a vision of how things should be or will be to all the way down to the details of the steps one may need to take to move towards that vision.

Pradan's inspiration and initiation had these processes built into the organisation in the early days. Seniors used to invest considerable time and pay attention to the professional, developmental, emotional and physical adjustment related issues of new entrants.

With the growth and spread of Pradan's projects and the departure of some of the sen-

iors, the responsibility of guiding gradually shifted to a younger lot of professionals. It was now well nigh impossible for a few seniors to devote the kind of attention necessary to groom new entrants. At the same time, intake of young professionals had increased substantially during the past few years.

The Field Guide's Development Programme has been conceived to bridge this gap in providing meaningful guidance. Its aim is to help the guides sustain and further their own personal development, so that in turn they would contribute to the lives of those who join afresh the field of rural development.

Our HRD consultants, Sukhvarsha Roy and Deepanker Roy have developed this programme for Pradan professionals working as facilitators and trainers to members of the community as potential entrepreneurs. Integrating the learning acquired into practice and honing the relevant skills requires conscious practice and reflection. The experiences of 12 field guides who came together to form a Field Guides' Forum has shown us one way to do this.

Agrarian Approach

An alternative approach to enhance livelihoods

Dinabandhu Karmakar

PICTURE THIS: A development professional who has worked with Pradan for 5 years is willing or asked to take a Rs 10 lakh 'loan' to meet the credit needs of target families to practice intensive agriculture in 5-10 villages. These villages would have irrigation infrastructure catering to at least half an acre of land per target family. The project objective would be to make 200 families self-sufficient in food grain. The project would also generate enough surpluses to repay loans at 12% interest and sufficient savings for inputs in subsequent years.

The change agent would also have to ensure that the target families would not require further loans to maintain a similar level of family income after a specified period. Rather they would be expected to go to banks as they would be confident that they could earn enough to repay and save. Banks would also be exposed to the creditworthiness and risk-taking abilities of the farmers and their potential to generate income out of intensive agriculture.

This might seem utopian to an executive in Pradan, as the scenario is fraught with questions. Is it possible to meet a family's annual food grain need from half an acre of land by just providing a Rs 5,000 loan? Will such an investment yield results with existing agricultural practices? If it is an achievable task then why aren't the families doing on it their own? Why should Pradan provide the loan? Why not mobilise credit from banks through our self-help groups (SHGs)?

There are bitter experiences aplenty with most of us. We have used revolving funds in

many LI (lift irrigation) villages but the farmers ended up not repaying. There is also the ever-present fear of the farmers failing to generate projected incomes to repay loans.

There would be many more such questions. It is not the purpose of this article to answer all of them. Rather it is to find out whether there are any professionals in Pradan ready to take up a challenge like this. If you as a Pradanite feel interested enough in such a project, please share the idea in your project villages and get their response. Do the necessary calculations and rework the credit needs.

Attitude towards Agriculture

During the last consultative forum meeting (CFM) most of us expressed concern at the sporadic attempts by our teams to improve agricultural production among the people we are working with. This might be happening because we do not have a thematic programme on agriculture.

For example, we assume that livelihoods would emerge out of our SHG or watershed development programmes. But we had not considered livelihoods as primary output when we had designed these programmes. The expected outputs were credit generation, land treatment and creating water bodies.

Ten years ago we thought that applying fertilisers and other intensive inputs made no sense without creating access to water in the field. So we worked on providing irrigation. In those days there was enough experience that harvests were better when irrigation was assured. We thought at that time that irriga-

tion infrastructure was the critical input in the production system of the communities we worked with. But within a short time, installing pumps and pipes became a product to be sold to the community. Gradually we discovered that many communities were provided only irrigation infrastructure but the missing inputs were not just irrigation. Now when we measure the impact on livelihoods, our output fails our expectations.

When we look at livelihoods of our SHG members in most areas we work in, we realise that more than 70% of our target families are primarily dependent on agriculture. These families could directly benefit if we were to intervene in the agriculture production process to increase yields 2 to 3 times. If this assumption holds true then should we not try understanding what is holding us back to realise this potential?

Presently most of our agricultural intervention has remained limited to distributing paddy seeds in the Kharif season. We also intervene sporadically in winter in the command area of lift irrigation (LI) schemes. Our Kharif intervention is based on the hypothesis that a change in variety would ensure better yields to farmers. We see it as a one-time investment that would provide long-term benefit to the people.

Two different situations emerged in the last CFM. First, we have promoted many LI schemes, yet the potential of the land to meet poor people's needs remains largely untapped. Secondly, we have tried to address livelihood issues after promoting SHGs in rain-fed areas without considering all the factors that may render our intervention vulnerable and even futile.

We promoted LI or gravity flow irrigation

assuming that once irrigation is available to farmers, they will take up agriculture as their primary occupation. But with poorer communities this did not happen and people did not respond adequately to our intervention. In most cases the missing inputs were more than just the availability of water.

In successful irrigation sites too our intervention remained limited to promotion of some cash crops in winter. We focussed more on the economics of the crop and not on family economics and failed to relate to the families' behaviour towards our intervention. As a result, families dropped out of our agriculture programme for reasons we failed to comprehend.

We have now acknowledged that access to water is necessary but not sufficient for poor families to effectively use their land to meet their needs. We need to make special efforts to build their capability to use such facilities, as well as create a supportive environment that would enable them to choose intensive agriculture over their current preference of seasonal migration.

In our present area saturation approach, our sensitivity towards the need of families who do not have any irrigated land and who do not have any land has also gone up. We are now looking for activities that would provide significant income to these families. Large-scale livelihood promotion for landless families would remain a challenge till we find a robust idea for a large-scale programme.

Rain-fed Assumptions

For families owning rain-fed land, most of us have perceived that there is potential to increase crop yields from existing holdings to meet annual food grain needs. We could also promote cultivation of vegetables to gener-

ate cash income. Sporadic efforts made by most teams working in the eastern region indicate this. We may expect (as a second choice) that when agriculture (production systems) in an area function at higher level of efficiency, it would result in higher absorption capacity (in terms of labour and other inputs). As a result the local economy would improve and would place the landless wage earner in a better bargaining position.

However, the task is difficult in rain-fed areas. It involves components more than distribution of seeds. Last year (monsoon 2000) was a drought year in this region and most of uplands remained fallow. The monsoon was good the year before and farmers grew mostly indigenous paddy varieties and HYVs (high yielding varieties) to a limited extent. This year about 50% of the uplands were covered with dwarf HYVs.

I do not think any particular agency has worked on this. This is a result of farmer-to-farmer extension. People learned about it through their own channels. But this spread does not ensure good harvest to all. The difference in the standing crops is a reflection of a farmer's capacity. The yields would therefore vary greatly across farmers.

