GRASROOTS CO-OPERATIVE ACTION
a guide for training of co-operative field workers

TRAINER'S MANUAL

international labour office, geneva
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MATCOM
Material and techniques for cooperatives management training

The MATCOM Project was launched in 1978 by the International Labour Office, with the financial support of Sweden. In its third phase (1984-1986) MATCOM is financed by Denmark, Finland and Norway.

In collaboration with cooperative organizations and training institutes in all regions of the world, MATCOM designs and produces material for the training of managers of cooperatives and assists in the preparation of adapted versions for use in various countries. MATCOM also provides support for improving the methodology of cooperative training and for the training of trainers.

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Preface

This training programme is one of many training packages designed and produced by the ILO-MATCOM Project for the training of co-operative managers in developing countries. This package has a different target group: co-operative field workers engaged in co-operative development work among the rural poor at the grassroots level.

Co-operative field workers can play a potential role in bringing about positive change among impoverished rural communities. They can play both a catalytic and facilitating role by helping raise the awareness of the rural poor so that they may take a more active role in transforming their own life situations instead of remaining passive observers in the process of change. They can help organise and nurture rural entrepreneurship among the rural poor through co-operative and related group activities.

This manual provides an outline for a short course on the approaches and techniques involved in promoting co-operative activities at the grassroots level, with particular focus on the rural poor.

The ILO-MATCOM Project has collaborated with co-operative organisations and training institutions in developing countries in the production of the material and in the improvement of management training. For more information about the material and its use please write to:

Co-operative Branch
International Labour Office
CH-1211 Geneva 22
Switzerland.
THE TRAINING PROGRAMME

1. **The Target Group**

The course described in this training programme is intended for co-operative field workers. In the context of the programme a co-operative field worker is any person whose job mainly involves promoting co-operative activities at the grassroots level in rural areas. Strictly for reasons of brevity, the pronoun "he" has been used to mean "he or she".

To benefit from the course trainees should have a basic knowledge of co-operation with a minimum of two years of experience as co-operative field workers.

2. **Aim**

The aim of the course is to help co-operative field workers plan, stimulate and guide co-operative action among rural people so as to promote entrepreneurship as a means of combating rural poverty.

In particular, the course should enable trainees to:

- identify the positive and negative processes within the community which can influence development;
- assist groups in rural communities to identify and plan small-scale co-operative projects;
- provide appropriate support in creating networks between co-operative groups and maintain close collaboration between such groups at the village level and above;
- recognise the need for participatory learning
- assist in the planning, designing and implementation of education and training programmes for co-operative groups.
3. **Duration**

To conduct the complete programme as suggested in this guide and utilising all material provided would take approximately -- hours to -- days, depending on the qualifications and experience of the trainees and the hours worked each day. The time may well be exceeded, and the instructor must decide on the likely duration in view of local conditions. A timetable should be prepared accordingly.

4. **Structure and Contents of the Course**

The course is divided into eleven TOPICS, and each topic is covered by a number of SESSIONS (altogether 29 sessions - see the outline on page XIII). This should be seen as a "model outline" or suggestion, which has to be adjusted to suit the actual needs of the participants. Topics and sessions may be added or deleted as required and more or less time can be allocated for any part of the programme, time for practical exercises can be increased, etc.

The contents of the sessions are organised in a rather different way from other MATCOM trainers manuals. In this guide the main substance of the session is presented in an essay form in what is called "Summary of the Session". This is followed by a "Session Guide" which provides some suggestions on how to conduct the session. The instructor is expected to study this summary and use it as resource material for his presentation. It is intended that on the basis of his own skill and training experience, the instructor will determine the most effective method of presenting the material, bearing in mind, of course, that participative learning methods must feature prominently in the sessions. For this reason the Session Guides are not as elaborate as they normally are in the other MATCOM
 manuals. It is also hoped that this form of presentation will, on special circumstances, facilitate adaptation of the material for direct use by the trainees.

5. **Training Approach and Methods**

The programme is based on the assumption that training is expensive and that money for training is scarce. Therefore, it looks upon training as an investment, and unless the training yields results, the return on the money invested in it will be nil.

On their return home from the training programme, the trainees should therefore be able to show concrete improvement in their performance as field workers. In order to prepare and equip the trainees to achieve this, the programme must adopt a highly active learning approach through the use of *participative* learning methods and a built-in action commitment.

Trainees will not learn about Grassroots Co-operative Action in a general and passive way. Their day-to-day problems have been translated into realistic case studies, role plays and other problem-solving exercises. Trainees (working mostly in groups and on their own) will learn by solving these problems as in real life with the necessary assistance and guidance from the trainer, who will act more as a "facilitator" of learning than as a lecturer.

Every trainee has some ideas and suggestions from which the others can learn. This material is intended to allow and encourage every trainee to contribute as much as possible from his own insights and experience, so that all will go away with the accumulated knowledge that each brought to the programme.
This sort of shared learning is in fact almost always more important than the knowledge that you, the instructor, or the material itself, can contribute. You should treat each trainee as a source of ideas and suggestions which are at least as valuable as your own; therefore, draw out, or "elicit" these contributions.

The action commitment at the end of the programme will give each trainee the opportunity of preparing an action plan in which he will apply the knowledge and ideas gained from the course and the strategies that he will use to remove obstacles and to enlist the support of superiors, colleagues and members of the target group. Each trainee's action plan will be presented at the plenary session where the knowledge and expertise of colleagues will contribute to its refinement.

6. **Adapting the Material**

Before using the programme in a real training situation, it will probably be necessary to adapt it. This can be done as follows:

Read through the programme and decide whether

- the programme can be run as it is;
- only certain topics or sessions should be used;
- new topics and sessions should be added.

Your decision will depend on the training needs of your trainees and the means you have at your disposal.

Carefully read through the sessions you have decided to use. Check the subject matter in the summaries, the session guides and the handouts. Modify them to include local currencies, names, crops, etc. Such adaptation will help trainees identify themselves more easily with the people and the situations described in
the handouts, and will considerably increase impact and effectiveness of the training programme.

Under special circumstances (e.g. where it is absolutely impossible for, one reason or another, to organise training courses for co-operative field workers), the material may also be adapted for individual study by trainees. This would require amplification of the "Summaries", inclusion of additional case studies and other exercises, and removal of the session guides. Adaptation for this purpose must be done by highly competent trainer/subject specialists.

Do not feel that this guide is like a book which contains the only answers. It is merely a collection of suggestions and ideas, which you must adapt, modify, use or reject as you think fit. The best evidence that you are using the material properly will be the amount of changes, additions and amendments you have yourself written into this copy.

7. Preparing the Training Material

Handouts (activity sheets, working aids, case studies, and role play briefs) constitute an important part of the training material in the programme. They can be reproduced from the original handouts supplied in the ringbinder, after the necessary adaptation has been made. Reproduction may be done using whatever method is available: stencil, offset printing, photocopy, or other.

The only item of training equipment which is absolutely essential is the chalkboard.

Some suggestions for visual aids are given in the session guides. If flip charts or overhead projectors are available, you should prepare your aids in advance. If they are not available you can still use the chalkboard.
The Pre-course Questionnaire should be sent to trainees in advance. Trainees should be asked to complete it and hand it in at the beginning of the training programme.

8. **Prepare yourself**

Some trainers may feel that material of this sort means that they need only spend a few minutes preparing for each session. This is **not** the case. You should go through the following steps before conducting any course which is based wholly or in part on this material:

a) Read carefully; be sure you understand the content, and that you envisage what is intended to **happen** in the classroom.

b) Work through the summary of the session and prepare notes which will help amplify the contents of the summary. Decide on additional aids to use for presenting these material.

c) Work through all the session exercises; be sure that you understand them completely and try to predict the errors the trainees are likely to make, and the different answers which may not be wrong, but which will be worth following up.

d) Look up and write down on the material itself, as many local examples as you can to illustrate the points that are raised.

e) **Plan** the whole session very carefully; try to predict approximately how many minutes each section of the session is likely to take, and make the appropriate modifications to fit into the time that you have available. Do **not** take the suggested time at the beginning of the session guide too seriously.
9. **Conducting the Programme**

While using the material, you should try to observe the following guidelines:

1. Arrange the seating so that every trainee can see the **faces** of as many as possible of the others; do **not** put them in rows so that the only face they can see is your own.

2. Be sure that the session is clearly structured in the trainees' minds; outline the structure at the beginning, follow it or say that you are diverging from it, and summarise what has happened at the end.

3. Bear all the learning points in mind, and do not forget the job-oriented objectives of the session.

4. Be flexible, do not follow the material slavishly and be prepared to change the approach, depending on what trainees, themselves, suggest.

5. Avoid, whenever possible, **telling** the trainees anything; in a successful session all the points will have been elicit from them by skilful questioning.

6. If you fail to elicit a particular answer from the trainees, it is your fault not theirs. Persist, by asking the same question in different ways by hinting and so on, and only make the point yourself if all else has failed.

7. Use silence as a weapon; if nobody answers a question, be prepared to wait for 20 or 30 seconds in order to embarrass somebody into making an attempt.
8. Avoid talking yourself. Trainees' discussion and suggestions should occupy around three quarters of the total time; ask, listen and guide rather than talk. (The more you yourself talk, the more you are revealing your own insecurity and ignorance of the subject, in that you are not willing to risk questions or comments with which you cannot deal).

9. *Never* ridicule a trainee's answer or suggestion; there is bound to be some merit of it somewhere, and the very fact that he or she has put forward a suggestion is commendable.

10. If you cannot answer trainee's question, or comment on a suggestion, (or even if you can) ask another trainee to answer or make a comment. You are the facilitator, not the source of knowledge.

11. Write trainee's own words on the chalkboard whenever possible; do not follow the words in the material, even if they are more precise.

12. Be prepared to act as "Devel's Advocate" by supporting the opposite view to that held by the majority of participants; there are usually no right or wrong answers to development questions, and trainees must see and understand both sides of every issue.

13. If trainees appear to be following a quite different track from that suggested in the material, do not dismiss this out of hand; it may be useful or more so.

14. Call on the silent, and if necessary silence those who talk too much.
15. Be sure that everybody understands what is going on; do not allow the discussion to be taken over by the few who understand.

16. Be dynamic, lively and active. Move around, walk up and down the classroom, and generally keep everyone alert to your physical activity.

10. **After the Course**

Note down each trainee's action commitment, and be sure to contact every trainee, in person or at least by letter, about six months after the end of the course to find out how they have managed to apply what they have learned and how well they are implementing their action commitments. If they have failed, it is not they who were at fault, but the course. Either the training was ineffective, the trainees were poorly selected or you failed to recognise problems which might prevent them from applying what they learned.
### CONTENTS

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SESSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vision of Change</td>
<td>1.1 Climate setting</td>
</tr>
<tr>
<td></td>
<td>1.2 Marginalization</td>
</tr>
<tr>
<td></td>
<td>1.3 Co-operative values and Principles</td>
</tr>
<tr>
<td></td>
<td>1.4 The need for Co-operative Action</td>
</tr>
<tr>
<td></td>
<td>1.5 External Support</td>
</tr>
<tr>
<td></td>
<td>1.6 Co-operative Development Agencies</td>
</tr>
<tr>
<td>2. Identifying the Target</td>
<td>2.1 Identification as a Two-way Process</td>
</tr>
<tr>
<td></td>
<td>2.2 Identifying the Poor in the Village Situation</td>
</tr>
<tr>
<td></td>
<td>2.3 Some Drawbacks in the Identification Process</td>
</tr>
<tr>
<td>3. Identifying Co-operative Micro Projects</td>
<td>3.1 Dialogue with Household Members</td>
</tr>
<tr>
<td></td>
<td>3.2 Searching for Solutions through Discussion</td>
</tr>
<tr>
<td></td>
<td>3.3 Leadership</td>
</tr>
<tr>
<td>4. Feasibility and Planning</td>
<td>4.1 Assessing the Feasibility of Micro Projects</td>
</tr>
<tr>
<td></td>
<td>4.2 Planning Micro-Projects</td>
</tr>
<tr>
<td>5. Education and Training</td>
<td>5.1 Participatory Approach to Education and Training</td>
</tr>
<tr>
<td></td>
<td>5.2 Input from Subject Specialists</td>
</tr>
</tbody>
</table>
## Contents

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SESSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Mobilisation of Savings</td>
<td>6.1 External Financing: Credit and Subsidies</td>
</tr>
<tr>
<td></td>
<td>6.2 Mobilising Local Resources: Co-operative Savings</td>
</tr>
<tr>
<td></td>
<td>6.3 Subsidised Credit and its Dangers</td>
</tr>
<tr>
<td></td>
<td>7.2 External Management Services</td>
</tr>
<tr>
<td>8. Linkages with Third Parties</td>
<td>8.1 Linkages: Benefits and Risks</td>
</tr>
<tr>
<td></td>
<td>8.2 Negotiating with Powerful Parties</td>
</tr>
<tr>
<td></td>
<td>9.2 Movement-Building</td>
</tr>
<tr>
<td>10. Monitoring and Evaluation</td>
<td>10.1 Monitoring and Self Evaluation</td>
</tr>
<tr>
<td></td>
<td>10.2 Evaluation by Field Workers and Co-operative Leaders</td>
</tr>
<tr>
<td>11. Conclusion</td>
<td>11.1 Evaluating the Course</td>
</tr>
<tr>
<td></td>
<td>11.2 Action Commitment</td>
</tr>
</tbody>
</table>
vision of change

Session 1.1  Climate Setting
Session 1.2  Marginalization
Session 1.3  Co-operative Values and Principles
Session 1.4  The Need for Co-operative Action
Session 1.5  External Support
Session 1.6  Co-operative Development Agencies
SESSION 1.1

CLIMATE SETTING

Objective: To enable both trainees and trainer to know each other thus setting a favourable climate for learning.

Time: 2 - 3 hours.

Material:
- Pre-course questionnaire.
- Timetable.
- List of trainees.
- Handout: "Leading Questions for Mutual Interviews".

SUMMARY OF THE SESSION

Each trainee has taken the decision to participate in the course. It is not quite clear, however, whether he will participate actively in group work. Everyone struggles with the same silent questions and fears, among which are:

- What kind of people are the other trainees?
- Do I like them?
- Do they like me?
- Will I be accepted by the group?
- What does the group expect from me?
- Will they take me seriously?
- What will be the outcome of this course?

Initial Fears and Uncertainties

During the first day the trainees will hardly listen to each other; some will make proposals but will not consider what others have said. Everybody will be still rather uncertain. Each trainee will have his own way of dealing with these uncertainties. Some will talk a lot, while others will prefer to assume a "wait and see" attitude.

What trainees need most at this stage is clarity about:
SUMMARY OF THE SESSION

- their position;
- the position of the other trainees;
- what will happen during the course;
- how this will happen.

Both the "name-game" and the "mutual interview game" are intended to acquaint the trainees with each other. The latter is particularly suited to people who feel more comfortable in a two-person conversation rather than in a group. You should take part in the game as if you were a trainee. This will bring you closer to the trainees and help reduce the psychological barriers associated with initial teacher-student relationship.

After group members have become familiar with each other and with the trainer, they are likely to pay more attention to the training itself. At this stage your task as a trainer will be to create a climate of trust, acceptance and openness. You should take each trainee's contribution seriously, making everyone feel that their values, beliefs and views are important and that personal concerns and ideas can be expressed and discussed openly.

Remember that most FWs often hold low positions in their own organisations and will be conditioned to receiving instructions from their superiors. They may not be used to participatory decision making and might therefore find the informal participatory atmosphere of the course rather unfamiliar.

During the first days you should allow sufficient time to talk with the trainees and get to know each other well. You can do this by giving each trainee an opportunity to introduce himself in the manner suggested in the Session Guide.

Modelling

As a trainer you have a modelling function. Your attitude should be a model like the one you expect a CFW to assume when working with a co-operative group. It should reflect the ability to listen and understand. You should accept trainees' experience as valid and useful case material which merits the attention of all. Show respect for each trainee as a person even if you do not agree with some of the opinions they express.
SUMMARY OF THE SESSION

Throughout the course emphasise the importance of this basic attitude in field work. By setting a good example you will encourage trainees to assume similar attitude and behaviour towards each other and towards the communities they serve. The trainer acts as an animator and facilitator in this learning process. Without a participative attitude, it is not possible to facilitate participatory development in the field.

Stick to a time schedule. As far as possible start and finish on time.

Session Guide:

1. If a prominent person is to open the course he should have been briefed well in advance about the need for the course, its objectives, the trainees, the CDAs they represent and their work in the field. He should be asked to highlight the problems of the rural poor and weaknesses in delivery programmes and stress the need for a well-planned, coordinated and effectively implemented co-operative action programmes. The very crucial role of the CFW in carrying out this important task should also be emphasised.

2. See to it that any administrative matters such as accommodation, payment of expenses, transport, etc. are dealt with now.

3. Point out that a training course such as this is an investment. Estimate its total cost (including trainees' salaries while in training) and point out that unless the benefit to the co-operative development from this course exceeds its cost, the money would be better spent elsewhere. Trainees must therefore continually relate what they are learning to their own jobs all the time. If the material appears irrelevant
or mistaken, or if they do not understand how to use it, they must say so in order that the course can be modified accordingly.

4. Go briefly through the course programme. Stress that the trainees will be required to contribute and not merely to listen. People learn not by passively listening but by actively participating.

Ask each trainee to state briefly his training and work experience, and what he hopes to gain from the course.

Stress that everyone brings something to the course and that the total experience in the group as a whole is substantial. While the trainers and material will provide ideas about techniques and a structure for the course, a major input must come from the trainees themselves.

Explain to the trainees that you intend to contact them after the course to assess how successful they have been in implementing their plans.

5. Invite trainees to introduce themselves. Give each trainee a maximum of two minutes to do this. Each introduction should cover:

- name;
- the institution/organisation represented;
- main reason for attending the course.

6. Introduce the "name game" starting by mentioning your own name. The trainee next to you (remember your class is arranged in such a way that you are all facing each other) repeats your name, then mentions his own. The one next to him repeats the last name mentioned, then his own. The procedure is repeated until everyone in the class has taken part in the exercise. The game will end by you repeating the last name men-
tioned. Ask trainees to pronounce their names slowly so that others can repeat them. Stress that the participatory nature of the course requires that trainees work closely together and to do so successfully they must remove psychological barriers that inhibit free interaction. Knowing each other by name is an important first step in that direction.

7. Ask trainees to form pairs (they should be free to choose partners). Distribute the handout "Leading Questions for Mutual Interviewing" to each trainee. Ask each trainee to interview his partner, using the questions in the Handout. After the first round of interviews they should switch roles so that the interviewee becomes interviewer, and vice versa, using the same questions.

8. Ask each trainee to draw on the flip chart or chalkboard the face of the partner he or she interviewed, and under the face write a very brief summary of the responses received from the interview. Point out that trainees need not be artists to draw, faces nor should the drawings resemble the persons depicted. This exercise will help "break the ice" - i.e., drastically reduce the atmosphere of formality. It is likely to provoke fun and laughter among the trainees - which is well within our purpose.

9. Summarise the session by explaining that this informal exercise has helped a great deal in removing some of the initial barriers of communication. Emphasise the need for trainees to get to know each other even more - both inside and outside the classroom as this will facilitate a better exchange of ideas and experiences during the course.
Pre-course Questionnaire

Name: .................................................................

Organisation/institution: ........................................

.................................................................

Job Title...........................................................

Brief description of your responsibilities: ..............

...........................................................................

Major problems faced by your organisation/institution:

...........................................................................

...........................................................................

Major activities undertaken by your organisation/institution in the last two years:

...........................................................................

...........................................................................

Major activities anticipated by your organisation/institution in the next two years:

...........................................................................