We could learn 2 things from this. One, farmers are willing to change varieties. Two, merely changing variety is not going to ensure sustained better yield. In most of the our project areas in the eastern plateau region, introduction of high yielding paddy varieties is not going to be a critical input any more. There are other processes beyond NGO activity that is spreading the change at a much faster pace. Our challenge would be to find out what could be done to ensure some predictable income from these lands irrespective of irregularities in the monsoons.

This is not to say that we stop intervening. This kind of intervention has its own value in terms of demonstration and learning. But only changing over to HYVs is a vulnerable proposition to accept as a major intervention strategy. It has a high degree of risk, particularly in rain-fed conditions. If the rains do not arrive on time, yields are going to be affected.

It is also very risky to advise people to switch over to day-neutral (varieties that are not affected due to change in the length of days) HYVs because these are more time-bound and less tolerant to drought. We had such experience in Purulia. Nurseries of HYVs were ready but the rainfall was not on time. Over matured seedlings were transplanted by farmers resulting in poor harvests. We failed to motivate them to destroy the old nurseries and plant new ones to ensure transplanting of seedlings at the appropriate age.

We realised that we should have arranged double the amount of seed to face such delayed arrival of monsoons. We should have ensured that the nursery is made in 3-4 instalments with weeklong gaps in between 2 nurseries so that even if the monsoon arrives late, farmers would have raised at least one nursery of suitable age. Depending upon the situation they might even raise other nurseries. But the idea remained at the conceptual stage because it was not 'simple and robust' enough to leave it to the people to manage. Thus changing upland paddy variety without irrigation support was more of a gamble than anything else.

Our effort with the Jaldhar Model (5% model) of rainwater management also did not work when the monsoons came very late. Ten years ago when I designed it, I was carried away by the fact that farmers lose their

crop just because of 'Hathia failure', i.e., one dry spell during the middle to end of September. The information was reinforced by the analysis of rainfall data for a decade. So the design was such that once it rained enough to fill the pits, this water would help to maintain the moisture regime in the plots to take care of the intermittent dry spells.

Not by Rain Alone

Today rain-fed areas have inadequate infrastructure either to cope with the delayed arrival of the monsoon or with its early withdrawal. Sometimes the monsoon arrives in September-October. Lands remain fallow for the entire year. Rainwater flows down without any productive use. Under such circumstances no degree of manipulation in nursery raising is going to be useful.

It is clear that unless any irrigation infrastructure is found to be useful to harvest an additional crop, it would not excite the farmers. Developing an agriculture intervention package based only on rain would remain a gamble at best. We need to be careful in making such interventions if we want it to provide predictable assured outputs.

Let us look at the scenario from another perspective. As an organisation we have some understanding of promoting irrigated agriculture. Regarding rain-fed agriculture, colleagues are going ahead with whatever they think might benefit the people. They are trying additional options to increase returns from the uplands. Mango, banana, vegetables, pigeon pea, ginger and some other crops are being tried. Some colleagues have even suggested promoting millets.

I am not sure whether what we are doing is a result of well thought out processes. A positive aspect of not having a defined strategy

is that we now have a basket of experiences to compare and choose. But this could prove costly if we do not define it at the earliest.

Let us pick up an example. Let us assume that a team has decided to promote millets to replace upland rain-fed paddy in Jharkhand. Should we not ask the team what does it seek to achieve through this programme in terms of livelihoods? How many families can it reach with what volume of change? Why did they choose it? Was there no other more potential activity to promote? How many professional days invested per family add to how much additional income? Is it cost-effective?

Under the circumstances I would suggest that if we do decide to promote agriculture, since it directly impacts 70% of our target families, let us promote only irrigated agriculture. Anything less that that would be unpredictable and much too prone to the whims of nature.

Under irrigated agriculture, our first choice should be to maximise to maximise food production by intervening in Kharif paddy. Any deficit on food grain would be covered in winter, either through grain production or through cultivation of cash crops. Let us target that all families with half an acre of irrigated land suitable for paddy cultivation double their cropping intensity and all families with 0.33 acre of irrigated land triple their cropping intensity.

Every family (with an average of 5 members) should produce a minimum of 1.5 tons of processed food grain (mainly rice). We could promote wheat in winter if the monsoon is not favourable for paddy. This should be available for consumption even in drought years. Alternatively, the families should gen-

erate enough cash income to buy the grain.

Additionally, cash crops to the tune of Rs 12,000 should be produced though our intervention to meet other needs. We should attempt to achieve the target of food grain production during the monsoon cultivation itself. This would build increased risk taking ability of the people, who could then be easily motivated to go for cash crops in the winter. If there is enough food grain in store they will be ready to invest in the field rather than going for other alternative opportunities.

Once we are in the irrigated situation, our task becomes less complex. Our only problem would be that our existing LIs would create tension when we follow the area saturation approach. I suppose we can live with the tension as long as the sites within our present operational areas are properly utilised.

Our primary challenge would be to identify and organise the missing inputs and help farmers to adopt those. Technical and material inputs are easier to mobilise. The more difficult issues are related to motivation, entrepreneurial abilities and market orientation. We have to address these issues more systematically in our future programme development if we expect wage earners to behave as settled farmers to earn their livelihoods from their own lands.

Why Focus on Agriculture?

We should focus on agriculture simply because it is the most commonly practised livelihood system in this region with maximum potential to address the mission we have to achieve. There is comparatively less need for experimentation and trial. Adequate knowledge is available to design our intervention. According to my calculations, 90% of Pradan's energy can be meaningfully

absorbed at the lowest cost in comparison to other activities we have at hand given the assets already with the people and the investment already made by them.

If we could establish a sound farming system where returns on investment are multiplied, we would be free from the burden of establishing SHG systems with the mission of impacting livelihoods. A reliable production system would encourage individuals to either develop their own financial institutions that could be something like our SHGs or they may go directly to banks when they have enough surplus to save.

To drive home my point I propose we select a representative hamlet in a team's operational area to design an agriculture programme ensuring all the missing inputs and following the best processes. The plan should visualise sustainable livelihoods for the maximum number of our target families in a hamlet. We could have quantifiable outputs at the end of the trial period. If we can try this we will be able to predict the outputs of our intervention in any number of villages we may target in future within a year or two.

To initiate the process, let us identify a few interested executives who are interested in this idea. They could be just 2-4 in number depending upon how much Pradan can support by the beginning of next financial year. To reduce the financial burden on the organisation, let us also identify villages where enough infrastructure development has been done but the people remain poor. And let us ask these colleagues to come up with their draft plan for discussion at the next CFM. This then could become a part of Pradan's annual plan. We could pool all the required knowledge available in the sector for livelihood promotion.

Unleashing the Achievement Syndrome

The challenges and prospects of instilling the habit of entrepreneurial achievement in members of self-help groups

Rita Sengupta

The basic purpose for growth and sustenance of self-help groups (SHGs) in the process of social and economic change and not for development of the poor has been well established. This is practised by a large number of NGOs. The experience is positive and has emerged as a national agenda for development.

Some of the literature on SHG formation raises concerns about the sustainability of these SHGs, as the groups' resources need to be mobilised meaningfully. As SHGs move from the interactive to the growth and stabilisation phase, the groups undergo a change. From savings they move on to undertake individual or group activity.

Any activity undertaken by SHG members, particularly towards income generation requires commercial viability. Thus these groups need to be enterprising. A change in their attitude and approach is inevitable. Development professionals in the field need to perceive and appropriately address this change. The competencies these professionals require need to be developed through meaningful interventions so that they can undertake this challenging task as change agents.

Syndrome for Excellence

One of the many definitions of the need or motive for achievement is "one's own desire for some standard of excellence in a performance related situation." It is a latent disposition to strive for a particular goal stage or aim. The need for achievement can be intensified further with the presence of

its associative network, which is termed as the Achievement Syndrome. It is mainly a process through which an individual learns to think, talk, act and perceive like a person with a high achievement motive.

The Achievement Syndrome is the associative network comprising the following elements:

- Clarity of goal.
- Visualising need and desire.
- Taking action towards the goal.
- Anticipating success or failure.
- Identifying problems, both internal and external.
- Perceiving and seeking help to overcome the problems.
- Positive and negative feelings towards success and failure.

In designing a strategy of developing motivation, several elements are taken into consideration. The choice of the elements and their sequencing are usually done according to a conceptual model. For developing motivation, 5 elements are important for strategy formulation. They are theoretical foundation; focus of the strategy; inputs for the programme; training programme, and evaluation.

McClelland and his associates (1953) proposed the definition of motives as 'effectively' toned associative networks arranged in a hierarchy of strength or importance within a given individual. In simpler language it means that motives are the various psychological needs in varying strengths, which are reflected in the continuous concern the individual has, and the thoughts are 'saturated'

with such dominant concerns.

Pareek (1968) posited that "social change can be accelerated if the level of achievement motivation and extension motivation is raised in a society and dependency motivation reduced." McClelland and Winter (1971) stated that "achievement motivation is not a substitute for knowledge, but added to knowledge and opportunity, it can make a real difference in economic achievement."

Focus of the Strategy

Originally the focus of motivation development strategy was to contribute to economic development of a community in a multi-phased conceptual model. The model holds that motivation in development leads to increase in achievement motivation, which in turn leads to entrepreneurial behaviour, resulting in the overall development of a community.

The strategy used to focus on increasing the need for achievement as the main input for increasing entrepreneurship, eventually contributing to economic development of a community. It has subsequently changed. While focussing on entrepreneurial behaviour, the need for achievement has been accepted only as one element.

In many cases the ultimate focus is not just economic development in a community. The focus may be development of a government department in its capability to support entrepreneurship (Akhoury, 1976; Patel 1977). The focus of some programmes has been development of an organisation, particularly private and public sector enterprises and hospitals. Another significant focus is community development organisations.

The major input in developing entrepreneur-

ial motivation training is to strengthen and heighten a set of entrepreneurial characteristics among the people. An attempt is made to indicate the process in the form of strategy, which helps trainers to facilitate the process of change.

What are you?

The facilitator sets forth the image of an achievement-oriented person as an ideal self, which the participants may like to acquire. Simultaneously, the participant observes the real image in terms of one's own as well as others' assessment in achievement, orientation, action, own review of failure and success, values, feelings and inspiration. The discrepancy between the real and ideal self sets the process of change in motion.

What is your destination?

The discovery of the discrepancy between the ideal and the real self creates enough anxiety or discontentment in individuals so that they desire to change towards the ideal. The idea is not to create discontentment but to help them find alternative solutions.

You are the owner of your own destiny. Fundamental to all the other conditions for change is a growing conviction on the part of the person that one can change, take control and direct one's own lifeline. There are different ways in which a facilitator can help a person realise how empowered she or he is or how she or he really is an "origin", rather than a pawn being pushed around by others.

Creating a learning group in Entrepreneurial Motivation Training (EMT).

It is generally believed that participants can only learn through the facilitator or trainer in a training institution. But modern training technology and specifically lab methodology

strongly advocates the presence of rich resources among participants. How to integrate the varied group resources for the benefit of individual participants is a crucial question. An answer to this might be creating a strong learning group in which participants feel warmly supported, develop concern for changes and are respected for their capabilities to rise to the occasion.

An attempt by the facilitator to establish a warm and honest relationship with participants and amongst the participants themselves creates an atmosphere for a free and frank exchange of ideas, facts and feelings. It helps build up a cohesive group which, after some time, becomes non-evaluative, non-threatening and psychologically safe for the group as a whole. It may also build up a strong team sentiment among members and generate concern for each other, which may be termed as an 'in-group' feeling. In EMT, such a learning group increases the training effectiveness by several degrees.

Introducing EMT to field professionals.

During interactions with many NGOs working at the grassroots level, we felt that while promoting income-generating activities, field functionaries need to be entrepreneurial in making these programmes sustainable. Some of these field functionaries felt that these interventions are appropriate after attending the trainers' training programme on entrepreneurship motivation.

When Pradan approached us for an exclusive trainer-training programme for their professionals on achievement motivation, we agreed readily. We felt that it would help Pradan to set up a system to be carried into the communities in which these professionals were working. For NIESBUD (National Institute for Entrepreneurship and Small

Business Development) it was also a step towards entrepreneurialisation of the society through the developmental sector.

To begin with, we developed a special programme for professionals from Madhya Pradesh. The entire module was participatory. It focussed at the arousal of motivation for sensing and seeking opportunities for excellence. It also helped the professionals to examine their own level of achievement orientation.

The objectives of the programme were:

- To enable the participants internalise the concept and process of EMT to adapt to varying audience and situations;
- To internalise the concept of the achievement syndrome and its application with performance;
- To provide ability and competence to plan and conduct EMT training;
- To develop competence for using the EMT exercise for selection of potential entrepreneurs;
- To raise ability for motivational intervention for growth.

Apart from classroom learning the professionals also got an opportunity to design and deliver a one-day training module for the respective groups that they were working with. Since the groups were varied in respect to their present stage, the focus of the training deliveries were also different.