...........................................................................

Please complete the following sentence. "As a result of attending the course on Grassroots Co-operative Action I hope that I shall be able to:

...........................................................................

...........................................................................

...........................................................................
LEADING QUESTIONS FOR MUTUAL INTERVIEWS

1. What is your name?

2. Where were you born?

3. Which schools did you attend?

4. What kind of training have you received?

5. Are you married?

6. Have you got children?

7. Have you got brothers and sisters?

8. Are both your parents alive?

9. What are your hobbies?

10. What organisation do you work for?

11. What kind of work do you do?

12. What aspects of your work do you enjoy most?

13. What is your first impression of this course?

14. What is your first impression of this group?

15. How do you expect this course to help you improve your performance at work?
SESSION 1.2

MARGINALIZATION

Objective: To enable trainees define marginalization and identify the factors and forces which cause it.

Time: 2 - 3 hours.

Material: Handout, Activity Sheet.

SUMMARY OF THE SESSION

The majority of the poor people in developing countries live in the rural areas. These include farmers, the landless, nomads, hunters and gatherers. Although there is great variation in their living conditions, they do have one thing in common: their lives are highly influenced by external forces over which they have little or no control. These forces affect their traditional ways of living and push the rural poor into the wider national and international economic and political systems. Their "incorporation" into the "modern" world is not always to their advantage; it often results in loss of human dignity and assets such as land.

Traditional values and logic are undermined, often being replaced by "western" values and logic. New, sometimes challenging, opportunities present themselves. But the poor majority normally don't posses the resources, skills, and influence necessary to take advantage of such opportunities. As a result they are increasingly faced with hardships and a constant deterioration in the quality of their living conditions. That process is called marginalization.

Major forces that can cause marginalization in rural areas are:

- socio-economic dependence on local wealthy groups or individuals such as landlords,
SUMMARY OF THE SESSION

rich farmers, money-lenders, traders and chiefs;

- dominance of big enterprises in agro-business or urban industries competing with village industry;

- state intervention and regulations resulting in, among others, unstable markets, low prices for agricultural produce, difficult access to farm inputs, unfair land tenure systems, rural programmes and projects which benefit the better off more than the poor and needy;

- unstable political situations such as civil wars, political turmoil or social strife;

- natural disasters such as droughts, floods, landslides, and earthquakes.

Session Guide:

1. Introduce the subject by describing marginalization as defined in the Summary of the Session. Explain that marginalization is a state of growing inequality between a rich minority and a poor majority, resulting in increased hardship for the latter. Give only a broad definition at this point.

2. Ask trainees whether they have come across situations in rural communities where marginalization has been experienced. Ask them to describe the type of groups and individuals involved in both cases.

3. Elicit from trainees the external forces which play a role in changing and shaping societies. Ask them to assess the effect of such forces on the living conditions of the poor. A few trainees will probably mention some of the factors. List them on the chalkboard, incomplete as they might be.
4. Distribute Activity Sheet 1 and give trainees 5 minutes to study it carefully. While they are studying it, list on the chalkboard or flip chart the six factors. Ask trainees to give examples on each factor from their own experience.

It is possible that the trainees will disagree wholly or partly with the analysis given in the Summary of the Session. Moreover, the list of examples given in the Summary may not be relevant to the situation obtaining in the trainees' places of work. Do not agree or disagree with them. At this point the trainees are still not quite forthcoming (the shy ones will still be withdrawn). It is advisable that you have them work in groups.

5. Divide trainees into small groups of 3 - 4 persons. Distribute Activity Sheet 2 and ask each group to discuss the four questions in depth. Give them one hour to do this.

In discussing the questions it is very important that trainees draw from their personal experience and not from general theory. To get the vision of the whole group clear, ask each sub-group to organise and structure its conclusions in a systematic manner.

6. Get all the trainees to reassemble in a plenary session where each group's secretary should present the conclusions reached by his respective group.

Discussion should then ensue. Make sure there is no digression from the main issue, which is the trainees' vision of rural conditions and the causes of marginalization. Remember that the trainees at this stage of the course are still new to each other and might not be quite open to one another. Discussing the forces that cause rural poverty can be a sensitive issue as it is not merely a discussion of facts
but also a revelation of political beliefs, attitudes and inclinations. It can therefore spark off some heated discussion where your neutrality and respect for different opinions should prevail all the time.
DOMINANCE OF BIG ENTERPRISES

OVERPOPULATION

SOCIO-ECONOMIC DEPENDENCE ON LOCAL POWERFUL GROUPS OR PERSONS

MARGINALIZATION

CLIMATIC AND ECOLOGICAL DISASTERS

UNSTABLE POLITICAL SITUATION

STATE INTERVENTION
ACTIVITY SHEET

Discuss the following questions:

1. Which forces or factors cause marginalization of the rural poor?

2. List the major factors or forces in order of importance.

3. When is someone considered poor in the areas where you work? Are the poor in the minority or in the majority?

4. Is it true that the living conditions of the rural poor are getting worse when compared to those of the people who are better off?

Write down the main conclusions on a flip chart. They will be discussed in the plenary meeting.
SESSION 1.3

CO-OPERATIVE VALUES AND PRINCIPLES

Objective: To enable trainees explain the basic co-operative values and principles and identify their limitations with regard to the rural poor.

Time: 2 hours.

Material: - Activity sheet 1 and 2.

SUMMARY OF THE SESSION

Being business oriented, co-operatives easily lose the values and principles inherent in them in the course of pursuing economic goals. All those involved in co-operatives - the members, the elected leaders, development agents, etc. - must not forget that co-operation has an added value which transcends economic considerations. When co-operative action is rooted in the people's fundamental beliefs, hopes and aspirations, members will be more determined to act in unison, and with loyalty to their organisation. This, in turn, will enhance the organisation's chances to survive in an environment that is socially, politically and economically hostile.

For a long time the concept of co-operative organisation in developing countries was that of an officially registered body, expressly pursuing economic objectives on behalf of members who were seeking to satisfy their material needs.

This narrow concept of co-operative organisation as legally established body whose role is restricted to the economic spheres of life, is borrowed from advanced, industrialised countries. It does no justice to the motivation and inspiration of co-operative pioneers in those same countries who drew impetus and drive from their conviction that co-operative action had the potential to counteract economic exploitation
and contribute to social reform. To realise such a potential, co-operatives in their operations have to respect certain ideals which are basically humanistic. These include factors such as special concern for the weaker sections of society; equitable sharing of gains and losses; and respect for people's autonomy. All these constitute the priority of human development (people) over economic development (money).

Similar ideals existed in ancient cultures and world religions. They have helped people at different times and at different places to find socially and ethically acceptable responses to practical, economic problems. Endogenous forms of co-operation rooted in traditional values can be found in all cultures. Many have existed for a long time (e.g. mutual co-operation in agricultural production, house building and funeral arrangements). Some have disappeared, while others have emerged more recently as a response to the challenge of modern living conditions (neighbourhood groups and saving groups).

For co-operative FWs, it is necessary to have a thorough knowledge of the people's culture, both its positive and negative aspects, and to develop a vision of how co-operative practice can foster the positive and counteract the negative ones. "What is positive or negative is not up to the CFW to decide. Rather, it should be the outcome of a profound dialogue with the "target population".

The Congress of the International Co-operative Alliance held in Stockholm in 1988 reflected on the growing interest in co-operative values as a guiding force for co-operative organisation and enterprise. The following values were identified as having an important bearing on co-operative development:

- **self-help values** (activity, creativity, responsibility, independence, "do-it-yourself");

- **mutual-help values** (cooperation, unity, collective action, solidarity, peace);

* (Taken from "Co-operatives and Basic Values" by Lars Marcus, International Co-operative Alliance).
SUMMARY OF THE SESSION

- non-profit interest values (resource conservation, elimination of profit as a driving force, social responsibility, utilitarian goals, "not profiting from others" work);
- democratic values (equality, participation, equity);
- voluntary-effort values (commitment, creative power, independence, pluralism);
- universal values (global perspectives, openness);
- educational values (knowledge, understanding, insight, etc.).

ICA principles

CFWs who have been exposed earlier to formal training in co-operative development may relate "co-operative values" to the internationally accepted "co-operative principles" (adopted by the ICA at its 23rd Congress held in Vienna in 1966). They are:

1. Membership of a co-operative society should be voluntary and available without artificial restriction or any social, political, racial or religious discriminations, to all persons who can make use of its services and are willing to accept the responsibility of membership.

2. Co-operative societies are democratic organisations. Their affairs should be administered by persons selected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote), and participation in decisions affecting their societies.

3. Share capital should only receive a strictly limited interest, if any.

4. Surplus of savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of the others.
SUMMARY OF THE SESSION

This may be done by decision of the members as follows:

a) by provision for development of the business of the co-operative;

b) by provision of common services;

c) by distribution among the members in proportion to their transactions with the society.

5. All co-operative societies should make provision for the education of their members, officers and employees and of the general public, in the principles and techniques of co-operation, both economic and democratic.

6. All co-operative organisations, in order to best serve the interests of their members and their communities, should actively cooperate in every practical way with other co-operatives at local, national and international levels.*

Although these principles have proved relevant and applicable in many situations, they have some limitations when applied to co-operative development programmes that seek to involve the rural poor:

(i) No specific reference is made to the weaker, sections of society as a specific "target group" for co-operative activities.

(ii) Some of the principles advocated are, in fact, rules of operation but, as such, poorly adjusted to local cultures and specific Third World situations. For example, the "one man, one vote" rule is ill-adapted to situations where local cultures have their own forms of democratic decision-making.

(iii) Where the goal is to combat rural poverty, the principle of equal opportunities should be added to those already adapted

SUMMARY OF THE SESSION

by the ICA. Justice in the distribution of goods and services should prevent a few members taking a lions' share of co-operative benefits - for example, subsidised credit, fertilisers, transport facilities, etc. - as is too often the case. There is need, for internal rules and regulations which will guarantee equal opportunities for access to co-operative facilities.

This does not mean that all members receive equal quantities of goods or services (a small farmer will need less credit than a large one) but that members have access to facilities proportionate to needs, with special attention being given to the economically weak ones.

Session Guide:

1. Make a quick summary of the previous session and state the objective of this one.

2. Even if the trainees are working with co-operatives, we cannot assume that they understand co-operative values and principles.

Start the session by eliciting from trainees what values and principles are and how the two differ. Explain that values relate to ones' (an individual's or society's) judgement of what is important in life while principles relate to general laws or rules adopted to guide certain actions or to form the basis of conduct. Explain further that co-operative values relate to the way a co-operative is organised and how it functions to fulfil the aspirations and enhance the well-being of its members. Co-operative principles on the other hand are the "guidelines" or "code of conduct" upon which the organisation and functions of co-operatives are founded.
3. Elicit from the trainees the difference between by-laws or Standing Orders and principles. Synthesise contributions from the trainees by explaining that:

**The principles** apply to every co-operative, everywhere; they are universal, while

**Bylaws or Standing orders** are the rules governing the functions of a particular co-operative. They vary from one co-operative to another according to its type and objectives.

4. Present the Co-operative Values and Principles as explained in the Summary of the Session.

5. Divide trainees into groups and distribute to each one Activity Sheet 1 and explain the questions so that they are well understood. Then ask the groups to discuss the four points and summarise their conclusions on a flip chart. Allow 25 minutes for the exercise.

6. Reconvene the trainees and ask each group to present its conclusions on the four questions. This should be followed by a plenary session at the end of which you should summarise the main learning points from this exercise.

7. Divide trainees into groups and distribute Activity Sheet 2 then proceed as in 5 and 6 above.
Discuss and answer the following questions in your groups and prepare answers to them.

1. What are the basic human values which underly co-operative organisation and action?

2. Are the co-operative groups you are working with only pursuing material benefits or do members see and recognise that their co-operative group also as a means of realising other social, cultural or religious values?

3. In cases where human values have been disregarded, what effects has this had on the economic and social performance of such co-operatives?

4. Do co-operatives get stronger or weaker when upholding non-material values and ethical principles? Give reasons for your view and, if possible, provide some examples.
ACTIVITY SHEET 2

The following are the main features of the co-operative principles adopted by the International Co-operative Alliance at its 23rd Congress held in Vienna in 1966.

1. Membership should be voluntary and available without artificial restriction or discrimination.

2. Democratic administration and control (one member, one vote).

3. Limited interest, if any, on share capital.

4. Surplus, if any, should be distributed in an equitable manner in proportion to the member's transactions.

5. Promotion of education.

6. Co-operation with other co-operatives at local, national and international levels.

Discuss the following questions in the group and prepare answers to them.

1. Do the co-operative groups you work with apply these principles?

2. Do you think these principles are well adjusted to the social/cultural setting of the people you are working with?

3. How would you modify these principles so as to adapt them to your particular situations?

Write your conclusions on a flip chart for presentation in the plenary.
SESSION 1.4

THE NEED FOR CO-OPERATIVE ACTION

Objective: To enable trainees recognise the need for co-operative action as a means of changing living conditions in the rural areas, and the role of co-operative development agencies in that process.

Time: 2 1/2 hours.

Material: Case Study.

SUMMARY OF THE SESSION

Marginalization of the rural poor is largely caused by forces which the poor have little or no control over. For them to survive and maintain human dignity it is necessary to exert greater influence over their own life situation. To achieve this they must try to raise their level of self-reliance.

Self-reliance is a condition whereby people do not depend on the assistance of others to secure their individual group interests. It entails the capacity to take decisions and to act on people's own decisions, independent of third parties.

Self-reliance should not be confused with autarky, (a state of self-sufficiency). In modern society, no group or community can survive as a self-sufficient unit. Interaction with other institutions both public and private, is unavoidable. Self-reliance, however, entails interaction with third parties (government, NGO's, merchants, etc.) on the basis of equality. For the rural poor it also means that they take action by themselves and on their own initiative.

For people to be truly self-reliant, they must be able and willing to help themselves (self-help). This can take place in two forms: individual or group action. Each form of action has its
SUMMARY OF THE SESSION

Inherent advantages and disadvantages. Most food and cash crops are grown on an individual or family plot. Other income-generating activities such as petty trade, handicraft and bee-keeping are also undertaken, mostly on a family basis or by individuals. Group or co-operative action is often initiated to make such family or individual undertakings technically feasible, more cost-effective and less risky. Analysis of economic activity shows that co-operative efforts are a necessary complement to a broad range of activities which families do or are willing to undertake.

When the action is purely individual, it will only benefit the person or the household to which one belongs. Group action is meant to benefit all group members. Co-operative action is a special form of group action. When group action is undertaken on a continuing basis to pursue common social and economic interests, this is referred to as co-operative action.

By comparing the advantages and disadvantages of individual vis-a-vis co-operative action on the basis of concrete cases, trainees will recognise the complementary nature of the two forms of action. They will also recognise that without co-operative action, individual initiatives may bring no lasting improvement in the situation of the poor majority.

Co-operative action will give the economically weak enough bargaining power to influence administrative decision-making on such matters as trade regulations, price policies, subsidies, feeder roads, etc. Co-operatives will also enable the rural poor to make such facilities as transport, storage, and processing economically viable. In short, co-operative action is meant to provide the poor with economic power.

Co-operation cannot solve all problems of the rural poor. The scope of co-operative action at the grassroots level is far too small to radically reduce the ill-effects of the various structural forces which affect the situation of the poor. Because of that co-operative action at this level must eventually lead to organisation and intervention at higher levels. This will be discussed under topics 8 and 9.
SUMMARY OF THE SESSION

We must also emphasise that in any initiative designed to give economic power to the poor there is often an element of economic or political risk. Confrontation with vested economic or political interests may force the poor to compromise a risk which they may not be able or willing to bear. Gaining economic power through co-operative action is not a revolutionary but an evolutionary process. Where it succeeds in transforming economic systems, the change is gradual. The following is a comparative list of the advantages and disadvantages of individual vis-a-vis co-operative action.

INDIVIDUAL ACTION VIS-A-VIS CO-OPERATIVE ACTION

<table>
<thead>
<tr>
<th>Individual Action</th>
<th>Co-operative Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>- independence in decision-making with regard to planning and implementation of economic activities;</td>
<td>- fostering solidarity and mutual help;</td>
</tr>
<tr>
<td>- decision-making process is faster;</td>
<td>- saving time through group activities such as transport, sale of produce, purchase of production inputs or consumer items;</td>
</tr>
<tr>
<td>- most benefits go directly to the individual or his household.</td>
<td>- stronger bargaining power on markets resulting in better prices (higher price for sales, lower price for purchases);</td>
</tr>
<tr>
<td></td>
<td>- lower operational costs of production, storage, transport, or processing equipment) as a result of economies of scale;</td>
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<tr>
<td></td>
<td>- sharing/lowering individual risks</td>
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</table>
### SUMMARY OF THE SESSION

**INDIVIDUAL ACTION VIS-A-VIS CO-OPERATIVE ACTION**

<table>
<thead>
<tr>
<th>Individual Action</th>
<th>Co-operative Action</th>
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</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td></td>
</tr>
<tr>
<td>- possibility of mobilising local savings and formation of joint capital by co-operative savings;</td>
<td></td>
</tr>
<tr>
<td>- stronger bargaining power with regards to relations with the state and its institutions.</td>
<td></td>
</tr>
<tr>
<td>- opportunity to share ideas and experiences;</td>
<td></td>
</tr>
<tr>
<td>- possibility of hiring competent personnel.</td>
<td></td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td></td>
</tr>
<tr>
<td>- limited resources</td>
<td>- dependence on group decision before action can be taken</td>
</tr>
<tr>
<td>- higher cost of production per unit</td>
<td>- lack of flexibility and quick response to changing circumstances</td>
</tr>
<tr>
<td>- all risks are borne by the individual</td>
<td>- risk of domination by leaders</td>
</tr>
<tr>
<td>- all the work is done by one person/family</td>
<td>- risk of fraud</td>
</tr>
</tbody>
</table>
SUMMARY OF THE SESSION

INDIVIDUAL ACTION VIS-A-VIS
CO-OPERATIVE ACTION

<table>
<thead>
<tr>
<th>Individual Action</th>
<th>Co-operative Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disadvantages</td>
<td></td>
</tr>
</tbody>
</table>
- weaker position when dealing with third parties e.g. traders, administrative authorities, etc. |
- risk of benefits being inequitably distributed |
- loss of time on group discussions.

From the above comparison it would seem that co-operative rather than individual action is a far more favourable way of acting for the poor. This is not to underrate the role of self-help at the individual or household level. Rather, it is to underline the point that in order to achieve the economies of scale and to gain economic strength the poor must pool together their limited resources and co-operate.

Session Guide:

1. Present the session as summarised above.

2. Ask trainees to indicate whether the people they work with do try to gain control over their lives in order to maintain their dignity. If so, how do they do it? Write down their answers on a flip chart. They will probably mention:
   - working hard
   - producing more food
   - relying on their own efforts rather than outside help
   - helping one another
   - discussing common problems.
3. Explain that the key word here is "self-reliance". Explain what self-reliance is and make a clear distinction between "self-reliance" and "self-sufficiency".

Stress that self-reliance does not mean a state of self-sufficiency (autarky) and that no individual or community can survive as a self-sufficient unit. Explain the need for interaction with other institutions e.g. government, traders and banks.

4. Elicit from the trainees which form of self-help will be more favourable for the poor: individual or cooperative? They should give reasons for their answers.

Write down the answers on a flip chart. It is likely that most of trainees will say that most people prefer working individually. Bring up these answers later for comparison after the case exercise.

5. Divide trainees into groups of not more than four members each. Distribute the Case Study and allow up to 30 minutes for the assignment to be completed.

Reconvene the trainees and ask each group to present their conclusions. Briefly summarise the salient points on the chalkboard. Group views will probably differ.