For the professional trainers it was also learning through experimentation as they tried out different simulation methods through which they were focussing different elements of achievement network. The experience generated lot of thoughts, issues, convictions and dilemmas that needed to be resolved. However, the whole focus of the

training was new and it addressed the core component of the entrepreneurial acumen.

The Polapathar Experience

We conducted an Achievement Planning Orientation (APO) for success with a self-help group (SHG) in Polapathar in the Hosangabad district of Madhya Pradesh. A one-day training module was organised for a group of women who were running their SHG for the past 2 years successfully. This was a part of the practice training on the new learning by field professionals. The group had accumulated a substantial amount of money and had some ideas to initiate an activity that could generate some income. The group also had some experience of incurring loss in business initiatives.

We introduced a simulation method on APO that matched closely with the reality of entrepreneurial life. It created direct learning that was relevant to an entrepreneur's action and outcome while she was planning for a challenging task. The objective of this particular exercise was:

- ◆ To help the women to internalise the thought process related to high need for achievement for success;
- ◆ To analyse the thinking process in relation to achievement planning;
- ◆ To help the women understand their own goal setting;
- ◆ To enable individuals to understand their behaviour under pressure of time and results;
- ◆ To make individuals aware of the environmental factors which influence the outcome;
- ◆ To help individuals to analyse their behaviour in a competitive situation.

During the training the trainers were able to innovate ways to introduce some of the external factors that play a significant part in the women's life in the exercise. These

included the women going to the bank for a loan; going to the wholesaler to purchase the raw material, and selling the finished product to the market.

We also identified the product and the technology with the help of the women participants. The exercise was participatory and we learned meaningful ways of going about things. During the processing the women were able to identify the reasons of their earlier failure.

Conclusion

The experience at Polapathar was rewarding and meaningful. The satisfaction level was high, as it was possible to merge developmental initiatives with entrepreneurial philosophy. Being fully participatory, the training methodology was able to pull out resources both at trainers as well as the SHG level. It also brought a slice of their real life experience in a training situation.

The games and the exercises used in this training (Ring Toss and Tower Building) proved suitable to create learning for village women. It also gave ample opportunity to the trainers to be creative and use a need-based approach. The professionals were convinced that they need to be entrepreneurial to promote this and that the achievement orientation is of crucial significance.

Entrepreneurship is a cultural phenomenon. It is a philosophy and is a part of education. It is about awakening the community towards excellence by arousing their motivation for seeking and sensing, developing their capacity for assessing, locating and mobilising resources and helping them to acquire ability to plan and manage. It is a step towards making a community oriented towards achievements.

Commercialisation of Micro-Finance

A participant's observations of the Frankfurt Seminar on new development finance

Soumen Biswas

The international micro-finance network Accion International has published a manual on new product development. The following information was given in a box item in the manual.

Understanding (new product) promotion:

- If a circus is coming to town and you paint a sign saying, "Circus is coming to the Fairground - Saturday" -- that's advertising.
- If you put the sign on the back of an elephant and walk him into town, that's promotion.
- If the elephant walks through the Mayor's flowerbed, that's publicity.
- If you can get the mayor to laugh about it, that's public relations.

Limited copies of the manual were distributed free at the Frankfurt Seminar -- the fourth in a series on new development finance -- held on September 3-8, 2001. The product that the seminar promoted ("which has the logic of replicability") was that private, regulated micro-finance institutions (MFIs) would be set up to cater to the need of micro, small and medium entrepreneurs.

These MFIs would provide various demand-driven financial services and other 'value-added' products like 'business development services' using the 'bridge capital' of socially motivated (and hence cheaper, flexible and patient) equity and debt till their clients become sufficiently profitable and are able to attract large-scale private investment. The resulting economic growth will benefit the 'extreme poor'. Such MFIs will be formed

mainly through existing banks (gradually increasing their portfolio of micro lending), setting up of 'new generation' MFIs and NGO transformations.

Product by Choice

Sixty odd speakers presented their cases and views. There were no representatives from Indonesia and Bangladesh. One criterion of new development finance, according to the organisers, was that it should be demand driven and not supply driven. In other words, borrowers of credit should have products of their choice. Also, as one speaker put it, the Bank Rakyat of Indonesia is possible only in Soekarno's Indonesia, an exception rather than the rule.

Among the nearly 400 participants, Bangladeshis were conspicuous by their absence. India was never talked about, probably because the system here has "too much subsidy", as one of the organisers mentioned in a side meeting. The speakers rarely talked of poverty alleviation except in one session that examined whether development finance is still pursuing its original goal of alleviating poverty.

Livelihood enhancement of the poor was not on the direct agenda. The issue came up only in the context of economic development, which is 'essentially an outgrowth from opportunities arising out of the size of the market'. In a response to a presentation by Mr P Armbruster of the World Council of Credit Unions (WOCCU), one of the minority voices in the seminar, Professor Harry Schmidt asked if there is logic of replicability in co-operatives beyond the ele-

ments of motivation and dedication.

Mr C T Zeitinger of the IMI, an equity investment company balancing target group outreach and profit orientation and the major sponsor of the Frankfurt seminar, responded to Mr Armbruster's spirited defence of co-operative credit unions by saying, "You and I operate in different market segments. You work more with the poor. We want to give those idle and inefficient bankers who want to believe in earning easy dollars a response that lending to small, medium and micro enterprises are profitable." That was honest and helped to understand the seminar in its proper perspective.

The welcome letter from Goethe University, which jointly organised the seminar with Ohio State University described the seminar as "...the forum where for the fourth time problems, ideas, concepts and solutions in the field of development finance are advanced, discussed and evaluated." It also held that "...The fourth seminar will become an arena of active debates between both practitioners and academics in the field and thus will contribute to the successful tradition of the three previous seminars."

The letter went on to add, "...The shift of focus in the seminar's program towards 'second-generation' problems will blaze a trail to many new topics and paradigms in this area of finance. To our speakers, we would like to wish you a rewarding and valuable experience, one that will prove helpful for your own work in the field of development finance. To our participants, we would like to wish you an informative and instructive week, one that will provide you with key insights into the field and make you aware of the current advances in new development finance."

The seminar speakers presented topics on

financial systems and development finance; commercialisation and market saturation in micro-finance markets; what we should learn about the clients and why and how; reorganising and refocusing commercial banks; creating new micro-finance banks and networks as governance mechanisms in development finance, and the fascinating things happening in South Africa. It also devoted the last day on 'co-operative systems' and 'finance, health, poverty and development policy'.

In the first session, Professor Ricardo Hausmann of Harvard University talked about 'Liberalisation and Instability in Financial Markets: Implications for Development Finance'. Professor Hausmann explored reasons for the disappointing international and domestic financial scenario. According to him, international financial integration was supposed to deliver greater volume of savings, ability to smooth out shocks, greater risk sharing and hence greater domestic stability. This however was still far away.