6. Conclude by stressing that although individual action certainly has some advantages, they are overwhelmingly outweighed by those of co-operative action.
CASE STUDY

For decades the people of Cardinallia Village have lived in poverty. Despite their working very hard, their living conditions have not improved in the least.

Most of the villagers are rice farmers. Rice is sold for cash and also consumed as the staple food. Cardinallia has a good soil and climate for fruits and vegetables but women who usually cultivate them are discouraged because there are no good markets for their produce. One has to travel to the town, eleven kilometres away, to sell vegetables; that takes too much time. Most of the rice crop that is not consumed is sold to the village produce merchant who is also the local money lender. As many of the villagers owe him money, most of their harvest goes to pay for what they owe. Apart from charging exorbitant interest rates, the merchant/money-lender is also notorious for paying pitifully low prices for the produce. The villagers seem to have no choice but to accept what he pays.

Assignment

1. Has a situation like this occurred in your area of work?

2. If you were a co-operative CFW in Cardinallia, what advice would you offer the villagers?

3. In what way could co-operative action help solve the problems of the people of Cardinallia?

4. What problems would you foresee in initiating co-operative action in the area?

5. Discuss the advantages and disadvantages of co-operative action in the village.
SESSION 1.5

EXTERNAL SUPPORT

Objective: To enable trainees distinguish between self-supported and externally supported co-operative activities, and identify the advantages and disadvantages of the two forms.

Time: 2 1/2 hours.

Material: Case Study 1 - 2.

SUMMARY OF THE SESSION

As already explained, activities can be initiated either on individual or co-operative basis. This Guide focuses on the latter.

There is often a controversy over whether co-operatives should be self-reliant - i.e. having organisational autonomy and independent of third party influence - or whether they should be promoted and supported by external co-operative development agencies and, if so, to what extent?

The following chart compares the advantages/disadvantages of self-support vis-a-vis external support provided by a co-operative or other development agency with a comparable function (e.g. non-governmental development agency).

SELF-SUPPORTED VIS-A-VIS
EXTERNALLY SUPPORTED CO-OPERATIVES

<table>
<thead>
<tr>
<th>Self-supported</th>
<th>Externally-supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advantages</td>
<td></td>
</tr>
<tr>
<td>- close linkage with local values, knowledge and local needs;</td>
<td>external agency can provide training;</td>
</tr>
<tr>
<td>- full autonomy in decision making;</td>
<td>- linkages with third parties (traders, technicians, etc.) are easier established;</td>
</tr>
</tbody>
</table>
## SUMMARY OF THE SESSION

### SELF-SUPPORTED VIS-A-VIS EXTERNALLY SUPPORTED CO-OPERATIVES

<table>
<thead>
<tr>
<th>Self-supported</th>
<th>Externally-supported</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td></td>
</tr>
<tr>
<td>- slow &quot;organic&quot; growth instead of artificial growth of the organisation by external inputs and influence</td>
<td>- can facilitate access to complementary financial or material resources (loans, subsidies, production inputs);</td>
</tr>
<tr>
<td></td>
<td>- can facilitate contacts between different co-operative organisations.</td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td></td>
</tr>
<tr>
<td>- the organisation has no status;</td>
<td>- less independence in decision-making;</td>
</tr>
<tr>
<td>- lack of access to knowledge and information about new economic or political developments;</td>
<td>- activities do not effectively respond to local needs and priorities</td>
</tr>
<tr>
<td>- limited resources</td>
<td>- weakens initiatives towards self-reliance;</td>
</tr>
<tr>
<td>- technical errors and mismanagement are not promptly detected or addressed;</td>
<td>- some sections of the organisation receive more support than others; this creates differences and jealousies.</td>
</tr>
<tr>
<td>- dominance by local power holders remains unchallenged and uncontrolled.</td>
<td></td>
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</tbody>
</table>

Session Guide:

1. Start with a brief summary of the previous session, stressing the advantages of co-operative over individual action.

2. Explain the objective of this session and give a very brief overview of what will be covered.

3. Explain that whether or not external support will contribute to the development of self-reliance will largely depend on how such support is provided. The mode of interaction between CDA and the rural poor is, in fact, the main theme of this training course. It will be necessary to make the trainees aware of the possible negative effects of this interaction for, as field workers - they represent the agencies responsible for co-operative development. Later in the course we shall discuss techniques of approach designed to remove some of the possible negative consequences of their work.

4. Divide trainees into groups of 3 - 4 persons and distribute to each member of the group the two Mini Cases. Ask each group to discuss the Cases and work through the assignments. Allow 30 minutes for this exercise.

5. Reconvene the trainees and ask each group to present their conclusions.

6. The discussion ensuing from the group presentation should lead to the following conclusions:

   - external support was desirable in both cases;
   - however, the type of support given, and the manner it was provided should in no way undermine the initiative of the members and their determin-
ation for self-help. Nor should it usurp the members right to decide for themselves about the co-operative.

7. Display the table ("Self-Supported vis-a-vis External-ly Supported Co-operatives) and conclude the session by stressing that each approach has advantages and disadvantages. Trainees must always help co-operative members to ensure that external support does help promote and enhance a sense of self-reliance in co-operatives rather than compromising it.
CASE STUDY 1.

The Makits Co-operative Society was formed in the village of Charmilles three years ago to carry out the following activities:

- procuring and supplying raw materials for handicrafts to its members;
- marketing of the baskets and other handicrafts produced by the members;
- training its members on improved methods of handicraft production.

The co-operative started with very limited capital contributed by members in the form of shares. Wishing to be completely self-reliant, the society's leaders refrained from borrowing money from the bank or any other external bodies even though such possibilities were there. They also resisted from enlisting the support of government and political leaders, including advice from the co-operative development agencies in the area, even though such support was readily available.

Now, three years later, Makits Co-operative Society is still operating, although its performance is not quite good. It has been facing the following problems:

- because of very limited capital, the co-operative is not able to purchase enough raw material to meet the needs of its members; production is therefore below capacity;
- as there is not enough expertise within the group the quality of the products is not as good as buyers would have wished;
- despite the low production the co-operative has sometimes experienced problems in finding buyers for the products;
- as the co-operative cannot afford to employ a professional managerial staff, the management and accounting functions are carried out on voluntary basis by members of the committee who have no knowledge or skill in these matters; consequently no proper records are maintained and the general management of the co-operative is not quite satisfactory.

The members are aware of these problems but they insist that they would rather live with them than having external support as they suspect that this would undermine their independence and interfere with their activities.
Assignment:

1. Does this co-operative need external support? If so, what kind of support?

2. What would be the advantages and disadvantages of external support to this co-operative?
CASE STUDY 2.

The Melusa Co-operative Society in Tira Village was formed two years ago to market its members' fruits and vegetables. Initially the co-operative was financed by contributions made by the members in the forms of shares. However, because of the poor condition of the villagers, the funds thus raised were very meagre and after the first year the co-operative was in a very bad financial situation.

Although the members were dedicated and wanted to carry on with their co-operative the government department responsible for co-operative development, at the behest of local politicians, donated some funds to the co-operative to rescue it from its financial problems. Although this move was welcomed by the members, it soon became apparent that the government which had appointed one of its officers to serve as the Manager was running the affairs of the co-operative, sometimes without consulting the committee. Suddenly members were being told what to do by government officers and politicians, the former claiming to have provided the money while the latter claimed to be the spokesmen for the members.

Although members are usually invited to attend annual general meetings, most of the time it is government people and politicians who are dominating the discussions in their co-operative. Each time the members want to air their views they are shouted down by the government officers and the politicians. They are constantly reminded that it is not their money that is running the co-operative and therefore they have no right to decide how the co-operative should be run; besides, they are told, what do they know about running a co-operative?

Assignment:

1. Does this co-operative need the external support?
2. What will be the effect of the external support on the members initiative and self-reliance.
SESSION 1.6

CO-OPERATIVE DEVELOPMENT AGENCIES

Objective: To enable trainees identify the strengths and weaknesses in the policy and practice of Co-operative development agencies in general and the local agency they work for in particular.

Time: 2 1/2 hours.

Material: Activity sheets 1 and 2.

SUMMARY OF THE SESSION

The effectiveness with which a co-operative development agency can support the social and economic development of the poor will depend, to a large extent, on how that institution perceives the well-being of people. It will also depend very much on how clearly its objectives have been defined, the strategy it uses and the efficiency with which it manages development programmes. It is necessary for the CFW employed by such institutions to be aware of its strengths and shortcomings in that context. It is also important for the CFW to be able to identify possible contradictions between the agency's objectives (and how they are pursued) and broader development objectives.

No organisation, CDAs included, is ever perfect. Most are so preoccupied with the struggle for organisational survival and enhancement of their position (vis-a-vis other organisations) that their attention is often detracted from their main development role.

For a better insight into the functions and shortcomings of co-operative development institutions, it is necessary to organise information pertaining to them in the following systematic order:

- History and development philosophy
SUMMARY OF THE SESSION

- Status
- Objectives
- Structure
- Development functions
- Target areas
- Policy towards co-operative groups/organisation.

Let us now discuss these features in greater detail.

(i) History and Development philosophy

In order to understand a co-operative development agency we must first find out who founded it (the state, a religious or other private organisation), and analyse the reasons for its establishment. Usually a religious organisation will have motives and policies different from those of government institutions. It may also happen that in the course of time the original objectives will have changed.

Information relating to the background of the CDA can help to explain why the agency acts the way it does, its linkages with other institutions and its limitations. Most organisations have underlying principles and ideas (or philosophy), on the basis of which their objectives and strategy are formulated.

(ii) Status

This refers to the co-operative Institution’s:

- legal basis for existence;

- its position in the country's co-operative hierarchy (primary, secondary or tertiary);

- its relation to government (whether it operates under government influence or autonomous);
SUMMARY OF THE SESSION

- its major sources of finance.

(iii) Objectives

Normally a CDA has two sets of objectives:

(a) Organisational Objectives – which relate to the concern and effort by the agency's management and staff to perpetuate its existence in a competitive environment. Such competition may come from other institutions (governmental, non-governmental or private). To ensure their survival and continuity, some non-governmental CDAs engage in various forms of economic ventures which earn them income. In that sense financial self-reliance, on its own, is pursued as an objective. Others deliberately refrain from engaging in income-generating activities for reasons of principle. They devote all their time and energy towards promoting the social and economic interests of the poor, but with the consequence that they remain financially dependent on contributions from outsiders (foreign and local donations).

(b) Developmental objectives – which relate to the agency's efforts to bring about positive change in society at large (improving the economic conditions of the poor, bringing about social and economic change, etc.). The development objectives can further be divided into four categories:

- short-term objectives

  e.g. to promote co-operative type of organisations so as to alleviate rural poverty;

- long-term objectives

  e.g. to help create a more egalitarian and just society by changing present power structures.
SUMMARY OF THE SESSION

- Formal objectives

are those officially recognised by the organisation as stated in its Articles of Association or other documents.

- Informal objectives

are those which are not expressed in the Articles of Association or by-laws, but can be inferred from the activities of the organisation.

Informal or formal objectives can be either long or short-term. However, informal, longterm objectives - be they organisational or developmental - are often far more interesting than the formal ones as they explain better why a CDA acts the way it does.

Organisational and developmental objectives are often difficult to reconcile. To secure its organisational continuity and independence, a CDA may aim at becoming financially self-reliant by generating its own income. The agency thus engages in economic activities such as marketing (e.g. buying and selling farm inputs, handicraft, consumer goods, etc); industrial ventures (e.g. processing of milk or meat); investments in housing for rent, and providing consultancy services (e.g. to foreign donor agencies). Such activities may not be directly related to the developmental objective i.e. promoting economic activities for, and managed by the rural poor.

Co-operative development agencies - especially those with non-governmental status - often find themselves in a dilemma for which there is no easy solution. Should they try to generate their own income? Should they devote all their time and energy working with and for the poor?

(iv) Structure

This refers to:
SUMMARY OF THE SESSION

the way in which the sections of the organisation relate to each other (horizontal and vertical) as is usually shown in organisational charts;

- how a co-operative institution relates to other institutions in the co-operative system.

(v) Development Functions

- Development functions can be classified according to the types of activity in which the CDA is involved.

Examples of different types of co-operative activity are:

- supply of agricultural inputs;
- agricultural production;
- storage;
- processing and marketing;
- health services;
- savings and credit;
- housing;
- non-agricultural industries, etc.

The variety of services needed by the rural poor and the urgency of the situation may compel institutions to engage themselves in a broad range of activities which may inhibit sectorial specialisation and development of high level expertise in any one of these fields.

However, in order to be effective the CDA may have to set priorities in the face of a variety of unsatisfied needs and demands for its services from the target population.
SUMMARY OF THE SESSION

Assuming that no single institution can carry the full responsibility for co-operative development in all types of economic activity, it would be desirable that the institution increases its proficiency in one or two types of activity and agrees to a division of tasks with other institutions or agencies pursuing similar objectives.

The idea of specialisation among institutions and agencies engaged in co-operative development work may sound attractive but it pre-supposes willingness to share responsibilities, a coherence of objectives and the capacity to streamline inter-organisational collaboration.

(vi) Target Areas

The geographical area covered by a CDA tends to be too large - mainly because of pressure either from the board of directors, management, funding agencies or from the people being served by the agency. At the same time, the institution tends to do too little in too many places.

This approach drastically minimises the impact of the institution and the achievement of its development objective.

To realise an effective structure of co-operative organisations at the village level requires that promotional efforts are concentrated over a small area (a district, rather than a provincial programme) and limited to a few villages in the area chosen.

(vii) The Target Population

In order to discern the performance of CDAs, it is necessary to identify and analyse the target group to which promotional efforts are directed. It
SUMMARY OF THE SESSION

is important to find out whether CFWs address themselves to the entire population of the area or just to a section of it. For example: do they address only the poor, the women or the whole community?

It is also important to find out whether the target population chosen matches the development objectives set by the CDAs. If, for instance, the development objective is to support and improve the situation of the weaker section of society, it is doubtful whether this goal can be reached by working with the whole population - which mean admitting also the richer people as co-operative members. On the other hand would it be realistic and economically wise to exclude them?

(viii) The agency's policy towards co-operative groups/organisations

The main issues to consider here include:

- How do CDAs operate?

- In which way do they support co-operative groups in their effort to improve the living conditions of their members?

There are two ways of approaching the local population; in practice they often overlap.

(a) Service-delivery (working for the people): In this approach the CDA undertakes the task of setting up a co-operative and runs a service delivery system intended to benefit a "client" target group.

The co-operators become the beneficiaries and the CDA the de facto "project holder" and manager
SUMMARY OF THE SESSION

of the co-operative system. Participation of the co-operative members is limited to their use of the service as they exercise little control over the decision-making process. In many cases it is not the members but the staff of the CDA who run and control the co-operative credit system by organising the marketing, the purchasing and distribution of inputs, etc.

This approach in co-operative development will require substantial amounts of money, especially for investments and working capital. In some cases, when the project is "successful", it creates a sense of dependency among co-operative members which does not stimulate them to think creatively and assume responsibility for their own development. Thus, when the institution reduces or withdraws its assistance, project activities often collapse.

(b) Co-operative self-help promotion approach: (working with the people): In this approach, the primary task of the institution is to facilitate and stimulate the emergence and functioning of solid co-operative groups at the primary level. Activities do not receive their impetus from the project money but from the aspirations of the co-operators themselves. This also applies to secondary or higher level co-operative organisations (Unions and Federations) which are the outcome of a natural process of growing collaboration between primary level organisations.

The rural target groups are not treated as beneficiaries and "objects"; but rather as those responsible for identifying, plan-
SUMMARY OF THE SESSION

ning and implementing co-operative activities on a self-help basis. In this approach the institution plays a "catalytic" supportive role rather than a managerial one towards the rural target population.

The difference between the "service delivery" and "self-help promotion" approach is visualised in the following drawing.

THE TWO DIFFERENT APPROACHED IN THE PROMOTION
OF ECONOMIC ACTIVITIES BY
CO-OPERATIVE DEVELOPMENT AGENCIES

Approach 1: A service "delivery approach"
(working for the people)

Funding agency → CDA "project holder" manages and controls "co-operative" activities

Co-operative members are, in fact, agency's clients and strengthen their individual economies by taking advantages of co-operative services (credit, supply of inputs, sale of products to agency, etc.)

Approach 2: A co-operative "self-help promotion" approach
(working with the people)

Funding agency → CDA elicits and supports co-operative self-help initiatives

Co-operative/ groups organisations manage and control economic activities

Co-operative members strengthen individual and collective economies by co-operative action (savings, collective purchase of inputs, collective sale of produce, etc.)

Key:
----- Influence
------ Control
Session Guide:

1. Explain the objective of this session and its relevance to the trainees as co-operative FWs.

2. Present the main points in the Summary of the Session giving only a broad explanation. The trainees should formulate their own opinion during group discussion.

3. Distribute Activity Sheet 1 and explain the questions in it so that trainees understand them clearly. Ask each trainee to answer all the questions. Allow 30 minutes for this assignment.

4. Having completed the assignment above, ask trainees to form pairs and let each trainee read the answers of his/her partner. You should not discourage trainees belonging to the same agency from forming a pair as their answers might differ. Distribute Activity Sheet 2 and let the pairs analyse and discuss the strengths and weaknesses of each other's organisation.

5. After the discussion, ask each pair to write down the main strengths and weaknesses of each institution analysed on a chart and hang it on the wall. The strengths and weaknesses listed should relate to the philosophy, objectives, internal structure, selection of target area and target population, development functions and approach of the CDA. Allow 45 minutes for this exercise.
ACTIVITY SHEET 1.

Answer on a separate piece of paper the following questions about the agency you work for. Take time to think carefully about each subject. Then outline the main features of each subject.

Your description should neither be too short nor too long. Just describe the main features in such a way that you and the partner with whom you will discuss the answers (Activity 2.) will get a clear insight into your agency's policy and functions.

(i) The establishment of the agency
   - when was it established?
   - why was it established?
   - who established it?
   - for what purpose?

(ii) Objectives
   - what are the official development objectives of your agency?
   - are there other development objectives which are not explicitly covered by the official objectives?
   - are there informal organisational objectives e.g.:
     - financial independence?
     - strengthening its position vis-a-vis other institutions (government institution, NGO, etc.)?

(iii) What is the legal status of your institution: NGO, government institution, co-operative, etc.?
(iv) What is your institution's internal organisational structure?

- board
- management
- departments
- number of employees, etc.

What is the source of the institution's finances?

- the institution itself
- government
- foreign donor agencies
- local voluntary contributions, etc.

If possible illustrate the organisational structure and indicate in percentages the financial contributions by different sources.

(v) What is the geographical area of operation?

(vi) What is the target population? (Specify the categories your agency is trying to support).

(vii) Development functions

- What type of co-operative development activities is your agency involved in? (e.g. supply of agricultural inputs, storage, processing, marketing, savings and credit, consumer shops, housing, non-agricultural industries).

- What other development functions does it perform besides co-operative development?

- What is the development approach of your agency?" Does it work "for the people", "with the people", or both?
ACTIVITY SHEET 2.

Exchange with your partner the answers to the questions in Activity Sheet 1.