What's Wrong with the World?

According to him, although there have been serious financial reforms in certain countries like privatisation of public banks, elimination of interest rate and credit controls, increased capital adequacy requirements, improved bank supervision and internationalisation of domestic banks, the question 'what is wrong with the world' has remained intense.

He talked about what he described as 'original sins' of most countries, both developing and underdeveloped, and their inability to borrow internationally in domestic currency and inability to borrow long term even locally in the domestic currency. According to him, the agenda should be the elimination of bailouts. Since 1990 investors chasing double-digit annual returns have poured more than \$1.2

trillion into emerging market economies. But unreformed systems there have often failed to keep pace, steering the new funds to political favourites and over-hyped industrial projects. Eventually, their currencies weaken, speculators attack and loans collapse. Then the International Monetary Fund is called to provide emergency financing. Critics say that bailouts are themselves part of the problem, providing a de facto safety net for the big international banks and encouraging more market-distorting bad lending.

He advocated the encouragement of bail-ins, increasing capital adequacies, improving supervision, floating the currency, introducing common currencies and developing 'commitment devices'. In most developing economies, commitment devices like property rights on underlying assets are ill defined. Therefore it is difficult to pledge transparently and execute cheaply.

Bolivia as an Example

The second half of the first day was devoted to financial liberalisation and development finance. The context and examples were mostly from Latin America, particularly Bolivia. Bolivia has a geographical area of 11 lakh square km, half of which constitute forests and woodlands. The population is 83 lakh and 80% of the population above the age of 15 are literate.

With its long history of semi-feudal social controls, dependence on volatile prices for its mineral exports and bouts of hyperinflation, Bolivia remained one of the poorest and least developed Latin American countries. It experienced 'generally improving economic conditions' since the Paz Estenssoro administration (1985-89) introduced market-oriented policies which reduced inflation from 11,700% in 1985 to about 20% in 1988. Subsequent adminis-

trations continued free market policies. In 2000, inflation rate was 4.4%. Bolivia has an unemployment rate of 11% although there is widespread underemployment.

This is one country where commercialisation of micro-finance has taken place. In other words, micro-finance has drawn private equity investment. The investment is however drying up during the past 6 months. The initiator BancoSol, an offshoot of PRODEM, an NGO, had \$77.8 million loan outstanding from 61,000 loans at the end of 2000 but had a return on equity of only 4%.

Most institutions are losing clients, delinquency has increased, many customers have multiple loans and there is 'over-indebtedness'. Speakers tried to explain the reasons. These included simple reasons such as investors there made bad investment decisions, democracy in the country is very young and micro-finance received an 'outrageously hostile' press.

The speakers' overall assessment was that micro-finance in Bolivia is no longer a hot-house plant. It is now exposed to the real weather, which was inevitable. This shock will bring lessons to strengthen the process of commercialisation. Some of the solutions mooted by speakers included 'up-scaling', i.e., broadening of the market segment by giving bigger loans and loans for other purposes (even before the banks have started downscaling!), product diversification, need for longer term equity participation and active and professional governance.

One speaker said, "Debt protests show how easily public image can be damaged. Recognise the debt protests not as a direct threat but as a public relations and image issue." She explained that commercialisation

of micro-finance in Bolivia has not effected any 'mission drift' and the MFIs have not abandoned the poor. She produced statistics to substantiate her claim. According to her, median monthly sales of micro-finance clients were \$450. In comparison, BancoSol has a median loan size of \$444.

A team of senior bank officials from India, who recently visited Bolivia, however provided a different picture. According to them, BancoSol no longer lends to the poor, nor are they in rural areas.

Professor Claudio Gonzalez-Vega of Ohio State University, joint organiser of the seminar with Professor Harry Schmidt, emphasised in his presentation that it is institutions that matter and not money. The recognition that institutional development takes a long time must come, he said. He also questioned that do micro-finance organisations have to be so small?

Why and How of Learning

The second day started with what should we learn about clients - why and how. There was no problem on why we should learn about clients. It was because micro-finance has to be market driven rather than product driven and MFIs need to know their markets. A lot of noises were however made on the 'how' part as speakers presented methodologies, essentially on cost issues.

The sessions that followed till the next day had presentations from MFIs and bank owners who have set up micro-finance ventures in Eastern Europe and Latin America and are trying to set foot in some parts of Africa. Most presentations were self-laudatory. Their papers (which were mostly photocopies of transparencies presented) were distributed after their presentations were over. Therefore participants

had little chance to study them beforehand. The exceptions were presentations by IMI and Dr Claus-Peter, who distributed it before the presentation.

Dr Zeitinger of IMI said, "At very personal level, the founders of IMI were motivated by the desire to finally engage in micro-finance under conditions that had usually been denied to us as consultants over more than a decade of advising local savings banks, NGOs, public and private owned banks and co-operatives. Above all, the institutions we advised needed corporate governance structures that were conducive to sound micro-finance.

"Since corporate governance is indivisibly linked to the way in which ownership rights are exercised, we specifically wanted to collaborate with institutions with a healthy mix of public and private owners. Because this combination embodies the twin objectives of target group orientation and financial viability, which have for many years - not least of all in the context of this Frankfurt seminar - repeatedly been identified as core elements of successful micro-finance.

"Micro-finance has been, and continues to be, a field in which many fundamentalists grind their axes. I mean that it is a fundamentalist attitude to claim that the instrument 'micro-finance' should be deployed exclusively for the purpose of combating poverty. Is it not good enough, I ask, if thousands and thousands of small entrepreneurs are, at long last, are able to obtain a loan from a bank? Is it not a huge success if, at last, financial deepening reaches into the lower middle classes and the upper levels of the lower classes even though these efforts do not reach, or reach only to a limited extent, the 'poorest of the poor'?

"I consider it fundamentalist to insist that

small loans must be particularly cheap, even though every expert knows how expensive it is to provide such loans and how high the prices are in the informal financial market, the only relevant alternative financial market. It is a fundamentalist assertion that subsidies are only justified if they serve non-commercial institutions and activities even though any experienced consultant could relate many an anecdote about the so-called 'selflessness' of such organisations and the inefficient ways in which they deploy the funds they receive."

On the fourth day there were presentations on 'Networks as Governance Mechanisms in Development Finance'. Accion International made a presentation on how it helps member organisations to arrive at a shared strategic vision. That was fine. However, it was not understood why they had to hold equity stakes in 6 out of their 11 network members to arrive at that in the name of a network institution.