Together analyse the strengths and weaknesses in the policy and functions of each other's agency. You may use the following key questions:

- Does the agency have a clear philosophy for its development policy? Has that philosophy changed over time?
- Are the development objectives clear? What are the informal organisational objectives? Which other agency (NGO, government, etc) is yours competing with?
- With whom is it collaborating?
- Does such competition/collaboration have a positive or negative effect on co-operative development at the grassroots level?
- To what extent is the target population involved in determining your agency's policy, functions and formulation of objectives?
- What are your views regarding the internal structure of the agency?
- What do you think should remain or change in the organisational structure?
- What are your agency's sources of funds?
- Do you consider the geographical area where the institution operates:
  - too large?
  - too small?
  - or just the right size?
- How well defined is the target population?
- What do you think is the appropriate approach for a CDA?
  - a "service delivery" approach
  - a "self-help promotion" approach
  - a combination of both

The two of you should write down the main strengths/weaknesses of each other's agencies on a flip chart and hang it on the wall. These will later be discussed in the group session.
identifying the target

Session 2.1  Identification as a Two-way Process
Session 2.2  Identifying the Poor in the Village Situation
Session 2.3  Some Drawbacks in the Identification Process
SESSION 2.1

IDENTIFICATION AS A TWO-WAY PROCESS

Objective: - To enable the trainees recognise the need to systematically identify target communities and co-operative groups prior to any development intervention.

- To enable trainees identify ways and means of carrying out a two-way process of identifying target communities and organisations.

Time: 2 - 3 hours.

Material: Activity sheets 1 and 2.

SUMMARY OF THE SESSION

The following terms are used when identifying the rural poor within a given geographical area - e.g. a province, region or district:

(a) the disadvantaged marginalised sections of the population are referred to as the "target population;"

(b) the village Communities are referred to as the "target Communities";

(c) the co-operative bodies (formal or informal, emerging or already existing) are referred to as the "target organisations";

(d) the people within the village set-up who could be considered as poor, and in need of special attention from CFWs are referred to as the "target categories."

Identifying the rural poor is a continuous process. It involves choosing the village communities, organisations and categories of the population which CDAs intend to support in a given geographical area.
SUMMARY OF THE SESSION

When a CDA - whether on ethical or political grounds - focuses its attention on the poor, marginalised section of rural society, that section becomes the target population. Within this target population more specific categories meriting special attention can be identified. Examples of such "sub-categories" could be small farmers, landless households and women. These are the target categories.

Village communities which have been identified and given priority as the focus for co-operative development work are target communities or target villages. The co-operative groups or organisations emerging or existing in such villages are referred to as target organisations.

Note that the word "target groups" has been avoided because the way it is used in development circles can be confusing. Sometimes it refers to groups, and at times to an unclassified mass of people to whom development assistance is given.

The ideal process of identifying the rural poor should be:

(a) the CDA has to study beforehand the situation prevailing in the area before taking any definite decision as to which communities, organisations, or categories of the population it will support, taking into account also its own limitations;

(b) the local population/organisations should be well informed about the main features, intentions and capabilities of the CDA so as to enable them identify it as a suitable partner in development.

1. Identifying and selecting the target communities, organisations and categories

Generally, CDAs spend little time examining specific features and circumstances of the area. Moreover, they seldom formulate the selection criteria or specify the conditions for support. One often finds the following situations:

- village communities and organisations situated near administrative centres or
SUMMARY OF THE SESSION

along the main roads are better served than those more remotely located;

- some villages/organisations receive substantial or too much support from different organisations while others receive very little or none at all;

- activities of the CDA are spread out too thinly over too many villages and organisations. The support is too little to have any meaningful impact.

The criteria for selecting target communities may be:

- the relative neglect of a community by other organisations;

- the need to concentrate efforts on a limited number of villages situated near each other;

- communities known for their "political sensitivity" may not be chosen.

As regards selection of target organisation one often encounters the following situations:

- a tendency among CDAs to promote the establishment of new co-operative groups instead of supporting the existing ones;

- a relative neglect of the development potential of traditional or other spontaneously formed groups as a basis for more advanced co-operative action (existing savings clubs, funeral groups, neighbourhood groups, etc.).

Criteria for selecting of target organisations could be:

- harmony between the CDA's development vision and the formal and informal objectives pursued by members and leaders of the organisation (existing or emerging);

- the relevance of the activities these organisations wish to undertake in order to promote the interests of the poorer sections of the population;
SUMMARY OF THE SESSION

- the need for the specific type of support the CDA is able to provide;

- organisations which already receive some form of support from other governmental or non-governmental organisations may have to be avoided purely for "diplomatic" reasons. The CDA's support may be perceived as an encroachment on the "territory" of the other agency.

As regards the selection of target categories one often encounters the following situations:

- Many programmes/projects have been based on the false assumption that the rural population is a homogeneous entity sharing basically the same problems, interests and priorities. But poor small farmers usually have problems different from those of the relatively well-to-do. Those without land or livestock are in a different position from those who have. Consequently the nature of co-operative organisation and action to remedy some of the problems of the farmer will also be different.

- The specific economic and social needs of women are often ignored or overlooked. Although much has changed for the better in the recent past, CDAs often ignore or overlook the potential role of women in co-operative development. Their economic importance in such fields as agricultural production, processing, trade, savings, credit - not to mention their role as decision makers on household expenditure - is not sufficiently recognised. Women are predisposed to group action, they are persevering, disciplined, honest and scrupulous. They are also considered to be better treasurers, duty-conscious and more dependable in discharging their financial obligations (e.g. credit repayment).

- Other categories easily overlooked are the young and the aged. The latter are particularly disadvantaged in that, unlike women, they do not enjoy the support of national or international "lobby organisations".

The tendency to exclude old people from the decision-making process is typical of a de-
SUMMARY OF THE SESSION

velopment orientation which attaches greater importance to "modernisation" rather than to people's tradition, cultural heritage and values as the basis for economic and social change. Old people have specific needs and interests which may be met through co-operative action in such matters as transport, access to low-priced consumer goods, health care, insurance, etc.

Young people may need special attention in such areas as employment and leisure activities; these can be organised on co-operative basis.

The criteria for selecting target categories may be:

- their state of marginalization;
- their relative neglect by other development programmes/projects.

The identification process, like the other processes to be discussed in later sessions, is a continuous one. Once decision has been made to give priority to a specific category of the population, and once activities have started, it will be necessary to ascertain whether (and to what extent) the target category is participating in the activities. It will also be necessary to find out who benefits most from the activity and who do not.

When activities focus on economic issues such as those of co-operative organisations, the risk of "by-passing" the poorer sections of society is great. Economic projects easily "move away" from the category of people they are meant to serve.

2. Establishing Rapport with the Target Community.

A CDA of good standing normally needs little publicity or advertising to become known; it will sooner or later find itself confronted with far more demands for support than it can cope with.

Just as the CDA would like to have detailed information on the local communities and institutions it might choose to support, so
SUMMARY OF THE SESSION

would the latter wish to be informed about the former. In particular the local institutions would like to know the objectives of the CDA, the major features of its activities, and the type of support it is able to provide. Since support organisations are usually in a better position than its target population to gather information, it is much better informed and more powerful than local communities or organisations.

If the local population is well informed about the intentions of the CDA, this will help create better relations between the two. Before transacting business, the agency and its targets ought to know each other well. This process involves explorative talks and field visits; naturally these take some time, but without this, disappointments are bound to arise at a later stage when programmes are implemented and without expectations being met.

A CDA should be aware of the fact that, once it has made its contacts in certain areas and with certain groups, it will have raised people's expectations.

In summary, during the identification process the two parties i.e., the agency and the local population/organisations must recognise each other as "potential partners in development". It is a two-way process.

The following are checklists which might be helpful as guidelines for a systematic collection of information on local communities and organisations by the CDA.

CHECKLIST FOR GATHERING OF INFORMATION ON LOCAL COMMUNITIES AND ORGANISATIONS

* Attitudes of the rural population towards outside intervention (openness or reluctance)

* Reputation of the area/villages (political "sensitivity", tensions between various categories of the population)

* Geographical situation (infrastructure, accessibility of villages)
SUMMARY OF THE SESSION

* Main economic activities of the area and of the villages within the area

* The Climate

* Existing service institutions (governmental and non-governmental development organisations and their target groups)

* Informal co-operative groups

* Formal co-operative groups

* Categories of the population which seem to be excluded from the mainstream of development activities or discriminated against for geographical, economic, social or cultural reasons.

SOURCES OF INFORMATION

* Discussion with formal and informal leaders at the local and grassroots level.

  (Remember that quite often officials or leaders will give inaccurate information to have the villages of their choice selected for CDA support).

* Official documents and registers of co-operative societies and agricultural banks, discussions with board members and staff of such organisations.

* Social studies (available at Universities and at other agencies) giving information on different categories of the population and their economic, political, social and cultural aspects.

* Explorative field visits to potential villages and organisations for on-the-spot observations and discussions with village-level officials and other persons who might provide relevant information.

A combination of the various sources of information will probably be the best.
Session Guide:

1. Make a very quick review of the main points covered in the previous topic (Vision of Change).

2. Explain the objectives of this session in terms of what the trainees should be able to do afterwards.

3. Introduce the main elements of the Session as presented in the Summary above.

4. Since trainees might be a little familiar with the process of identification, a more elaborate discussion in a plenary meeting might be necessary before trainees start working on individual or group tasks.

Start a plenary discussion on the following questions:

- Why is it necessary for a CDA to identify the target population before launching a support programme?

- Do you think that the CDA should support any co-operative-type of organisation regardless of who are going to benefit from its activities?

You may wish to add to the above some more questions of your own formulation, based on the information in the main text of this Session. Allow 5 to 10 minutes for discussion about each question. Let a trainee summarise the answers of the group on the chalkboard. The discussion should not be exhaustive. It should provide a basis for further discussions in groups and plenary.

5. Distribute Activity Sheet 1. Ask the trainees to answer individually, in their note books, the six questions about the policy (or lack it), of their
CDAs with regard to identification of target communities, organisations or categories. Make sure that the trainees understand the questions well. Allow 20 minutes for this.

6. Distribute Activity Sheet 2. Divide the trainees into groups of 3 to 4 persons. Ask each trainee to present to the rest of the group a summary of his answers to the questions in Activity Sheet 1.

Instruct each group to discuss the summaries, focusing on one or two points they consider to be the most relevant. Ensure that the groups write their answers on the flip chart clearly, as this information will be useful in the next session.

Allow 45 minutes for this exercise.

7. Reconvene the trainees into a plenary and ask each group to present its conclusions. This should be followed by a plenary discussion. Allow 45 minutes for the plenary session.

Conclude the Session by Summarising the main learning points.
ACTIVITY SHEET 1

Individual Task

Answer the following questions in your notebook.

**General question:**
What is the policy and practice followed by your CDA with regard to identifying and selecting target communities and organisations?

You may use the following specific questions as guidelines:

1. What kind of information does your agency collect about the area in which you work (province, or district), and how is it collected?

2. Is such information sufficient to make a responsible choice of target communities and organisations? What additional information would be required?

3. Does your CDA support existing co-operative organisations only or does it also take initiatives to facilitate the founding of new ones?

4. Do you feel that some communities or categories of the population (e.g., women, old people, and the landless) are overlooked by the CDA and would need more support in the form of co-operative action?

5. What should the local population or local co-operative group know about the CDA?

6. How can a CDA make its policies and potential services better known in the area where you work, especially among the target population?
ACTIVITY SHEET 2

Group Task

- Take out your answers to the questions in Activity Sheet 1 and summarise these to members of your group.

- At the end of your summary select the questions which you think are the most important for further discussion in your group.

- Together select one or two questions which you want to discuss in the group.

- Write your main conclusions on a flip-chart for presentation in the plenary.
SESSION 2.2

IDENTIFYING THE POOR IN THE VILLAGE SITUATION

Objective: To enable the trainees recognise the need to carefully identify the poor in the village situation and provide them with the necessary skills for conducting participatory surveys at the village level.

Time: 4 1/2 hours.

Material: Activity Sheets 1 and 2.

SUMMARY OF THE SESSION

One can support a disadvantaged person effectively only if he has a good understanding of his situation and problems. CFWs can enhance their understanding in these matters by carrying out participatory surveys at village and household level. Even for those with long field experience, such surveys, when well planned and executed, can prove to be eye-openers.

Development work in many instances is characterised by hasty implementation of "development projects". CFWs seldom have the opportunity to make an in-depth study of the economy of the village and the specific problems of the poorer households. To be sure, projects are often implemented without due consideration as to whether in their form and content they meet the priority needs of the marginalized and contribute towards the development of their self-help potential.

As a rule CFWs should undertake participatory surveys in the target communities not just by village meetings and group discussions, but also by entering into dialogue directly with the poorer people within the village. Such dialogue can take different forms.

In this session emphasis will be given to the need for systematic collection of data at village level. We shall call this the village sur-
SUMMARY OF THE SESSION

vey, and at a household level we shall call it the household survey.

To build up a climate of trust and develop a good understanding of real village life, CFWs are advised to stay in the village during the survey period (two to three weeks). They should preferably stay there overnight and participate in day-to-day village activities and informal discussions.

When he is sure of having been well accepted in a new village, the CFWs may start collecting of data at the household level in a more systematic manner through interviews.

Gathering information at village level: a village survey

The village survey is concerned with a systematic gathering of information on what constitutes the immediate environment of the marginalized households - that is - the village. In this survey, the general conditions of the village are analysed. Much of the information collected at this stage will require further refinement at later stages.

As indicated in the schedule of items on the following page conclusions can only be "tentative" because they are based on impressions and rudimentary data. Further fact-finding and analysis is necessary. This is covered in the section on "household surveys".

List of possible items for a village survey:

(a) General village data

- Population
- Number of inhabitants/households
- Migration patterns (people leaving the village, seasonally or permanently)
- Key establishments (school, church, etc.)
- Administrative bodies/leadership (village council, headman, sub-chief etc.)
- Accessibility (how far from administrative centre, market or town; by what means
SUMMARY OF THE SESSION

is access to the village possible)

- Seasonal variations
- Water supply
- Nutrition and health conditions
- Religion
- Political influence, factions
- Non-agricultural households (landless, officials)
- Farmer households (owners or tenants).

(b) Village economy

- Principal crops (cash crops, food crops)
- Cultivation methods
- Degree of self-sufficiency in food production
- Distribution of land holdings (main characteristics only)
- Livestock (main characteristics only)
- Sources of cash income from farm and non-farm activities
- Service organisations active in the village (e.g. agricultural service centre, mobile bank)
- Private business (trading, transport, money lending and hawking)
- Co-operative organisations in the village
- Informal groups (savings groups, funeral groups, etc.)

Possible Sources of information

The following are possible sources of information which the CFW may consider using when conducting a village survey.
SUMMARY OF THE SESSION

(a) Local village leaders (formal or informal)

Limitations:
It is important to know who the local leaders really represent. If they belong to an economic and social elite, informations provided by them might be biased

(b) Local extension officers, health officers, other CFWs, bank agents etc.

Limitations:
Agents of development organisation are often not well informed about the actual situation of the poorer households. In most cases their contacts are primarily with the more "progressive", and better off population groups or local leaders.

(c) Ordinary village people

Limitations:
It does not necessarily follow that just because the informants are poor the informations they provide will be more reliable because it is less biased. In the village situation the poor are often found to carry antagonistic feelings towards each other and view each other as competitors.

Systematic gathering of information on village households through a household survey

As already noted in the previous session, there is a great risk of by-passing poor sections of the community when activities (especially economic ones) are set up with the assistance of external organisations.

It is therefore important to get a more precise and complete overview of the situation of all households living in the target village or community. This information can be collected by a household survey. Such survey can be carried out with relative ease as only basic data need to be collected. However, as the survey encompasses all village households, it must be comprehensive.

On the basis of this survey, it will be possible to:
SUMMARY OF THE SESSION

- identify, with greater precision, who the poor are in the village situation and the main characteristics of their economic situation, and

- define operational criteria and indicators of poverty in the local context

The survey can be carried out in several ways:

(i) By the CFW paying short visits to each household in the village and collecting basic data on the situation of each of them. It also provides an opportunity for the CFW to introduce himself personally to each household in the village and show personal interest in each of them.

(ii) By involving some of the villagers, for example some local leaders or young literate people, in the collection of data. This approach implies greater participation on the part of the village population in the identification of the poor. Such persons may be referred to as internal action-researchers while the CFW is referred to as an external action-researcher. The CFW has a leading role in processing the data.

There are many other ways which CFWs may consider appropriate for collecting basic information on households. They may even have practised them without considering them to be "surveys". The following list of items will need adjustment to local situations mainly because villagers have their own concepts of material poverty which are more important than those of outsiders. Criteria and indicators will also serve as parameters for the assessment of the impact of development activities.

On the following pages we shall review some special issues related to the methodology of collecting information on the individual households.
SUMMARY OF THE SESSION

POSSIBLE ITEMS FOR THE HOUSEHOLD SURVEYS
(From which indicators of poverty can be derived)

<table>
<thead>
<tr>
<th>Item</th>
<th>Indicators of poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household composition</td>
<td>Many children, no birth control</td>
</tr>
<tr>
<td>Food habits</td>
<td>Low consumption of meat, occasional food shortages</td>
</tr>
<tr>
<td>Housing</td>
<td>Poor housing</td>
</tr>
<tr>
<td>Clothing</td>
<td>No footwear, poor dressing</td>
</tr>
<tr>
<td>Possession of means of transport</td>
<td>No cart, bicycle, donkey, boat, etc.</td>
</tr>
<tr>
<td>Access to land</td>
<td>Small piece of land only, land is not owned but cultivated on rental basis</td>
</tr>
<tr>
<td>Possession of livestock</td>
<td>No draft animals (which have to be lent); no small livestock - (e.g. fowl or rabbits); or in only small quantities</td>
</tr>
<tr>
<td>Variety of sources of income</td>
<td>Involvement in a variety of activities that generate very small income.</td>
</tr>
<tr>
<td>Membership of co-operative organisations or similar institutions.</td>
<td>The poor are generally less organised</td>
</tr>
</tbody>
</table>

Special issues related to the techniques of conducting the household survey.

(i) Who are the good informants at household level?
SUMMARY OF THE SESSION

The key source of information for this survey are the households members themselves.

But who in the household should be the respondent? If left to the household to decide it will most likely be the male head of the household. At best women will be permitted to listen. This, however, is undesirable: women's role in the rural economy is often so crucial that they can provide information of greater importance than could be provided by menfolk.

It is difficult to make general suggestions as to how this can best be achieved. The action researcher will have to choose the best way of handling the situation.

(ii) Individual or group-interview?

Can interviews with household representatives be a substitute for personal visits to each household? Interviews with groups of household representatives can be considered as a time-saving substitute for visiting each individual household. The groups should not exceed 8 - 10 respondents. Since discussions are focused on collecting information on the situation of individual households, it is difficult to pursue this with too large a group.

Group interviews have both advantages and limitations.

Advantages:

- the process of information gathering will be less time consuming;
- the information obtained will be more reliable as a result of mutual control by group participants over deliberate or inadvertent misinformation;
- it is easier to have interviews with men and women in separate groups so that women can talk without inhibition. A meeting of a CFW with a
SUMMARY OF THE SESSION

women group might be tolerated by the male population but individual talks might not be appreciated.

Disadvantages:

- It demands considerable skill on the part of the action-researcher. He must ensure that the interview does not run out of his control and ends up in a general discussion, however interesting such a discussion might be.

(iii) Who should collect the information at household level?

This can be done by any of the following:

- an external action-researcher such as the CFW;

- an internal action-researcher such as a local leader, community members themselves or by any combination of external and internal action-researchers.

Each of these approaches has its advantages and disadvantages in relation to the following:

Skills for interviewing.

The CFW will probably be more skilled in collecting information. Internal action-researchers are not skilled in systematic presentation and processing of data.

Reliability of the information.

To obtain reliable and correct information, there should exist a relationship of trust and acceptance between the action-researcher and the respondents. The CFW as an outsider will have to establish such relationship first, before being able to collect reliable information.

On the other hand, the local leaders and other community members form part of the existing network of family relationships,
SUMMARY OF THE SESSION

friends etc. They know very well who to trust and who not to. Whether or not the community members will be willing to provide the correct information will therefore depend on the position and "image" of the interviewer.