WOCCU made a presentation on how they are influencing member co-operative unions to improve performance in several places. Mr C Dunford of Freedom from Hunger was emphatic that skills and experiences are not the necessary or fundamental requirements for good governance in MFIs whereas mission orientation is. According to him MFIs are 'voluntary trustees of public interest'.

The country session on South Africa opened with a presentation on the regulation of micro-finance. South Africa's Micro Finance Regulatory Council (MFRC), which was set up in 1999, is one of the very few regulatory bodies for micro-finance in the world and is known as a pathfinder for others.

In structure the MFRC lies somewhere

between a 'government regulator' and a 'self-regulatory body'. It is registered as a company with the government and consumer and lender representatives on its board of directors. The board also includes representatives of the Bank Supervision Department and the Financial Services Board.

Regulating Usury

The MFRC has obtained its mandate from an exemption to the Usury Act. All lenders wishing to enjoy the benefit of the exemption notice (charging interest rate in excess of the Usury Act limits) have to register with MFRC. Each lender's registration establishes a contractual relationship between the lender and the MFRC. This binds the registered lender to the MFRC rules. These include disciplinary processes and the power to levy fines. The South Africa session also included interesting sessions on private sector finance for land reform and long-term finance on the transfer of freehold property rights.

On September 7, officially the last day of the Seminar (8th being reserved for open session where presenters were selected in an open competition), the second half deliberated on finance, health, poverty and development policy. Ms Kate McKee of the USAID titled her paper "Light Bulbs, Heresies and Predictions - Observations from a Fundamentalist", which made interesting reading. She prepared her paper during the seminar after listening to the presentations and found time to circulate it before her address.

She wrote, "I am entitled and even required to ask who among you is most relevant to my mission, a central part of which is the core development challenge of poverty reduction. I'm paid to find good ways to spend US taxpayer money on this challenge. So who among you has something to offer? And how

can I get the most bang-for-the-buck. Conceptually, we're trying to maximise the net present poverty reduction value of different investments. And, if you think about it, it's even conceivable that an NGO that reached very deep and delivered strong impact and failed to reach sustainability would score higher on that measure than a commercial MFI, whose stakeholders (perhaps the third generation) had a change of heart and gave up the part of their business most relevant to direct poverty alleviation."

Professor K Botchwey of Harvard University described the predicaments of developing

No feedback from the participants was deemed necessary to arrive at the conclusion that commercialisation of micro-finance is the way ahead and that altruistic goals would be best pursued through a commercialised approach.

countries, a significant part of which covered his own experiences when he was the finance minister of Ghana. While foreign direct investment has remained a dream for most developing countries, official aid has been made conditional on articulation of a 'sound poverty reduction strategy'. "Even before the governments could breathe, experts from aid agencies descend to help in preparing it. Is this the way to build national ownership?" Professor Botchwey questioned.

On the subject on health, the presentations were on AIDS. Presenters used the platform to spread AIDS awareness without much reference to micro-finance at all.

Long Horizons and Large Boats

Professor Gonzalez-Vega was convinced in his concluding remarks that the seminar had achieved its objective. He said, "We are now

impressed that commercialisation of micro-finance is the way ahead and that altruistic goals would be best pursued through a commercialised approach." No feedback from the participants however was deemed necessary to arrive at this conclusion. He also said that the long horizon matters and large boats are required to conquer the oceans of poverty.

The circus was advertised and the elephant was walked around the town, no less than Frankfurt, the financial capital of Europe. Did it have to walk through the Mayor's flowerbed? Do the poor mayors have to laugh about it for successful public relations? The benefactors of the poor however blessed the seminar well. All the costs were covered. The sponsors who guaranteed the seminar organisers against any financial shortfall would surely go back smiling.

From Food Security to Livelihood Security

B N Hiremath and K V Raju, IRMA

"Sustainable land-use, soil erosion, etc are not the main problems felt by households in the semi-arid areas of India. What worries rural people much more is the rapid deterioration of sustainable livelihood. And this goes beyond the concern for sustainable management of natural resources."

Deep Joshi

DEEP JOSHI, an experienced development practitioner working with Pradan made this statement in 1992 to a team of Indian and Swiss experts who were collecting ideas for a new "land-use strategy". This strategy became a basis for Indo-Swiss collaborative efforts oriented towards more sustainable land-use practices in the semi-arid areas of the country (SDC 1994). Our research project, "Rural Livelihoods and Sustainable Management of Natural Resources in Semi-Arid Areas of India" was formulated in the above context.

The conceptual and methodological problems in understanding the decision making behaviour of farmers stem mainly from lack of classification of land holdings, family size, education level of farmers, access to information (extension network), labour availability, socio-economic status, caste and the like.

However, our field observation in semi-arid areas of Gujarat did not show strong correlation between technology adoption with respect to the above variables. Yet we noticed there were some farmers who adopted modern agricultural technologies and there were many that had not. This prompted us to study the characteristics of the individual family environment that facilitated or inhibited technology adoption.

From several individual family case studies of both adopters and non-adopters, we were able to decipher that food security of the family played an important determining factor in technology adoption. We also recognised that food security has to be understood from the farmers' perspective and not from ours.

Subjective Security

The realisation was crucial, as farmers' own perception of food security determined their decision-making behaviour. It provided one-to-one correspondence between technology adoption and their perception of food security. Therefore, food security is a subjective concept; defined by an individual farmer's own perception as to whether he or she has been able to support the family's food and fodder requirements for a year from all resources he or she owns, controls and manages.

"We have been growing and eating *makkai* (maize) ever since we were children. Our parents, grandparents and ancestors have all been growing maize. We are born with maize and we will die with maize. Our community grows only maize. It is our food and life."

Pratap Bhavla, farmer, Mahunala village

The single expression *makkai* sums up the totality of the livelihoods of people living in the semi-arid areas of Gujarat. Pratap Bhavla's sentiment is but one indication of the plight of the rural people whose predominant preoccupation is to provide food for the family 365 days a year.

For most households, the food produced on their land does not feed the family for the entire year for many reasons including the size of family ("God's blessing") relative to the

resources (land) they own, bad weather and quality of their lands, among others. They have to supplement the food shortages through earnings from seasonal migration. The magnitude of food shortage varies from family to family in a given year and from year to year for a given family.

Outsiders attribute farmers' "primitive" production systems to their subsistence orientation and culture. Modernising production through technological alternatives seems to emerge as a natural path to food security in the semi-arid areas. Development and dissemination of green revolution technologies are classic examples of the approach for attaining national food sufficiency when hunger and starvation were widespread.

However, farmers in resource rich regions of India were the only ones who have successfully adopted these technologies that account for about 35 percent of the cultivated area. In the remaining 65 percent of the area, predominantly rain-fed, the technology adoption varies considerably. In semi-arid areas of India the record is even miserable despite improved technologies being available. Why? Is it because of the poor extension system? Are the technologies developed by our research institutions inappropriate? Or, is it simply that the farmers are not aware of the technologies?

Our observations in the semi-arid areas indicate that some farmers sought modern agricultural technologies on their own without any assistance from the extension network. It does not mean that they are perfect; but they are reasonably adequate to suit the needs of farmers in the region. But there is a majority who, despite all extension efforts, refuse to change from their traditional way of farming. Evidently, it suggests that neither the technologies seem inappropriate nor it appears to

be a failure of the extension network.

Question of Threshold

Our observations also tend to suggest that farmers are not only fairly well aware of the available technologies but also they do not have serious reservations for adopting them. The crucial difference between adopters and non-adopters, barring a few is that, most adopters were above the food security threshold while more non-adopters were below the food security threshold.

Historical analyses of several individual cases provide preliminary evidence in this direction. When the farmers were operating below the minimum level of food security, their way of farming was traditional with subsistence orientation and risk minimising strategies. The same farmers after attaining the food security switched over to modern technologies.

In July 1999, we were validating and updating one of our cases studied in Mahunala village. A young, unmarried woman along with her relatives had migrated to a neighbouring district (for 2 months) as agricultural labourers to harvest wheat. At the time of receiving the wages, she had a choice between cash or wheat grains. She said "I don't trust myself with cash. There is a temptation to buy other things and my family will go hungry later". Her family is among the non-adopters of modern agricultural technologies.

Andhra Pradesh offers a striking recent example concerning food security behaviour of farmers. The state government announced an Rs 2 per kg rice scheme. This announcement simply led to the collapse of sorghum production because food security was assured at a very low price. The food security need not necessarily be met by farmers' own efforts, but an assurance, from any other source, is essential for farmers to

change technologies and practices.

Observations from rain-fed farming areas of the country are often cited to prove that small farmers have moved away from grain production (mainly pearl millet and sorghum) and switched over to groundnut cultivation. The same farmers over the past 15 years were adopters of new hybrid groundnut seeds and chemical fertilisers. From such observations there is a tendency to arrive at a general conclusion that food security may not have a role in technology adoption. But we suspect whether the small farmers who adopted the new technologies were below the food security threshold at the time of adoption.

Several case studies were undertaken to understand the decision-making behaviour of farmers connected with adoption of agricultural technologies. Based on the review of literature on technology adoption, we selected individual families differing in size of their land holdings, socio-economic status, caste and other parameters for detailed case studies in 3 villages. An in-depth probing and understanding into the livelihoods of farmers revealed an observable pattern in technology adoption irrespective of the prices of commodities, size of land holding, socio-economic status, caste, etc.

Clearly, our observations in semi-arid areas were at odds with the empirical findings in literature. Looking at the migration patterns, extent and magnitude of migration, the use of income from migration, the food production from their resources, among other parameters, revealed some interesting facts that led to a significant observation.

Powerful Index

Adopters of mainstream agricultural technologies in most case were above the food security threshold and non-adopters were invariably

below threshold level. Since the decision to adopt or not to adopt agricultural technologies were made at the individual family level giving consideration to a multitude of factors, it was crucial for us to understand what constitutes food security from the farmers' perspective.

One farmer said that his family members would not go for seasonal migration if his land were able to produce the family's food needs. Of course, substantial portion of the income from migration was used for buying food. Thus an answer to a simple question as to whether a farmer can meet his or her family's food needs from the resources he or she owns and operates provided a subjective index for food security.

It is subjective because food security is an individual's perception based on holistic considerations of the family's opportunities and constraints. It varies from family to family at a given time and from time to time for a given family. Despite its subjective nature, food security threshold is a powerful index that determines who are likely to adopt new agricultural technologies and who are likely not to.

Before a family crosses this critical level of psychological threshold, its efforts seem to be completely geared to achieving it. The family as a whole seems to operate with the logic to minimise the risk of failing and avoid the difficulties associated with such failures.

In a situation like this, the farmers who feel that they are below this threshold are looking for "fail safe", "minimum guarantee", "less capital intensive" and "less risk" avenues rather than enamoured by promises of "high yield", "maximum returns" etc, generally associated with "more risk" and higher capital intensity.

For farmers operating at the margin, market

prices seldom influence their decisions. Farmers' practices like mixed cropping, use of traditional varieties of seeds apart from their tendency towards "extensive agriculture" rather than "intensive agriculture" is more evident in semi-arid regions.

Outsiders attribute farmers' 'primitive' production systems to their subsistence orientation and brand them as "risk averse" instead of appreciating the appropriateness of their coping strategy to the given conditions. Modernising production systems is often offered as a natural path of food security in the semi-arid areas without recognising the magnitude of efforts required for changing the conditions suitable for such modernisation.

The efforts of formal institutions involved in agricultural technology development and transfer have not yielded the desired results in semi-arid areas not because of their inappropriateness, but because the farmers are not yet ready to accept them because their decisions to adopt or not to adopt the mainstream agricultural technological appropriateness but a multitude of considerations of which technology is but one consideration.

Existing mainstream agricultural technologies assume meaning for those farmers operating below food security threshold once they cross the threshold. The government, NGOs and other institutions involved in rural development need to take cognisance of the importance of food security and design programmes and policies that are in harmony with sustainable livelihoods.

Reflecting on what might be the exceptional reasons for those "barring a few", we feel that there must be other considerations in addition to pure "food-security" that might be decisive. Our hypothetical answer is that the sim-

ple notion of "food security" is probably slightly too narrow to comprehend and explain all the different cases. It might be helpful to enlarge it and to speak in a broader sense of security of livelihood.

The Mandala of Livelihood

Food is only one (although extremely important!) element of livelihood. But since farmers never make their decisions in a one-track logic, it seems possible that the one-track security based on food alone would have to be enlarged to the more holistic notion of security of livelihood. In other words, life security. Ruedi Hooger (1993) conceptualised Livelihood System through the 9-square mandala taking a typical rural home as the metaphor.

The 3 rows of the mandala - the Basis (physical and emotional foundation), the Space (living area including individual, familial and socio-economic space) and the Orientation (roof - individual, family and community) - form integral part of the house and the livelihood system.

The base is the primary foundation on which the entire livelihood system rests. The Space is denotes the various types of enclosures that differentiate the living spaces of a house. It helps us to distinguish and understand individual, family and community spaces. The Orientation provides a sense of direction and is a place to "look up to".