Objectives/subjectives

A CFW has the advantages of the so-called "stranger's value": as an outsider he will be able to look upon the local situation more objectively than the local leaders/community members. Many aspects of the community (social, economic, political and cultural life) will be more striking for an outsider than for the local people themselves as they are accustomed to the environment they live in.

Efficiency in gathering information

As the CFW is not acquainted with the local situation, he will sometimes collect superfluous information. On the other hand the local population knows better than anyone else their own life situation. Everyone in the community knows something about the problems and resources of the village.

(iv) When to collect information?

- time which does not clash with the respondent's schedule of work;

- spread throughout the year in order to capture the seasonal variations in the conditions of life of the rural poor.

Session Guide:

1. Make a brief summary of the points covered in the previous session.

2. Explain the objective of this session and relate it to the previous one. Trainees must be clear as to
what they will be able to do as a result of the training received during this session.

3. Present the Session using the Summary above as your guide. Ensure maximum trainee participation when presenting the Session.

4. Divide trainees into groups of up to four persons, preferably working in the same geographical area. Distribute Activity Sheet 1 and explain the assignment to trainees. Allow 45 minutes for this assignment.

5. Reconvene the trainees into a plenary session and ask each group to present its case on a flip chart. Allow 10 minutes for each group's presentation. The discussion following the presentation should aim at eliciting from trainees the similarities and differences in the situations described. It should also provide an answer to the question "What are the most important indications to poverty?".

6. Distribute Activity Sheet 2 and explain the assignment, making sure that trainees understand what they are expected to do. Then ask them to revert to their groups and work on the assignment. Allow 45 minutes for this exercise.

7. Reconvene the groups into a plenary. Ask a representative of each group to explain briefly their suggestions. Invite other groups to comment and criticise before drawing any conclusions. Ask trainees whether they think there is need to be more systematic in identifying the poor in the village situation and to develop indicators of poverty, or whether they think this is a waste of time.

Elicit from them the extent to which such a process should be in each village and review with them ways
in which the villages themselves could be associated with the identification process.

8. Conclude by summarising the main learning points of the Session.
ACTIVITY SHEET 1

(a) Drawing from your own experience, describe a typical village community in your area of work. The description should be very realistic and should cover the general conditions as well as the economic situation of the community.

(b) Make a profile of a poor family typical of the area where you work. Include such factors as size and composition of household, land owned or rented, main sources of income etc.

(c) What is the "poverty line" in the village (i.e. what makes some villagers poor when compared to others?). What are the poverty indicators in the perception of the villagers in terms of production, consumption habits, living and working conditions, etc?

Write down your conclusions on a flip chart. These will be presented in-a summary form during the plenary session.
ACTIVITY SHEET 2

Discuss and give your views on the following points:

1. For the purpose of collecting basic information, would it be necessary to contact each household individually?

   If so,
   
   - by whom should they be contacted - the field worker or someone else from the village?
   
   - which member of the household should be contacted?
   
   - when should they be contacted (at what time of day or year)?

2. Once you have collected the information and analysed it, what should you do with it?

3. Do you think that for your work you need more precise information on the socio-economic situation of the village and the individual households in order to establish who the poor are and what their situation actually is?

   Make use of your own field work experience. Write down your main conclusions on a flip chart to be discussed in the plenary.
SESSION 2.3

SOME DRAWBACKS IN THE IDENTIFICATION PROCESS

Objective: To enable trainees identify the drawbacks they might encounter during the identification process.

Time: 2 - 1/2 hours.

Material: Activity Sheets 1 and 2.

SUMMARY OF THE SESSION

The way the CFW views and conducts himself may be quite different from what the community expects of him.

Because of his social or cultural background he may be associated with particular groups in that community - a factor which may seriously inhibit free interaction during the identification process. The CFW can draw lessons from analysing his own and other CFWS problems of "non-acceptance"

During the identification period, a CFW may encounter several problems that hamper his acceptance by the villagers generally or by particular persons or groups within the village. Some of the obstacles could be:

- the CFWS identification with a particular group of people;
- suspicion as to the CFWS and/or his institution's real intentions;
- expectations of villagers with regard to outside financial assistance;
- gender issues (whether the CFW is male or female);
- language;
- the CFWS general appearance and conduct;
SUMMARY OF THE SESSION

- lack of time on the part of the local population;
- negative experiences with CFWs of other CDAs or agencies.

These obstacles are briefly discussed below.

**Identifying the field worker with a particular group of people.**

The local population might identify the CFW with a specific social class, religion, caste etc. This might result from:

(a) the type of person who has introduced the CFW to the villagers. (For example, the CFW may have been introduced by a high-ranking local official whose normal contacts are mainly with wealthier groups, political or religious functionaries).

(b) The CFWs own tendency to consort with those people in the village with whom they share common background – be it religious, caste or ethnic. The others are excluded or ignored.

**Suspicion by target population:**

If the local population has had some negative experience with previous development programmes in the area, the CFWs presence might be regarded with suspicion, if not outright hostility. The people affected are bound to question the objectives not only of the CFW but also of the institution he represents.

There is no easy way of removing suspicion once aroused. Time and patience will help, but more than that, one must be sincere, open to criticism and ready to explain one's motives and how these are expected to contribute to the people's development.

**High expectations for external support by target population:**

During the introduction period the CFW should not raise people's expectations for external financial assistance. The prospect of such assistance will undermine people's initiative and
SUMMARY OF THE SESSION

their determination to help themselves. However, because previous external interventions may have provided financial assistance, it would not be uncommon for the villagers to expect the same from the newcomer. When these expectations are not met there is an initial loss of interest on the part of the villagers. The general attitude is "if you don't have money or material things to offer us, then what else should we expect from you?"

Gender bias:

The gender of the CFW may significantly influence his acceptance or rejection by the local population. This, of course, differs from one place to another. In most rural communities there is a social division between the "women's world" and "men's world". Each gender has its specific role in the daily life of the community, at work as well as in social contacts. Generally, a female CFW would be more easily accepted among women, just as would a male CFW among menfolk.

Communication barriers:

The CFW might speak a language different from that of the local community, in which case he will be compelled to work through an interpreter. Apart from the danger of distorting information, this can put off people. Even if the CFW speaks the same language, he may be using difficult words which the local people do not understand. Those affected may not easily understand him; they might also feel inferior before him.

Socio-cultural background of the CFW:

As a result of his background, the CFW might appear different from the local people in the way of dresses, his ideas, customs, norms and religion. He might not be familiar with the formal and informal codes of behaviour in the community. Consequently the CFW can make a lot of "social blunders" - most of the time without being aware of it.

For the CFW to be trusted and accepted by the local population, he must model a behaviour that is generally acceptable. In particular, he must:
Session Guide:

1. Make a very brief summary of the previous session.

2. Explain to the trainees what they should be able to do after this session (Session objective).

3. Elicit from the trainees the kind of problems they have experienced in trying to get accepted during their initial period of working with a new rural community. List the answers on the chalkboard and refine them to match the list in the summary.

SUMMARY OF THE SESSION

- show respect for religion, its institutions and leaders - even if he is not himself of that particular persuasion;

- show respect for people and take them seriously even when their ideas conflict with his;

- be sensitive to local taboos - especially with regard to appearance and general conduct;

- be sensitive to the worries, aspirations, and perspectives of the poor, even if, as a CFW, he might see things differently.

Poor timing of the identification process by the CFW:

As already discussed in the previous session, lack of time on the part of the local population constitutes a serious drawback during the identification process.

Much of the work involved in the identification process must be carried out at a time when the CFW can obtain evidence on the true character of poverty and those most affected by it. It should not conflict with the calendar of work in the target population. Moments when most of the people in the target community are involved in priority activities need to be avoided.
4. Explain each of the seven obstacles discussed in the summary, making sure to draw from the trainees experiences, examples and problems in (3) which would further illustrate the points you are making.

5. Distribute Activity Sheet 1. Divide the trainees into seven groups. Assign a situation from those described in Activity Sheet 1 to each group. Let each group develop a case around it. Each case should not exceed 400 words.

If you think the situations listed are not the most important ones, you may modify them or formulate your own.

Ask the groups to begin their case with: "Suppose you face the following situation..." and end with "What would you do?" You should not provide the solution. Allow 45 minutes for this.

After the exercise distribute Activity Sheet 2 and ask the groups to exchange their cases.

6. Make sure that each group reads carefully the case they have been given in the situation described. The discussion should lead to a solution as to what one should have done. The answers should be written down in their exercise books. Allow 15 minutes for this assignment.

7. Each group should present its answers to the problem. Allow 45 minutes for this assignment.

8. Reconvene the groups into a plenary and ask each one to present their conclusions. This should be followed by a plenary discussion at the end of which you should summarise the salient points on the chalkboard or flip chart.
Develop a case on one of the seven situations described below. Your case should not exceed 400 words. Although your case might be fictitious, try to make it as realistic as possible. Your personal experience in the field will be very helpful in depicting situations that have, or could happen.

1. A CFW who is rejected by the local people because of his constant association with the "rich" and influential people in the area.

2. A CFW is regarded with suspicion by the local people because he reminds them of a previous development project which failed to meet their expectations.

3. A CFW is rebuffed by the local people because he cannot meet their expectations of financial support as was the case with a previous development project.

4. A male CFWs' efforts to discuss development issues with the womenfolk of the village fail because the menfolk are hostile to the idea; they would rather have the discussions held with the male members of the village.

5. During discussions with villagers the CFW uses words and expressions which are misunderstood, or not understood at all by the villagers.

6. Local villagers are avoiding a female CFW because she appears too "foreign" to them in the manner she dresses and the way she conducts herself.

7. The CFW fails to make an appointment with an important local official because he (the official) is not available most of the time.

Your case should end with the question "What would you do if you were the CFW in the case?".
ACTIVITY SHEET 2

Read carefully the case you have been given and discuss ways in which you could have resolved the situation.

Write down your suggestions on a flip chart to be presented at a plenary.
identifying co-operative micro-projects

Session 3.1  Dialogue with Household Members
Session 3.2  Searching for Solution through Discussion
Session 3.3  Leadership
SESSION 3.1

DIALOGUE WITH HOUSEHOLD MEMBERS

Objectives: To enable trainees recognise the need for an intimate knowledge of the economy of the poor and identify means of acquiring such knowledge.

To enable trainees identify methods and means by which they can carry out a systematic search for co-operative solutions to the problems of the poor.

Time: 6 hours.

Material: Activity Sheet 1/Working Aid 1; Activity Sheet 2/Working Aid 2.

SUMMARY OF THE SESSION

To understand the economy of the poor we need information about such matters as their cash income and expenditure, access to farm land, the credit system in use, etc. This vital information can be gathered through dialogue with the members of household. The quality of information thus gathered will depend largely on the skill and competence of the CFW. It will very likely point to some problems requiring solution. In the search for solution it will be necessary to use schedules to demarcate factors and "sub-factors" which cause rural poverty, and to suggest possible co-operative solution.

It is not quite easy for the CFW who is comparatively well-off to establish rapport with the rural poor, or engage in a dialogue that will help identify local problems. This is particularly so if the CFW was not brought up under economic conditions similar to those in the community he is trying to help.
SUMMARY OF THE SESSION

In the previous Session we discussed different approaches to identifying "target communities" and "target organisations", we also discussed different ways of identifying the poor themselves (target categories) in the village situation. However, it is not adequate to know who the poor are by quick surveys. We should also have a good understanding of what their problems are and how some of them might be solved through co-operative action. During field work we often see a lot of effort being made trying to make "things work", while little attention is paid to analysis. In conventional academic research work we see the opposite - a lot of analysis but no action. In effective development work, we try to achieve an optimal balance between analysis and mobilisation efforts.

In this Session we shall deal with in-depth dialogues at household level. This will help us:

- increase our understanding of the economy of the poor, and

- help us determine how some of their economic problems might be overcome through co-operative action.

In-depth dialogues are time consuming. They require several visits to the same household and therefore should be limited to a small number of households.

Normally CFWs do not undertake such in-depth dialogues. Their working conditions would not permit this. Often they have to rush from one village to another, thus limiting themselves to discussions with local leaders and groups. However those who undertake in-depth dialogues usually come up with very useful information. At the psychological level, and this is even more important, such dialogues have helped them to identify the problems and perspectives of the poor to a much higher degree than could be achieved by group discussions alone, or by random informal talks with individuals.

Cash income and expenditure of a rural household

For a good understanding of the economy of the poor we need quantitative as well as qualitative information. Quantitative information re-
SUMMARY OF THE SESSION

lates to cash income and expenditure; food produced for home consumption and for sale; loans contracted to cope with cash shortages and the interest paid, etc. Such data should cover at least a one-year period, but in its interpretation one has to take into account great variations which may sometimes occur from one year to another. One should find out how the situation has changed over a period, say the last 5 to 10 years, with regard to:

- productive assets such as land or livestock owned, which may have been sold to meet urgent cash needs;

- the increased need for cash at household level as a result of government reduction on subsidies for food or agricultural inputs;

- income levels which may have decreased or increased as a result of lower or higher prices for agricultural produce;

- levels of indebtedness which may have increased or decreased.

Through this analysis it is possible to expose situations or trends which even the villagers themselves might not be fully aware of. More importantly, it will enable one to identify together with the villagers the fields in which co-operative action is most needed and where it might be initiated or strengthened.

In Activity Sheet 1, trainees are asked to draw up a Cash Income and Expenditure statement of what they consider to be a typical poor household in the villages they work and how the economic situation of the poor has changed over the past 5 to 10 years. Annexed to the Activity Sheet 1 is a Working Aid which will need adjustment to the local situation.

Economic Indicators of poverty and co-operative solutions

In Activity Sheet 2, trainees are asked to find out what contributes to low household income and to high expenditure, and to suggest ways of reversing the situation. It must be emphasised that although co-operative action will not solve all problems, it will at least solve some of
SUMMARY OF THE SESSION

them. Working Aid 2 annexed to Activity Sheet 2 identifies three major economic aspects of poverty. They are:

- low farm income;
- low non-agricultural income;
- high household expenditure (compared to income).

The three economic aspects which typify rural poverty can be explained by a series of factors. As long as these factors adversely affect the economic conditions of the household, they are identified as problems. In this context, co-operative action is intended to solve or minimise these problems.

The purpose of this Session is not to analyse the more fundamental causes of poverty; this has already been done in an earlier Session on Marginalization. The purpose is rather to identify, given certain structural constraints, what can actually be done to improve the economic situation through co-operative action.

The adjusted version of Working Aid 2 can be used in a systematic search for possibilities of co-operative action during dialogues at the household level and later during group discussions.

Use of the schedule helps make the search for solutions more systematic. For example "low farm income" which was the first characteristic, can be explained by such factors as:

(a) low crop production;
(b) low productivity in animal husbandry;
(c) low value of agricultural produce (for example because of low prices);
(d) limited access to basic productive resources such as land, water and animals.

Low crop production is still too abstract as a "problem". We should investigate the causes of this low productivity in greater detail. If shortage of seed and other inputs at the appropriate
SUMMARY OF THE SESSION

time and at reasonable price is the critical factor, then the co-operative purchase of seed and other inputs might help. If, however, the cause is post-harvest losses, then the construction of adequate storage facilities on a co-operative basis might help.

If appropriate credit facilities are absent, a co-operative savings and credit organisation might be the answer. If there is water shortage at the critical time, supplementary irrigation from a co-operatively managed pump-well might help. What might be too complicated or too expensive for one or two persons might be possible if several people work together.

Research and practical experience have proven, time and time again that if people are given appropriate moral and technical support at the right moment, they have great potential for solving their problems through co-operative action. For CFWs this requires that they take time and trouble to work with the affected people in investigating possible avenues for co-operative action. Dialogue conducted systematically at the household level is the best way of achieving this.

All the "Co-operative Solutions" given in Working Aid 2 are, in fact, drawn from practical co-operative experience. The Working Aids should, if necessity, be adapted to specific local conditions, bearing in mind also that a co-operative solution may be relevant in one case and not so relevant in another.

Working Aid 2 should be used as the basis for interviews. The order in which the items (sub-factors) are to be discussed and the kind of questions to be asked will depend mainly on the way the dialogue is proceeding. It is by moving forward and backward in the schedule of items (with questions put and answers given in both directions), that the CFW will collect useful information on the social and economic situation of the household. Such information will give the CFW an insight into the critical factors involved, enabling him to determine the extent to which co-operative action might provide solutions to the problems.

The effect on the household members participat-
SUMMARY OF THE SESSION

In the dialogue would be similar: a heightened awareness of the potential for cooperative action and a good preparation for the ensuing group discussions (session 3.2).

Session Guide

1. Make a brief summary of the previous session.

2. Explain the objectives of this session, linking it with the previous one and hinting on the next.

3. Present the topic, using the Summary above.

4. For most trainees, the execution of Activity 1 may create problems if not well explained to them beforehand. Production of a Cash Income and Expenditure statement is not the kind of work most of them are familiar with. (There are, however, many similarities to a Profit and Loss Account of a cooperative enterprise). It should not matter much if the figures and statements CFWs produce are incomplete or inconsistent. What really matters is for the CFWs to realise that by producing complete and consistent figures they will discover how little they know about the economy of the poor.

A model of Cash Income and Expenditure statement is annexed as a Working Aid to Activity 1. For it to be helpful as a frame of reference, you will have to explain it and, if necessary adjust it. Allow 30 minutes for this.

If you consider this activity to be too complicated for your trainees leave it for the moment and introduce Activity 2.
5. Divide trainees into groups of 3 persons and distribute to each member of the group Activity Sheet 1. Ask each group to complete a Cash Income and Expenditure Statement. Some may require your assistance; if necessary make clarification but let the group members help each other. Give ample time for discussions within the groups to enable group members review each others' statements and to present their conclusions on a flip chart. Allow 50 minutes for this.

6. Reconvene the trainees in a plenary session.

Write on the chalkboard or flip chart the following questions and conduct a plenary discussion on them.

(i) What are the gaps in our knowledge of the economy of the poor?

(ii) Is it important to fill up such gaps so as to make our work more effective?

(iii) If we think it necessary how can we fill up such gaps after the course?

Allow 50 minutes for the plenary discussion.

7. Divide trainees into the same groups and ask them to discuss the questions in Activity Sheet 2. Allow 15 minutes for this task and reconvene the participants for presentation and plenary discussion on the assignment.

You may put the following complementary questions for further plenary discussion before they undertake the next group activity:

(i) How important is the portion of the income of the rural poor lost through payments in kind?

(ii) What are the long term trends in relation to:

- their level of indebtedness;
- possession of productive assets (land, livestock or other productive equipment)?

Allow 50 minutes for the plenary discussion.

8. Introduce Activity Sheet 3 and explain the schedule attached to the task ("Factors indicating economic poverty and possible co-operative solutions"). It is not an interview schedule but a frame of reference.

Conclude the Session by summarising the main learning points.
ACTIVITY SHEET 1.

Each member of the group is required to prepare a Statement of Cash Income and Expenditure for a typical household (a small farmer or a landless household). The statement should be imaginary but, if possible, drawn from actual experience gained from the place where you work.

Before making the statement, specify in your exercise book the general characteristics of the household:

- number of people in the household;
- land/livestock/production equipment they possess;
- main income-generating activities (farm, wage labour, craft/cottage industries).

For each Cash Income and Expenditure Statement please use Working Aid 1.

○ Compare the three statements you have prepared and discuss differences and similarities.

○ As a group try to identify possible gaps in your knowledge of the economic situation of households whose Cash Income and Expenditure Statement you have just prepared.

○ Consider whether it is important to have more detailed knowledge about the economic situation of the poor. If so, how could you acquire such knowledge?

○ Write down your conclusions on a flip chart for discussion in plenary.
## Working Aid 1.

### Cash Income and Expenditure Statement - Schedule A -

<table>
<thead>
<tr>
<th>Farm Income (from sale of agricultural production)</th>
<th>Expenditure (for agricultural production)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Crops/vegetables e.g. maize, etc. ...............</td>
<td>- Purchase of seeds ..........................</td>
</tr>
<tr>
<td></td>
<td>- Purchase of other inputs ..................</td>
</tr>
<tr>
<td></td>
<td>- Rent paid to land-owner ....................</td>
</tr>
<tr>
<td></td>
<td>- Hire of tractor, animal of mechanic .......</td>
</tr>
<tr>
<td></td>
<td>- Other expenditure .........................</td>
</tr>
<tr>
<td>- Livestock production e.g. goats, etc. ..........</td>
<td>- Veterinary drugs ...........................</td>
</tr>
<tr>
<td></td>
<td>- Other expenditure ..........................</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total farm income .................</td>
<td>Expenditure .................................</td>
</tr>
</tbody>
</table>

### Cash Income and Expenditure Statement - Schedule B -

<table>
<thead>
<tr>
<th>Non-Farm Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Proceeds from wage labour ........................</td>
<td>- Transport to place of work ...............</td>
</tr>
<tr>
<td>- Proceeds from cottage/craft industries ............</td>
<td>- Inputs (e.g. purchase of raw material) .......</td>
</tr>
<tr>
<td>- Others .................</td>
<td>- Others .................................</td>
</tr>
<tr>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Total off farm income .................</td>
<td>Expenditure .................................</td>
</tr>
</tbody>
</table>
Compare the income and expenditure figures. If they differ considerably your estimates may need adjustment.
ACTIVITY SHEET 2.

Prepare an estimate of the income households forego by having to yield part of their production to landowners, money lenders, etc. Use Working Aid 2 which goes with this task.

Compare the "income lost" with the cash income you have calculated as part of Activity 1, and draw your conclusions as to its economic importance to the household's income situation.

What changes have occurred in the situation of the rural poor households over the past 5 to 10 years in relation to:

(i) possession of productive assets like land, livestock or equipment?

(ii) the level of indebtedness of households to private money lenders and banks?

Write your common conclusions on a flip chart for discussion in the plenary.
**WORKING AID 2.**

<table>
<thead>
<tr>
<th>INDICATORS OF ECONOMIC POVERTY IN RURAL HOUSEHOLDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW FARM INCOME</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>LOW NON-AGRIC INCOME</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>HIGH HOUSEHOLD EXPENDITURE</td>
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</tbody>
</table>

On the following pages of this Working Aid these factors will be further analysed and co-operative solutions suggested.
<table>
<thead>
<tr>
<th>INDICATORS OF ECONOMIC POVERTY AND POSSIBLE CO-OPERATIVE SOLUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOW FARM INCOME</strong></td>
</tr>
<tr>
<td><strong>Factor a:</strong> low productivity (Crop)</td>
</tr>
<tr>
<td><strong>Possible co-operative solutions</strong></td>
</tr>
<tr>
<td><strong>Sub-factors:</strong></td>
</tr>
<tr>
<td>. shortage of seeds and related inputs</td>
</tr>
<tr>
<td>. post-harvest losses</td>
</tr>
<tr>
<td>. shortage of production credit</td>
</tr>
<tr>
<td>. pests/diseases</td>
</tr>
<tr>
<td>. shortage of fertiliser;</td>
</tr>
<tr>
<td>. co-operative purchase of seeds and related inputs;</td>
</tr>
<tr>
<td>. construction of co-operative storage facilities. Collective purchase of building material for individual storage facilities</td>
</tr>
<tr>
<td>. informal or formal co-operative savings and credit schemes</td>
</tr>
<tr>
<td>. co-operative purchase and storage of pesticides</td>
</tr>
<tr>
<td>. co-operative purchase and storage of fertiliser; (also consider viability of using organic fertiliser)</td>
</tr>
</tbody>
</table>
### Indicators of Economic Poverty and Possible Co-operative Solutions

<table>
<thead>
<tr>
<th>LOW FARM INCOME</th>
<th>Possible co-operative solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor b:</strong> low productivity (livestock)</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-factors:</strong></td>
<td></td>
</tr>
<tr>
<td>. shortage of animal feed</td>
<td>. co-operative purchase of feed; collective production of feed</td>
</tr>
<tr>
<td>. shortage of water</td>
<td>. co-operatively managed water-pumps; water ponds</td>
</tr>
<tr>
<td>. no access to high grade animals</td>
<td>. co-operative purchase of high grade animals for crossbreeding; co-operatively managed. &quot;Animal banks&quot;, where animals can be loaned to members and repaid in kind</td>
</tr>
<tr>
<td>. difficult supervision of grazing animals</td>
<td>. grouping of animals in one herd for grazing</td>
</tr>
<tr>
<td>. animal diseases</td>
<td>. co-operative store with veterinary drugs</td>
</tr>
<tr>
<td>. shortage of credit facilities</td>
<td>. co-operative savings and credit schemes</td>
</tr>
<tr>
<td>. high risks</td>
<td>. co-operative insurance scheme; spreading of risks over co-operative members</td>
</tr>
</tbody>
</table>
## Indicators of Economic Poverty and Possible Co-operative Solutions

<table>
<thead>
<tr>
<th>Low Farm Income</th>
<th>Possible Co-operative Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor c:</strong></td>
<td></td>
</tr>
<tr>
<td>low value of agricultural production</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-factors:</strong></td>
<td></td>
</tr>
<tr>
<td>. low prices paid to small farmers below normal market value</td>
<td>. common sale in own stall at near-by market; co-operative sale to a merchant wholesaler; to a large co-operative; direct to urban based co-operative consumer groups</td>
</tr>
<tr>
<td>. small farmers being cheated on weight and/or grade</td>
<td>. common purchase of weighing scale; co-operative grading</td>
</tr>
<tr>
<td>. no transport to markets</td>
<td>. group transport; common purchase of cart, or hire of lorry</td>
</tr>
<tr>
<td>. low market prices for raw, staple products (e.g. grain, cotton, coffee, milk)</td>
<td>. co-operative processing (mills, co-operative dairy factory)</td>
</tr>
<tr>
<td>. low market prices for live animals</td>
<td>. co-operative processing (slaughtering and marketing)</td>
</tr>
</tbody>
</table>
INDICATORS OF ECONOMIC POVERTY AND POSSIBLE CO-OPERATIVE SOLUTIONS

<table>
<thead>
<tr>
<th>LOW FARM INCOME</th>
<th>Possible co-operative solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor d: limited/no access to basic productive resources</td>
<td>Co-operative management of improved irrigation system; co-operative acquisition and management of water-pumps; sinking wells; digging bore-holes</td>
</tr>
</tbody>
</table>

Sub-factors:

- water
- land
- animal or mechanical ploughing
- labour

- Co-operative groups rent land from larger farmers for collective or individual farming
- Common purchase and use of draft animals and equipment; common rent or purchase of tractor
- Revival of traditional mutual aid working groups
- Co-operative managed children day-care centres (giving more time to mothers)
- Co-operative kitchens (same effect as above)
- Formation of labour groups by young villagers
<table>
<thead>
<tr>
<th>INDICATORS OF ECONOMIC POVERTY AND POSSIBLE CO-OPERATIVE SOLUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW INCOME FROM NON AGRICULTURAL ACTIVITIES</td>
</tr>
<tr>
<td>Factor a:</td>
</tr>
<tr>
<td>Low income from wage labour</td>
</tr>
<tr>
<td>Sub-factors:</td>
</tr>
<tr>
<td>. low wage paid to labourer</td>
</tr>
<tr>
<td>. high costs of transport to work</td>
</tr>
<tr>
<td>Factor b:</td>
</tr>
<tr>
<td>Low income from craft/cottage industry</td>
</tr>
<tr>
<td>Sub-factors:</td>
</tr>
<tr>
<td>. low prices paid for products of craft/cottage industry</td>
</tr>
<tr>
<td>. home worker being cheated on quality grading</td>
</tr>
<tr>
<td>. lack of transport facilities</td>
</tr>
<tr>
<td>. poor or inadequate production equipment</td>
</tr>
<tr>
<td>. lack of suitable working facilities</td>
</tr>
<tr>
<td>. women have no time for non-agricultural activities</td>
</tr>
</tbody>
</table>
INDICATORS OF ECONOMIC POVERTY AND POSSIBLE CO-OPERATIVE SOLUTIONS

<table>
<thead>
<tr>
<th>HIGH HOUSEHOLD EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor a:</td>
</tr>
<tr>
<td>relatively high cost of consumer items</td>
</tr>
<tr>
<td>Sub-factors:</td>
</tr>
<tr>
<td>. high prices paid for consumer goods (general)</td>
</tr>
<tr>
<td>. high prices for (processed) basic food commodities (rice, cassava, maize, etc.)</td>
</tr>
<tr>
<td><strong>INDICATORS OF ECONOMIC POVERTY AND POSSIBLE CO-OPERATIVE SOLUTIONS</strong></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>HIGH HOUSEHOLD EXPENDITURE</strong></td>
</tr>
<tr>
<td>Factor b:</td>
</tr>
<tr>
<td>relatively high cost of basic necessities (health care, housing, school fees, social obligations, etc.)</td>
</tr>
<tr>
<td><strong>Sub-factors:</strong></td>
</tr>
<tr>
<td>high medical expenditure</td>
</tr>
<tr>
<td>. co-operative medicine bank; co-operatively run medical and maternity post</td>
</tr>
<tr>
<td>high expenditure for children's education</td>
</tr>
<tr>
<td>. common purchase of school equipment (school co-operative)</td>
</tr>
<tr>
<td>high expenditure for housing</td>
</tr>
<tr>
<td>. co-operative saving scheme to facilitate payment of school fees</td>
</tr>
<tr>
<td>no access to credit in emergency situations except at, usurious rates of interest</td>
</tr>
<tr>
<td>. common purchase and/or transport of building material</td>
</tr>
<tr>
<td>high expenditure for social obligations (festivities, marriage, etc.)</td>
</tr>
<tr>
<td>. co-operative savings and credit schemes</td>
</tr>
<tr>
<td>. funeral (savings) clubs</td>
</tr>
<tr>
<td>. co-operative insurance scheme</td>
</tr>
<tr>
<td>. a co-operative sponsored fundamental adult education programme, laying emphasis on thrift</td>
</tr>
</tbody>
</table>
SESSION 3.2

SEARCHING FOR SOLUTIONS THROUGH GROUP DISCUSSION

Objective: To enable trainees recognise the need for group discussion as a vital feature of participatory development.

Time: 2 1/2 hours.

Material: Activity Sheet 1 - 5.

SUMMARY OF THE SESSION

Group discussions can be a powerful means of fostering group spirit and also of searching for co-operative solutions to people's problems. To be useful, however, discussions need to be well prepared as people, especially the poor, seldom have time to spare. Many group meetings have failed to achieve their objective either because they are held at the wrong place, the wrong time or attended by the wrong people. The role of the CFW in organising meetings and conducting the discussions might be necessary at the beginning, but should rapidly diminish when the groups have started planning and implementing co-operative activities.

In this session we shall review the methodology of organising group discussion at the village level.

The evolution from discussion group to co-operative action group

Content and purpose of the discussion will vary with the stage of evolution of the group. Usually there are four stages involved:

(1) The discussion group: the discussion stage

A group of people belonging to one of the target categories (e.g. small farmers, young unemployed people) single women heading households and old people come
together to review their situation with the CFW. The occasion is also used to explore ways by which co-operative action can help solve local problems. At this point the group is still in the project identification phase. Project ideas emerge but will need further discussion and scrutiny during follow-up sessions.

(ii) Special interest co-operative group: the planning stage

Persons with special interest in a particular project idea (co-operative shop, collective farm, co-operative marketing, etc.) form a planning group for more precise micro-project formulation, assessment of feasibility and sustainability (see session 4.1 and 4.2).

(iii) The claim-making group: the stage of claim-making

Group members have organised themselves in order to press for better service or for claiming their rightful share of subsidies or credit from government institutions or from established co-operatives. By making such claims group members widen their economic resource base.

Claim-making can be an important stepping stone in the process of evolution towards more permanent co-operative action.

(iv) The Co-operative action group: the implementation stage

The group undertakes an economic activity on a co-operative basis. The group may continue as an informal organisation or, at a later stage, become a legal entity such as a co-operative society.

What to discuss

While the group is still a mere discussion forum and not yet involved in co-operative action, the CFW may direct the discussion and keep reporting to the group the outcome of the various surveys he has undertaken in the same village (see session 4.1). He should also report on what he has
SUMMARY OF THE SESSION

learned from the various informal talks when visiting people's homes and fields. Furthermore he should make use of the experience drawn from co-operative micro-projects in other villages. In initiating discussions, the CFW may do well to seek the assistance of experienced leaders from these other villages/groups. For the identification of constraints and co-operative solutions, the Working Aid attached to task 3, session 3.1, may be helpful in a systematic probing into the group's co-operative development potential.

Reasons for Group Discussions

- Through group discussions members benefit from each other's experience and knowledge. By sharing their sorrows and hopes they increasingly become aware that there is more that binds them than what divides them.

- Information and advice given by someone living under the same conditions is often better understood and more easily accepted than that from an outsider such as CFW.

- By expressing their opinions, people test their own ideas and sharpen their analytical capacities.

- In the dialectical process of arguments and counter-arguments new ideas develop. Project ideas are the product of collective reflection and the foundation for co-operative action. The participatory process fosters commitment and loyalty to the group.

Limitations and constraints

- In a situation where group members feel insecure and cannot come to a decision, the CFW may be tempted to act as a decision maker. However, group members should learn to make decisions by themselves and accept responsibility for the consequences.

- Discussions can get easily out of hand, lose their focus, and end up in confusion.

- Group discussions tend to take up a lot of the CFWs working time.
SUMMARY OF THE SESSION

- Groups are sometimes too large or too small (the ideal size should be between 10 and 20 persons).

- Given these two constraints of time and size, it becomes very difficult to involve all people belonging to the target population and to different target categories - such as widows, the landless etc. - in a systematic reflection on their situation.

- People may participate in group discussions out of sympathy or respect for the CFW and in expectation of material support. However, if no concrete proposals for action or offers for assistance are forthcoming, their interests rapidly fade away.

- Group discussions are also time-consuming for the group members. The poorer the people are, the harder they have to work to make ends meet. Unlike the more well-to-do people the poor have little time to spare for collective reflection in the form of group discussions.

- Group discussions may degenerate into manipulating people either by the CFW or by an autocratic leader.

- Consensus reached during group discussions cannot be taken for granted. Motives unknown to the CFW may have prompted some group members to remain silent and not to oppose ideas advocated by persons whom they don't dare to criticise in public. A place for a meeting might be easy to find but not all venues are appropriate.

- When held in the compound or at the house of an influential village leader, he may tend to dominate.

- When discussion groups for specific categories of people are held in places which are not easily accessible by others, it may arouse the suspicion of those not invited.

- When held in a school building a classroom atmosphere prevails which may not be quite conducive to effective participation.
SUMMARY OF THE SESSION

- Sitting arrangements for meetings which resemble the one in a cinema are not conducive to good communication during discussions.

When

- During the cultivation season farmers have little time to spare.

- After a day's work people may feel too tired to attend meetings.

- If meetings are held in the evenings, people might find it difficult to walk home in the dark, especially if they have to walk long distances.

- Rain can be another disrupting factor.

- Some days (e.g. market days) may not be suitable.

- Participation by women is not always possible because of heavy workload.

Frequency of meeting

- The frequency of meetings is usually higher when a group has just started. Then it is possible to hold weekly meetings. After the initial period, however, it becomes difficult to hold meetings at that frequency. Monthly meetings are therefore the most realistic goal.

- The CFW will have no time to continue to participate in all group meetings. From the beginning it should be made clear that the elected leadership is responsible for convening and conducting meetings.

The ideal discussion leader should:

- Clearly state the objective of the meeting, the issues to be discussed and the manner the discussion should be conducted.

- Give opportunity to group members to re-define the problem from their own perspective and to express their views generally.

- Invite group members to come forward with
Session Guide

1. Make a very brief summary of the previous session.

2. Explain the objectives of this session and how it relates to the previous one. Point out that the indepth discussion with household members will expose problems whose solution will be sought through group discussion.

3. Stress that the aim in this session is not to learn group dynamics for its own sake, but as an effective way of finding solutions to common problems by generating ideas from those affected and refining them into a course of action.

4. Present the main feature of the session using the information in the Summary as the basis.

5. Explain in a simple and clear way the four stages of evolution as given in the Summary. Elaborate these with examples from your own experience and elicit similar experiences from the trainees.
6. Elicit from the trainees common problems associated with group discussion at the village level. Add to these examples from your own experience. Summarise the problems on the chalkboard/flip chart. The list might include such problems as:

- lack of structure and purpose;
- lack of proper leadership;
- discussions often turn into aimless gossip;
- some of the villagers dominate the discussions while others remain silent;
- some sections of the village community (e.g. women, young people and the aged) are excluded or ignored;
- conclusions reached do not always reflect consensus of the majority, nor do they necessarily focus on the key issues.

If there are any other contributions from the trainees add them to the above.

7. Explain the advantages of group discussion in relation to the problems of the rural poor. In addition to those given in the summary, encourage contributions from the trainees.

8. Ask 10 or 12 trainees to volunteer for a role play. The role play features a local leader chairing a meeting on the formulation of a co-operative which will collect and sell members' vegetable-crop. Assign people to their different roles and distribute the role briefs. Allow them 10 minutes to study their roles before acting. The rest of the trainees (those not taking part in the role play) should observe the proceedings and take careful notes of the performance.
Reconvene the trainees in a plenary after the role play and invite comments on the following points:

- How did the chairman open the discussion?
- Was he able to arouse the interest of the meeting with his opening remarks?
- How did he manage the discussion: (a) democratically, (b) authoritatively? Give reasons.
- What was the general behaviour of the participants in the meeting?
- Were the discussions well structured (i.e. with a statement of the problem, discussion and conclusion)?
- Was there a proper agenda? If so, was it properly followed? Was it too long, too short or just right?
- From the way the meeting was conducted do you think a co-operative will be formed and succeed in the village? Give reasons for your conclusions.
- What should have been done to make the meeting more successful?

Synthesise the discussions and draw conclusions on the chalkboard or flip chart.
ACTIVITY SHEET 1.

Brief for the Chairman

You are the village headman. You think a co-operative might solve the problems of the villagers - at least that is what the co-operative CFW has kept telling you over the past two weeks. You are not quite convinced.

You are now chairing this meeting of the villagers. Most of them are very poor. You think they are poor because they are very lazy. You don't have much respect for the villagers really. You feel they are not your equals; you are superior. The people you really care for are the village money-lender, the shop owner and the produce merchant. They are of your level, men of substance. During the meeting you are domineering. You don't allow much time for the villagers to express their views. You tend to favour the village "elite" and you agree with what they say, even though the poor villagers do not seem to agree. What do these peasants know, anyway. There are some women in the meeting who want to speak, but you don't give them the chance. You feel that women have no business attending meetings; their place is in the farm and in the kitchen.

You have prepared an agenda for the meeting with the following items:

1. Opening remarks;
2. Forming a village co-operative
   - why do we need one?
   - how should we form one?
3. Action to be taken;
4. Date of next meeting.

You don't follow this agenda during the meeting. You just let the discussions take their course.
ACTIVITY SHEET 2.