In the words of Ruedi Hogger, the Basis, the Space and Orientation form the 3 complementary levels of reality. "As we move through the 9-squared mandala from right to left, we always go from the outer to the inner realities: from the bottom to the top. It is a transition from the physical and emotional basis to the mental roof with its concepts and perspectives. Quite evidently, none of the 9 compartments are truly

The Mandala of Ruedi Hooger			
F U T U R E	9. Individual Orientation	8. Family Orientation	7. Collective Orientation
	<ul style="list-style-type: none"> • Visions • Hopes • Aspirations • Fears • Self-image • "Gurus" models 	<ul style="list-style-type: none"> • Ancestors • Caste, social status • Aspirations to education, leadership, jobs etc. • Aspirations to power, wealth, social-mobility 	<ul style="list-style-type: none"> • Subsistence agriculture • Food security • Religion, tradition, values • State laws, Common property resources • World views, ideology
	6. Inner Human Space	5. Family Space	4. Socio-economic Space
T R A D I T I O N	<ul style="list-style-type: none"> • Integrity, identity • Awareness • Selfishness-compassion • Task-People orientation • Curiosity, courage 	<ul style="list-style-type: none"> • Gender relations • Nutrition distribution • Health, family planning • Work distribution • Solidarity 	<ul style="list-style-type: none"> • Production relations • Patterns of cooperation • Community organisations • Factor and goods markets • Intermediation processes
	3. Emotional Base	2. Knowledge-Activity Base	1. Physical Base
	<ul style="list-style-type: none"> • Memories • Attachments • Feelings • Anxieties • Boredom • Idealism 	<ul style="list-style-type: none"> • Technical skills • Agricultural patterns • Experience • Traditional knowledge • Labour, crafts, services • Modern professions 	<ul style="list-style-type: none"> • Natural habitat (climate, topography, location) • Natural resource base • Animals-population-trees • Distribution of wealth • Accumulation of wealth

independent from each other. Every one of them is intricately linked with every other, and the transition from one to the next are gradual, not abrupt..." (Ruedi Hogger, 1993).

The evidences presented through case studies taking a holistic approach provide some sig-

nificant insights into policy formulation contributing to sustainable livelihoods and therefore sustainable natural resource management in semi-arid areas. Livelihood security in particular is an important factor in adoption or non-adoption of technologies. Our evidences suggest that those families operating below

People News and Events

● Ranjan Mohapatra has set up a charitable trust called Shrishti. It was registered on July 27, 2001. The future plan of Shrishti includes a focus on self-help group (SHG) promotion and watershed development. It will initially operate in the Keonjhar, Mayurbhanj and Bolangir districts of Orissa. We wish Ranjan and his colleagues good luck.

● Arijit Mukherjee at Godda and Surjit Behera at Keonjhar have recently become fathers. We welcome the little ones.

● D Narendranath attended Sa-Dhan Board Meeting in Ahmedabad on November 17, 2001.

● Eighteen participants from the Keonjhar, Purulia, Chakradharpur and Godda teams attended the Training of Entrepreneurial Motivation Trainers during December 17-22, 2001 at Jaisidih, Jharkhand. It was conducted in collaboration with the National Institute for Entrepreneurship and Small Business Development (NIESBUD).

● Eighteen apprentices of the 22nd and 23rd batches presented their village studies in a one-day village study workshop. This was followed by a PRA training workshop, conducted by Pradan's fledgling internal resource persons in collaboration with OutReach.

● Ten apprentices participated in the first phase of the Process Awareness and Sensitivity (PAS) module from December 24-29, 2001. Sukhvarsha Roy and Deepanker Roy conducted the module.

● Helzi Noponen initiated fieldwork in Godda and Kesla to help us develop an internal learning system for women's empowerment and impact assessment.

● CCA (Canadian Cooperatives Assistance) and

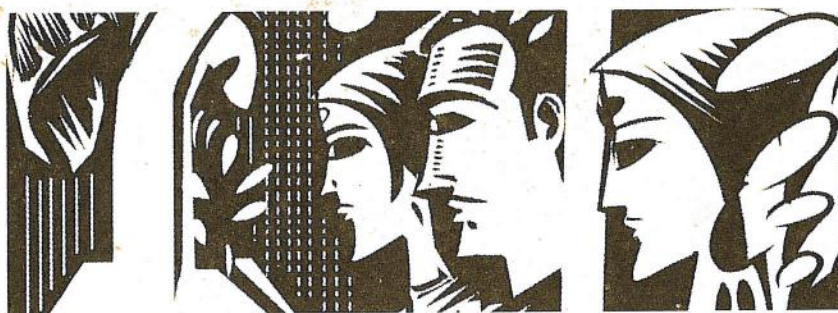
Sa-Dhan have taken up a study on understanding the different methodologies followed by organisations in promoting federations of micro-finance organisations, the roles the federations play and the structure. The first activity was an inception workshop held at Hyderabad from December 4-7, 2001, to draw inputs from various organisations. Pradan is participating in the study and is represented by Sukanta Sarkar at Barhi, Jharkhand and Zebul Nisha in Dausa, Rajasthan.

● Pradan's Governing Board met on December 14 and December 28, 2001 in New Delhi.

● The India International Trade Fair opened in New Delhi for 2 weeks starting November 14, 2001. The governments of Jharkhand and Madhya Pradesh allotted space in their state pavilions for Pradan's Godda and Kesla projects respectively. Tasar and mushroom products were on display and sale.

● *A GRASP jeep met with an accident in the early hours of December 28, 2001, while returning from Pune. The accident happened near Vadala, about 65 km from Aurangabad. Yougandhar Mandavkar, Secretary, GRASP, writes, "We lost 2 of our finest colleagues, Mr Prashant Tiwari and Mr Sheikh Gayyas. It is a great loss to GRASP and its partner organisations." Our condolences go out to the families of these 2 colleagues.*

The GRASP Chairperson-cum-Chief Executive and former Pradanite, Dr Rakesh Kaushik, suffered serious head injury. Rakesh is undergoing treatment in ICU at Jahangir Hospital, Pune. He was operated upon by a team of doctors on December 29 and has been put under observation. We wish for his speedy recovery.



PRADAN (Professional Assistance for Development Action) is a voluntary organisation registered under the Societies' Registration Act in Delhi. We work in selected villages in 6 states through small teams based in the field. Our focus of work is to promote and strengthen livelihoods for poor rural people. It involves organising the poor, developing their capabilities, introducing ways to improve their incomes and linking them to banks, markets and other economic services. PRADAN comprises professionally trained people motivated to use their knowledge and skills to remove poverty by working directly with the poor. Engrossed in action, we often feel the need to reach out to others in PRADAN and the wider development fraternity. NewsReach is one of the ways we seek to address this need. It is our forum for sharing thoughts and a platform to build solidarity and unity of purpose.



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