Brief for Village Produce Merchant/ Moneylender

- You are strongly opposed to the idea of having a village co-operative; it threatens your thriving business. Of course you don't say so openly at the meeting. You just maintain that co-operatives are no good and that what the villagers should really do is to stop drinking and work harder. Speak with authority and with absolute contempt for the villagers.
ACTIVITY SHEET 3.

Brief for the Village Shopkeeper

- Like the village produce merchant, you don't care for co-operatives. You don't even know what they are in the first place. You must speak in support of the produce merchant because he is your friend and both of you share the same contempt for the villagers.
ACTIVITY SHEET 4.

Brief for a woman villager

- You are very active amongst the village women; they have respect for you and usually listen to your ideas. You know a little about co-operatives and you are convinced that one would help solve some of the problems faced by the villagers. After all, co-operatives bring unity, and unity is what the village needs right now. United the villagers can solve many of their problems together. You want the meeting to know this. During the meeting you put up your hand on quite a few occasions wanting to make your point but on each occasion the chairman ignores you. In the last attempt he shouts at you bluntly that he does not think women have anything of substance to contribute to the discussion. You walk out of the meeting in anguish and frustration.
ACTIVITY SHEET 5.

Brief for the rest of the villagers

- You are all very keen to start a co-operative for you have heard, it might help solve your problems. However, you need to know more about co-operatives. You are disappointed because the chairman does not give you much chance to speak. He talks most of the time, and allows his friends the village shopkeeper and the produce merchant to dominate the discussion. You don't agree with what they are saying but you are afraid to say things that will make them angry. After all, you owe the village moneylender some money. If you displease him, he might punish you in some way.
SESSION 3.3

LEADERSHIP

Objectives: - To enable trainees identify good leaders among the rural poor for micro-projects.
- To enable trainees identify the problems of leadership in micro-projects;
- To enable trainees recognise the dangers of bad leadership.

Time: 1 hour 45 minutes.

Material: Activity Sheet.

SUMMARY OF THE SESSION

Good leadership is essential for successful co-operative action. There are two types of leadership: charismatic and instrumental. A charismatic leader brings people together and motivates them. An instrumental leader has the practical skills to make things work. In co-operative development work one needs both qualities.

The CFW involved in promoting grassroots co-operative action among the rural poor can play a very important role in identifying from among the local population good leaders who are both expressive (charismatic) and instrumental.

A charismatic leader mobilises and stimulates a group. He is able to convince people that many of their problems can be solved by group action. Such leaders do not necessarily come from the target population, most often they come from the upper strata of society. They could be religious leaders or other lay persons of authority in the community. Whatever their moral or civil stature, they usually understand the rural poor and strive to safeguard their interests.

Instrumental leaders, on the other hand, have the practical skills to do things or the capa-
SUMMARY OF THE SESSION

city to acquire such skills. They are able and willing to take responsibilities - especially where they can apply their knowledge and skills. Young people with good basic education or who have travelled outside the community particularly if they have lived for some time in urban areas - often make good instrumental leaders.

Identifying good leaders

Sometimes leaders are the nucleus around which a group forms itself, often without much assistance from the CFW. In other cases leadership can be identified by the CFW through formal contacts and careful observation of village life. For example, when festivals are organised it is possible to identify good leadership qualities among those playing key roles. Leadership qualities may also become evident during group discussions. However the process of identifying good leaders - charismatic or instrumental - can be time consuming.

Local leadership

In most cases the rural poor lack self-confidence. They are subservient to authority, and quite often towards outsiders, or anyone they consider superior to them. When implementing projects such as those the CFW might be concerned with, they do not trust their capacity to act on their own. They would rather have a more "powerful" or influential person to support their activity, even though they may be perfectly capable of carrying it out on their own.

Although the CFW could play the role of the influential person who backs up the activity, it is preferable that such a person should come from within the target population itself or, at least, from the locality of the project.

Some leadership problems

Quite often projects fail because of poor leadership. Among the most common leadership problems are:

- leaders abusing their influence and authority;
- leaders taking advantage of the ignorance
1. Explain the objectives of this session and link these to those of the previous session.

2. Elicit from trainees causes of failure of group activities in the rural areas. Summarise the answers on the chalkboard or flip chart. They will probably include the following:

(a) lack of funds;
(b) lack of proper organisation;
(c) lack of proper management;
(d) lack of proper motivation;
(e) lack of participation by group members;
(f) lack of good leadership;
(g) lack of knowledge and skills.

Explain that although this session is concerned with leadership, and although most of the other problems are dealt with elsewhere in the course, they are influenced in one way or another by leadership.

3. Elicit from trainees the qualities of good leadership. Summarise the answers on the chalkboard or flip chart. The list should include:

- knowledge of the community, its problems and concerns;
- membership of the community;
- ability and willingness to work with people and help solve their problems;
- honesty and sincerity;
- friendliness and willingness to help;
- well behaved, serious and hard working;
- popularity among people;
- ability to organise people to do things;
- puts the community's interests before his own;
- fair and just;
- ability to communicate easily with people at all levels;
- ability to read and write.

4. Explain what expressive/charismatic and instrumental leaders are (use explanation given in the Summary). Explain further that the qualities of good leadership already discussed apply equally to charismatic and instrumental leaders.

5. Divide trainees into groups of 7 - 8 persons and ask them to discuss the questions in the Activity Sheet. They should summarise their conclusions on a flip
chart or chalkboard for presentation in the plenary.

Allow 45 minutes for this exercise.

6. Reconvene the groups into a plenary and ask each to present its conclusions and invite comments from the rest of the trainees.

Synthesise the conclusions from the discussion, and explain the main learning points emerging from the conclusions.
1. Give at least 3 examples where a project or co-operative activity has succeeded because of good leadership. Explain the leadership qualities which contributed to the success.

2. Should leadership come from the target population (the rural poor) or from the upper strata of village society? Why?

3. In what way can the CFW help identify and develop good leadership for development projects at the village level?

4. How can one help co-operatives avoid falling victims of unscrupulous leaders who abuse their power and influence?
feasibility and planning

Session 4.1  Assessing the Feasibility of Micro-Projects
Session 4.2  Planning Micro-Projects
SESSION 4.1

ASSESSING THE FEASIBILITY OF MICRO-PROJECTS

Objectives:  - To enable trainees explain the concept of feasibility and sustainability in their different dimensions.

- To enable trainees calculate costs in a micro-project.

Time: 1 1/2 hour.

Material: Activity Sheet,
          Working Aid.

SUMMARY OF THE SESSION

When a plan or a project is workable - or can be implemented successfully we say it is feasible. When a project can continue to function successfully after the initial external support has been curtailed, we say it is sustainable. Before undertaking any project one must carefully assess its feasibility and sustainability. Feasibility is not concerned only with the economic or financial aspects of the project, but also with political, social, cultural, organisational and technical dimensions.

In assessing the economic feasibility, special attention has to be given to problems of depreciation of capital goods and how they can be replaced without resorting to donor or borrowed money. If for social reasons the poorest people are not charged for the services they receive, those who are not so poor will have to pay for them.

Assessment of feasibility and sustainability

Well-motivated groups tend to concentrate on the major constraint (e.g. "if only we had water", "if only we had credit") and to ignore the difficulties which are bound to evolve once the ma-
SUMMARY OF THE SESSION

jor constraint has been removed.

However, to reduce the risk of failure and enhance the group's capacity to plan for their own future, CFWs may have to draw members' attention to a broader range of factors which affect the project's feasibility and sustainability.

To illustrate the influence of the different factors on the feasibility and sustainability of micro-projects let us consider a hypothetical case of a group of small vegetable growers in a project involving the installation of an irrigation pump.

The technical factor

Land and climate should be suitable for vegetable growing. Individual small farmers who are mostly women, should possess the necessary know-how for vegetable growing. If they do not, the CFW should arrange for training. Maintenance of the pump and availability of spare parts as well as fuel for the pump should be ensured.

The economic factor

The activity should be profitable, even after taking into account depreciation, running and maintenance costs of the pump. There should also be a reliable market for the vegetable crop. Even if a surplus is made it does not mean that the activity will be profitable from the point of view of a small farmer. He might earn more than that surplus if he worked as a farm labourer or did a different kind of work.

The financial factor

The activities will have to be financed either from members' own resources, from a loan or a gift. Money will be required for sinking the well, purchasing and installing the pump (investment capital), and for operating and maintaining the pump - (working capital).

The social factor

Even if plots are owned individually, the major input, the pump, will be indivisible and therefore a common property. The growers should be willing to cooperate with each other for the com-
SUMMARY OF THE SESSION

mon use of the pump; they should agree on the principles and rules which will regulate the distribution of water. They should also be willing to participate in collective work for digging the well, construction of dykes, etc.

The political factor

Better-off farmers might be equally interested in growing vegetables for sale. Small farmer families are often a reservoir of cheap labour for bigger farmers. This might no longer be available if small farmers were to start their own gardens. If they do, then wages are bound to rise. More influential people tend to regard group formation among poor people with suspicion. If one micro-project is found to be politically sensitive, it might be better to start with another which is less so, and wait until the group has gained more political power.

The cultural factor

Poor people in most cultures lack confidence in their collective capacity to undertake a project. They tend to look upwards rather than sideways for co-operation. Many of them, especially women, might feel powerless or suffer from a "negative self-image".

The organisational factor

The co-operative group and its leaders should have sufficient administrative skills to run the micro-project themselves, otherwise there might be perpetual dependence on the CFW. Leaders should be able to instill group discipline so as to ensure equitable distribution of the water and regular payment of water charges.

For each of these factors the relevant constraints have to be identified, and one should consider whether they can be removed. This means that one has to determine whether the problems identified can be solved by the co-operative group's own efforts without the assistance of the CFW. If there is no realistic solution, then the project is not feasible. The feasibility of a project becomes highly questionable when the risks of failure are imminent.
SUMMARY OF THE SESSION

Categories of Micro-projects

Micro-projects prepared through participatory research and planning are usually categorised as follows:

(i) **Single-Level Micro-projects.** These are simple and easy to implement and can be realised with minimal technical, economic or administrative support. The CFW in such cases has no other function than that of a catalyst of ideas and self-help. Examples are the cleaning of irrigation canals, establishing a savings scheme, a collective farm, a grain bank, etc. A representative of a big NGO in West-Africa has been quoted saying:

"Before we provide any support to a village, it should already have realised at least one micro-project as a proof of its determination. What a village has accomplished by its own means is an important factor in determining its selection as a target community by my organisation".

Such self-help projects could be termed "single-level" micro-projects. For their realisation and continuity, they do not depend on collaboration with higher level organisations; they are most ideal as "starter-activities". They are low-risk and their success will generate a mobilising effect. The example of an irrigation project clearly does not belong to this category.

(ii) **Two-level Micro-projects.** These are projects which cannot succeed without technical or material support from an organisation operating at one level above that of the project such as a district co-operative union, a district bank, or a CDA whose CFWs area of operation normally covers different villages.

Assistance from a CFW or any other person in establishing links with influential people such as bank-officials or a local politician is essential for the micro-project to succeed. The danger of perpetu-
al dependence on such persons or the institutions they represent should be recognised.

(iii) **Multi-level Micro-projects.** Co-operative groups producing for export or national markets to which they have no direct access can be said to be engaged in a multi-level economic activity. Success of multi-level projects is wholly dependent on collaboration with and performance of a number of organisations operating at village, district, provincial, national or international level and are interacting with each other. As complexity increases, so does the risk of failure. The factors determining success or failure of co-operative action in the case of a multi-level project are largely external to the co-operative group. The group itself risks being relegated to a subordinate position vis-a-vis the higher level of organisation (e.g. marketing boards) especially when such organisations are not democratically controlled.

Donor dependence.

Some grassroots projects are multi-level in the sense that they depend for their continuity on direct donor financing through subsidies or indirectly through their dependence on CFWs assistance (which could be donor financed). Such micro-projects are structurally bonded into the multi-level system of financial aid. Unless such activities become self-financing and economically viable, they do not contribute to sustainable development and economic self-reliance. Unfortunately, many donor-financed facilities such as grain mills, transport and factories fall under this category. They are often "social" in their motives but uneconomical in their operations.

**Drawbacks in the assessment of economic feasibility**

When preparing micro-projects the assessment of economic feasibility is often done in a rather superficial manner, without due attention to cost-recovery and continuity in the longer term. Donor agencies, especially those operating through grants (as opposed to loans), often fail
SUMMARY OF THE SESSION

to ask for realistic estimates of income and expenditure while the implementing organisations, tend to underestimate the running and replacement costs. As a result, members using the co-operative facilities are often charged below cost-price. It thus becomes difficult to ensure the long-term viability of the project.

With regard to costs, these are of two main types: Variable and Fixed costs.

Variable costs are those directly connected with the product which is produced or the service delivered. For example, the amount of fuel we need to operate a grain mill is directly related to operating the mill. In the case of a co-operative shop, the cost of purchasing consumer goods can be categorised as variable. In the case of a co-operative rice mill, the price paid to co-operative members for their paddy is a direct cost.

Fixed costs are those which remain more or less the same regardless of the volume of production or sales. The purchasing-price of a grain mill or the price of constructing a shop building are examples of capital costs. Servicing and repair of the machinery fall under maintenance costs. If the salary of the mill operator is a fixed amount and has to be paid irrespective of the quantity produced this is also a fixed cost. If however, his wages are a percentage of the turnover, then this is a variable cost.

Even if well maintained, capital goods such as machinery, vehicles and equipment lose their value through wear and tear in the course of time. This loss of value is called depreciation. Each year a certain amount of money has to be set aside to cover the value lost through wear and tear and secure replacement after a certain number of years. In the absence of such reserves, the co-operative will be unable to replace its capital goods. In profit and loss accounts depreciation is often referred to as amortisation.

Depreciation has to be matched with special reserves which have to be built up in the course of time to replace capital goods whose use has become uneconomical or where repair is no longer possible. Capital goods such as mills and motor
SUMMARY OF THE SESSION

vehicles normally need replacement after five years. If the purchasing price was $10,000 the annual cost of depreciation would amount to $2,000.

If we are aiming for co-operative self-reliance which implies independence from "donor money" - then the revenues from co-operative projects should be sufficient to cover their variable and fixed costs. In other words to avoid losses in the short term and secure sustainability in the long run, members should be prepared to pay a relatively high price for the goods they buy or for the service they use.

To ensure sustainability of the economic activity it is always good policy to make additional reserves beyond what is needed for replacement of capital goods. Additional reserves are needed to cover such risks of the economic activity as unexpectedly low turnover occasioned by bad harvest or other mishaps. Additional reserves may also be needed as a result of inflation or changes in exchange rates which may render imported goods more expensive. In such a case the annual reserve of 1/5th of the cost price becomes inadequate to replace the capital goods after 5 years.

The Working Aid on Sheet 7 shows the variable and fixed costs of a grain mill. For more advanced training in economic concepts such as liquidity, cash flow, solvability, returns on investment, etc. the trainer is advised to use other MATCOM materials such as the manuals on "Project Preparation and Appraisal"; "Financial Management", and "Cost Accounting and Control".

Session Guide:

1. Make a very brief review of the previous session.

2. Introduce this session by explaining its objectives in terms of what the trainees will be able to do at the end of the session.
3. Introduce the session by eliciting what trainees understand by "feasibility", "sustainability" and "depreciation". Modify their answers to match the definitions given in the Summary.

4. Explain the various categories of micro-projects and factors influencing feasibility and sustainability.

5. Distribute the Activity Sheet. Divide trainees into small groups and ask each group to prepare a profit and loss account of a co-operative grain mill. Each group should make its own estimates, using the Working Aid only as a model. If trainees have no experience with grain mills, another example should be used - e.g. a truck which the group hires out to its members to transport their produce to the village store, or a motor-plough also hired out to members on hourly basis. In case of the truck the number of "units" corresponds to the kilometres the truck has been driven. As for the plough, the number of "units" would correspond to the number of hours it has been hired out to members. Remind trainees to include "social charges" in their cost calculations. For example, in the case of a truck, some kilometres will not be charged for because the vehicle is also used to transport the sick to hospital, free of charge.

   In the case of the plough, its services might be provided free of charge to people who are old and too poor to pay the charges.

6. Reconvene the groups and ask each to present their reports. Let the trainees discuss each group's presentation and make their observations. Summarise the discussion on a flip chart or chalkboard. Stress that cooperative self-reliance and self sustained development cannot be achieved if economic activities are
operating at a loss. Make it clear that for "social milling" or "social transport" someone has to cover the cost - either by paying more for the co-operative service or by voluntary contribution in the form of money, goods or labour.
ACTIVITY SHEET

1. Prepare a profit and loss account of a rice mill and calculate the cost price per unit milled. This should be based on estimates which apply to the situation in the area where you work.

2. Discuss and answer the following questions:

2.1 Can the cost price you have calculated be charged to members?

2.2 Will members be willing to pay such a price?

2.3 Is amortisation and building up of a reserve fund necessary for the eventual replacement of the mill? Give reasons for your answer.

2.4 If the answer to 2.4 above is "no", could replacement be secured by other means?

2.5 Do you agree with the idea of "social milling"? Give reasons for your answer.

2.6 If you do agree with 2.5 above, how should one prevent the abuse of such facility?

2.7 Who should pay for the cost of "social milling"?

2.8 What measures should be taken to ensure that the project is economically viable and to accommodate the needs of the poorest people?
WORKING AID

The grain mill case:

Are economic and social objectives compatible?

The following is a simplified profit & loss account of a co-operatively run grain mill, based on data collected in the field. (Note: the maize which is milled remains the property of co-operative members who only pay for the service.

<table>
<thead>
<tr>
<th>REVENUE (annual)</th>
<th>COSTS (annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantities milled</td>
<td>Direct costs</td>
</tr>
<tr>
<td>11,700 units at $0.18</td>
<td>2,108,-</td>
</tr>
<tr>
<td></td>
<td>- fuel oil 630</td>
</tr>
<tr>
<td></td>
<td>- lubricants 246</td>
</tr>
<tr>
<td>Social milling</td>
<td>Indirect costs</td>
</tr>
<tr>
<td>2,340 units not paid for --- ---</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- spare parts 144</td>
</tr>
<tr>
<td></td>
<td>- salary: mill operator ($60 per month) 720</td>
</tr>
<tr>
<td></td>
<td>- maintenance ($9 per month paid to mechanic) 108</td>
</tr>
<tr>
<td></td>
<td>- replacement of grindstones 206</td>
</tr>
<tr>
<td></td>
<td>- amortisation 1,080</td>
</tr>
<tr>
<td></td>
<td>(annual depreciation of mill: at purchase 20% of the price of $5,400 for 5 years)</td>
</tr>
<tr>
<td>Total revenue $2,108</td>
<td>Total Costs $33,290</td>
</tr>
</tbody>
</table>

The costs of operating the mill exceed the revenue by $1,182 i.e. 3.290 - 2.108). This excess of costs over revenue represents loss.
Note:

- The construction and amortisation costs for the building housing the mill are not reflected in the statement. These have been paid for by voluntary contributions in labour and material.

- As regards "social milling", old widows, sick people, milling for funerals, etc. are exempted from charges. Social milling account for 20% of the total milling.

The cost-price per unit of 4 litres can be calculated as follows:

\[
\frac{\text{Total cost} \quad \text{or} \quad 3,290}{\text{total units milled} \quad 11,700 + 2,340} = \$0.23
\]

However, because of social milling the cost-price per paid unit amounts to:

\[
\frac{3,290}{11,700} = \$0.28
\]

- There is loss of $1,082. The committee was however, under the impression that they made neither loss, nor profit, because revenues were sufficient to pay for the co-operative group's current expenditure (running + maintenance costs). Amortisation was not considered. This item which can be calculated at $1,080 is almost equal, to the loss.

The Villaclers' solution

- Social milling, according to the villagers' value system, cannot - and should not - be abolished. Raising the milling charge for those who can pay at cost-price is also acceptable. This would mean an increase from the present $0.18 to $0.28 per unit).

- The group (mainly women) decided that for the mill's replacement they should start with a collective field, the revenues of which would be placed at a bank for the mill's replacement. Their "economic" calculation was based on the argument that: "through our collective field we can earn $1,000 per year; we shall find time to do that as the mill is now saving us two hours per day".
SESSION 4.2

PLANNING MICRO-PROJECTS

Objective: To enable the trainees plan a micro project.

Time: 2 - 3 hours.

Material: Activity Sheets 1 and 2, Working Aid 1, 2 and 3.

SUMMARY OF THE SESSION

If the outcome of the feasibility assessment shows that the micro-project can be carried out successfully, a plan of implementation should then be prepared. For this we can use schedules which show what has to be done, when it should be done, who will do it, how much it will cost and who will pay for it. Progress in the implementation of the plan should be monitored.

Once the feasibility study has been completed, the co-operative group should decide on the implementation. Decision as to whether or not to implement is normally taken in group meetings. (The CFW should never connive with local leaders to take such decisions).

Before starting activities a plan of action should be made. This is of crucial importance for effective use of available resources (financial and human) at the implementation stage.

The plan should indicate clearly:

- What has to be done.
- When to do it.
- Who will do it.
- How much it will cost.
- Who will pay for it.

The last two points are further discussed under topic 6.

1. What has to be done: identifying the activities
SUMMARY OF THE SESSION

a. Breakdown

To find out suitable answers to these key questions, the first thing that should be done is to breakdown each micro-project into smaller activities. However small a micro-project may be, it is usually made up of a set of well connected activities.

Understanding the relationship between these activities is necessary if they are to be carried out successfully. It is also necessary to break down a micro-project into small activities so that one can time them properly and be able to identify the type of materials, equipment, manpower and funds needed for implementation.

We shall use a simple example to illustrate what micro-project activities are and their relationships. The "project" to be implemented is "Preparing a cup of tea".* To achieve the objective of this project, we have to do a number of things:

(i) Put a kettle of water on the fire to boil;
(ii) Wash the tea pot and cups;
(iii) Put tea leaves into the tea pot and pour boiled water;
(iv) Leave it for some time;
(v) Pour tea into cups and add sugar and milk.

This is only one way of making a cup of tea. In some places this may differ. However, for our purpose that does not matter very much. The other methods could be considered as alternative ways of doing the job to achieve the same objective. For the time being, the procedure as suggested above will be followed.

---

*The example of "Preparing a cup of tea" is adapted from Hiran D. Dias and B.W.E. Wickramanyaka "Manual for Training in Rural Development Planning", pp H-1 to H-4, Asian Institute of Technology, Bangkok.
SUMMARY OF THE SESSION

b. Order of completion: one after another or simultaneously?

In the example given on the previous page, the micro-project has been broken down into a number of activities. If these activities are carried out, we can have a cup of tea.

However, a distinction should be made between activities which cannot be performed until other activities have been completed and activities that can be performed simultaneously. In our example we certainly must wait until the water has boiled before pouring it into the pot to make tea. (In the same token, if we want to construct a building we must first lay the foundation before we can start putting up the walls. The sequence is to first lay the foundation, then put up the walls).

On the other hand there are activities which can be done at the same time. For example, it is not really essential to wait until the water has boiled before washing the tea-pot or cups. We can very well do this while waiting for the water to boil.

Also, in constructing a building we can prepare bricks and door frames while waiting for the foundation slab to harden. By doing so the time required to complete the project is appreciably reduced.

The "cup of tea project" involves a simple, everyday task. The breakdown of the main task into five "sub-tasks" or smaller activities gives us a clear idea about the critical interrelationships between those activities. The same procedure can be applied to any co-operative micro-project if we want to determine the activities and the sequence in which they should be carried out.

The procedure should be as follows:

- list down all the activities involved in the task without bothering about any order;
- rearrange the activities according to the order in which they should be performed;
SUMMARY OF THE SESSION

- identify those activities which can be carried out simultaneously;
- check again to ensure that the sequence is right and that those activities to be performed simultaneously would do no harm to the sequence.

2. When to do it: making schedules and work-plans.

a. Preparing a time-schedule.

After the activities involved in a project have been identified we have to think about the time and resources needed to carry out all those activities. Let us get back to our "cup of tea project", to illustrate the point. In this example, the time required to carry out the identified activities can roughly be estimated. For example:

1. boil water 10 min.
2. wash the tea pot and cups 5 min.
3. put tea leaves into the tea-pot and pour boiled water 1 min.
4. leave it for some time 4 min.
5. pour tea into cups and add sugar and milk 2 min.

Total 22 min.

The time given here is only a rough estimate. It may be less or more, depending on the quantities and method. The schedule indicates that it takes 22 minutes to make the cup of tea. However, if we wash the tea pot and cups while waiting for the water to boil, we can save 5 minutes. That means the cup of tea will be ready in 17 minutes, assuming that the washing does not take more than the 10 minutes needed to boil the water.

Thus, the total time required to complete the micro-project is not actually the sum total of the time taken by the individual activities, as we can carry out some of them
SUMMARY OF THE SESSION

simultaneously.

Similarly, when identifying the activities in a co-operative micro-project, one should be able to estimate the time required to carry out these activities, their sequence and the total time needed for implementing the whole micro-project (bearing in mind that some activities might be carried out simultaneously). This will certainly be harder than estimating the time it takes to prepare a cup of tea.

For a realistic time estimate and requirements the work plan and time schedule should be discussed in a group where the CFW may act as a "facilitator".

While preparing a time-schedule, it is also important to consider the local situation and other commitment of those involved in the implementation process. For example, one should take into consideration harvest time, weather conditions, cultural activities, fluctuations in prices, etc.

b. Preparing a time (GANNT) chart.

Once the time required for the different activities has been established this information can be used to prepare a chart (see Working Aid 1: Purchase of seeds and distribution to members). The chart will give a clear picture of the activities and the order in which they should be carried out: starting and finishing time for each activity and the time it will take to complete all the activities.

We must stress that the time chart only shows the time that we have estimated for project implementation. If work can be carried out according to the chart, the project can be completed as anticipated. Any change in the time schedule will affect implementation of the project.

Progress in the implementation of the project has to be monitored. This means someone has to check whether the work will be completed ahead of time, according to the schedule, or delayed, so that corrective measures
SUMMARY OF THE SESSION

may be taken if necessary. This is called "monitoring progress".

3. Who will do it: identifying responsibilities

At the beginning of this session we explained the method of breaking down a micro-project into a number of activities. Now the people responsible for carrying out these activities should be identified.

While preparing micro-projects and analysing their feasibility, the co-operative group should already have given adequate thought to this matter. However, at the actual stage of implementation, the group should identify the people who should be responsible for carrying out different tasks. These people should be informed about the tasks to which they have been assigned and should agree to perform them. If this is not done, they might not perform their tasks simply because they are unaware of their responsibilities. Once the group has identified the responsible persons for each activity, a work plan can be made.

Earlier we explained how to make a time chart for the different activities in a micro-project. The time chart is part of the "work plan". The latter indicates not only what has to be done and when, but also the things required for implementing the task, the costs involved and the sources of finances. A model of such a plan is given in Working Aid 2.

Working Aid 3 shows how this model has been used in a concrete case: the establishment of a pre-co-operative savings and credit programme in six villages.

Session Guide:

1. Make a quick summary of the previous session.

2. Explain the objective of this session.
3. Introduce the session by eliciting from the trainees what they understand by planning. Modify their answers to match the concept of planning and examples given in the Summary on the previous page—i.e. planning involves what has to be done, when, by whom, etc. Proceed to explain the use of time charts and work plans.

4. Distribute Activity Sheet 1 and Working Aid 1. Ask trainees to prepare, individually, a time chart for a co-operative activity they have been involved in or would wish to undertake. Alternatively, ask them to modify or adjust the time chart given in Working Aid 1 "Purchase and distribution of seeds" to the situation prevailing in their own working area. They should indicate which person(s) should perform the "monitoring" function (checking progress of work according to the "time chart").

5. Distribute Activity Sheet 2 and Working Aid 2 and 3. Divide trainees into groups of 3 - 4 persons and ask each group to review the time charts prepared individually and to select one time chart, modify it if necessary and present it to a plenary. Ask trainees to prepare in groups a more complete "workplan" for one micro-project (this may be the same micro-project as the one selected for the "time chart").

A model "Work Plan" is given in Working Aid 2. Working Aid 3 shows how the model "Work Plan" has been applied in a concrete case. Trainees should be encouraged to modify the model if they can think of a better one. Allow 45 minutes for this exercise.

Since the drawing and drafting of the chart and the work plan to be presented at the plenary will take some time, the groups should try to limit discussion
time to about 60 minutes. This will leave them 30 minutes for preparation of the flip charts.

Reconvene the trainees into a plenary and ask groups to present the time chart and work plan they have prepared.
ACTIVITY SHEET 1.

Task 1 (individual)

- Study the "time chart" of Working Aid 1: "co-operative purchase of seeds and distribution to members".

- Prepare a time chart in your exercise book relating to a co-operative activity (a micro-project) in which you have been involved. Alternatively, review and modify the example given in Working Aid 1 and adjust the chart to the real situation in the area where you work.
**WORKING AID 1**  
(Annexed to activity Sheet 1)

**TIME CHART FOR MICRO-PROJECT PLANNING**

**Type of Project:**
Co-operative purchase of seed from town, and distribution to members.

**Commencing date:**
Twelve weeks before the expected period of sowing.

<table>
<thead>
<tr>
<th>ACTIVITIES TO BE COMPLETED &quot;What has to be done?&quot;</th>
<th>WEEKS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 2 3 4 5 6 7 8 9 10 11 12 13</td>
</tr>
<tr>
<td>1 Get information about availability of seeds</td>
<td></td>
</tr>
<tr>
<td>2 Estimate members' seed requirements</td>
<td></td>
</tr>
<tr>
<td>3 Arrange for credit, if needed</td>
<td></td>
</tr>
<tr>
<td>4 Place the Order</td>
<td></td>
</tr>
<tr>
<td>5 Arrange Storage Facilities and Transport</td>
<td></td>
</tr>
<tr>
<td>6 Purchase and collect seed from seed distribution centre in town</td>
<td></td>
</tr>
<tr>
<td>7 Announcement of seed distribution to members</td>
<td></td>
</tr>
<tr>
<td>8 Distribution of seed to members 2 to 3 weeks prior to sowing period</td>
<td></td>
</tr>
<tr>
<td>9 Sowing period from 13th week onwards</td>
<td></td>
</tr>
</tbody>
</table>

= Estimated time for each activity.
EXPLANATION OF WORKING AID 1.

We start with the first activity and estimate the time it will take. The length of the horizontal bar indicates the time we will be involved with the first activity. In the example the first activity (getting information about availability of seed) lasts one week. The second activity estimating members' seed requirements will take longer (two weeks) etc. The whole project will be completed when all the seed has been distributed i.e. 2 to 3 weeks before the expected sowing period (in the event of early rains, the sowing may start earlier).
ACTIVITY SHEET 2.

Task 2 (in groups)

- Review the time charts each of you have prepared in your exercise books (= task 1). Suggest adjustments or additions where you think these should be made.

- Together select one of the time charts which you think is best for presenting at the plenary.

- After selecting and adjusting the time chart, prepare a work plan for implementing the same activity. Use the model given in Working Aid 2 or its improved version. You may consult Working Aid 3 as a model.

- Draft the "time chart" and "work plan" on two separate flip charts for presentation at the plenary.

- Make sure you have enough time for the drawing and drafting work to be done at the end of your discussions so that the two flip charts will be ready in time for presentation at the plenary.
WORKING AID 2.

MODEL WORK PLAN FOR MICRO-PROJECT IMPLEMENTATION

Type of Project:

..........................................................

Commencing date:

..............

<table>
<thead>
<tr>
<th>ACTIVITIES TO BE COMPLETED</th>
<th>DATE/PERIOD</th>
<th>RESPONSIBILITY FOR IMPLEMENTATION</th>
<th>REQUIREMENTS</th>
<th>COSTS</th>
<th>FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td>What to do?</td>
<td>When</td>
<td>Who will do it? Make arrangements</td>
<td>What do we need?</td>
<td></td>
<td>Who will pay</td>
</tr>
<tr>
<td>**</td>
<td>***</td>
<td>****</td>
<td>*****</td>
<td></td>
<td>******** **</td>
</tr>
</tbody>
</table>

See next page for explanatory notes.
EXPLANATION OF WORKING AID 2.

Name of the micro-projects.

For example:

* - buying 200 Kg of seed and preparation of the field;
   - a training course for book-keepers; or an education campaign to gain new members etc.

** The break-down of the micro-project into a series of activities.

*** The time within which the activity should be completed.

**** Description of the responsible persons/organisations. For example:
   - the co-operative members;
   - the field worker;
   - or a credit committee.

***** Specification of tools, equipment, facilities, and labour needed for project implementation.

****** The costs involved.

******* Source of financing, e.g. members' own contribution a loan from a bank, a subsidy from an NGO, etc.
WORKING AID 3.

MODEL WORKPLAN FOR MICRO-PROJECT IMPLEMENTATION

Type of Project:

Forming pre-co-operative "Village Banks" in six villages by co-operative groups.*

Commencing date:


<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>TIMING</th>
<th>RESPONSIBILITY FOR IMPLEMENTATION</th>
<th>REQUIREMENTS</th>
<th>COSTS</th>
<th>FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>When to do it?***</td>
<td>Who will do it?***</td>
<td>What do we need?****</td>
<td>How much will it cost?******</td>
</tr>
</tbody>
</table>

See next page for information to be used in completing the workplan.
NOTES ON WORKING AID 3.

- The co-operative groups' are "age-groups" which cultivate a collective field in addition to individual plots. The co-operative groups have cash money available which is hoarded in the village. The intention is that part of that money is used to form the capital for the Village Bank.

- The Union's Savings and Credit Committee is composed of persons elected by the co-operative groups in the village to carry out promotional and educational tasks. The Federation has provided them with small motorcycles.

- The Federation is made up of several unions. The union is a district level "association" of co-operative groups.

- With the assistance of the Federation, the Village Bank will be able to open up an account with the Co-operative Bank.
education and training

Session 5.1  Participatory Approach to Education and Training
Session 5.2  Input from Subject Specialists
SESSION 5.1

PARTICIPATORY APPROACH TO EDUCATION AND TRAINING

Objective: To enable trainees apply the concept of horizontal participatory approach to co-operative education and training programmes.

Time: 2 hours.

Material: Activity Sheet, Handout: "Popular Theatre".

SUMMARY OF THE SESSION

For Co-operatives to function efficiently the people who run them - the members, the elected leaders and the employed staff must be able to perform their duties and discharge their responsibilities efficiently. To do this they need to have the right attitudes, knowledge and skills. This can only be achieved through education and training.

Co-operative education provides members with knowledge about their co-operatives. It helps them understand why co-operatives are formed, how they are formed, how they function, and their rights and duties as members. Co-operative education also helps foster positive attitudes among people towards solidarity, commitment to co-operative action and loyalty to their co-operative organisation. Co-operative training, on the other hand, provide people with skills on how to perform certain tasks (e.g. reading and writing, planning, organising, leading, etc.).

Basic questions

The basic questions for the CFW planning to launch an education and training programme are:

- who are to be educated/trained?
- why do they need to be educated/trained?
- what are they to be educated/trained in? (the contents of education and training)
SUMMARY OF THE SESSION

- how should the sessions be conducted? (approach and techniques)
- where should the programme be located?
- who will pay for it?

In this and the next session we shall only deal with some aspects of co-operative education and training regarded as essential in a participatory development approach but often neglected in the traditional practice. They relate to:

- vertical and horizontal approaches in co-operative education and training;
- the CFWs tasks in co-operative education and training;
- who should be educated and/trained and in what?
- involvement of subject-matter specialists (next session).

Vertical and horizontal approaches

In the process of learning one can identify two distinct approaches: the vertical and the horizontal approach. In the vertical approach one aims at transferring knowledge and skills from the trained to the untrained, or from the educated to the uneducated. The one who trains or educates is supposed to possess a higher level of knowledge or skills which he endeavours to transfer to those who have less or none of such knowledge or skills.

In the horizontal approach one aims at the exchange and sharing of knowledge and experience between people who interact on a more or less equal basis. Both trainers and trainees, irrespective of their official status, learn from each other and participate in the learning process. Knowledge and skills are transferred from one to the other in a two-way communication. Through the synthesis of ideas and experiences, the process also generates new knowledge as well as new and improved skills appropriate to people's real needs.

Co-operative education and training can be con-
SUMMARY OF THE SESSION

celved as a special form of adult education
where the horizontal approach is generally more
appropriate as it respects people’s own ideas
and experience. It is also practical. A project
using the horizontal approach is likely to have
greater impact because it will make use of
people’s experience-based knowledge and creative
powers.

The difference between the horizontal and the
vertical approach can be illustrated by the way
it is applied to the three main fields of co-
operative education and training i.e:

- principles and practices of co-operative or-
ganisation;

- technical training;

- motivation and awareness raising.

When education and training is related to orga-
nisational issues in a vertical approach, people
are told by the CFW how they should organise
themselves on the model of co-operative organ-
isation they should adopt. In a horizontal ap-
proach people develop their own model with the
CFW. acting as a process-moderator and adviser on
certain issues.

When training involves technical issues in the
vertical approach the trainee (e.g. a bookkeep-
er) is instructed and told how to do things
(e.g. how to write the books). In a horizontal
approach, people are assisted to develop better
techniques (e.g. in book-keeping and control sys-
tems) drawing upon their experiences. In this
way outside assistance complements the trainee’s
own efforts.

When it is related to attitudinal and behaviour-
al issues in the vertical approach, people are
told by the CFW that they are poor and exploi-
ted, and should organise themselves on a co-
operative basis. Co-operative members and their
leaders are told how they should act and behave
to be good co-operative members and administra-
ors. In the horizontal participatory approach,
people are assisted to discover for themselves
through exchange of ideas and experiences. They
realise that through co-operative action some of
their material problems can be overcome, and
SUMMARY OF THE SESSION

that situations of economic exploitation can be addressed. In the course of the process (potential) co-operators raise their level of awareness and foster co-operative attitudes.

Apart from group discussions, popular theatre staged by the people themselves has proved in many participatory programmes to have unique advantages as a tool for horizontal communication. (See Sheet 4).

Horizontal and vertical approaches need not contradict each other. They can be combined to achieve better results. Learning specific skills such as cost calculation or maintenance of machines may call for more instructional, vertical approach, while a more participatory and horizontal approach will be more effective in raising motivation and awareness.

The field workers’ role in co-operative education and training

In a conventional top-down education and training approach CFWs will be instrumental in implementing programmes whose content has been designed by experts and which is programmed and directed from the top downwards.

In a participatory training approach however, attention must first of all be given to the following areas in which the CFW should play a key role

1. Helping to make leaders and members of grass-roots co-operative groups aware of the positive elements in their own traditional organisations and culture, and how these have helped them to:

   - overcome obstacles,
   - find solutions to problems,
   - survive in adverse conditions.

2. Helping to identify gaps in knowledge and skills which need to be filled through education and training in order to make the co-operative organisation a viable social and economic entity.

3. Designing and developing education and training programmes which fit the members' spe-
SUMMARY OF THE SESSION

cial conditions. The programmes should also specify the education and training inputs required from other institutions or persons.

In the process of organising co-operative education and training the CFW also learns a great deal himself.

Who should be educated and trained?

Most CDAs tend to give priority to training of co-operative leaders who are then supposed to pass on to the members part of their newly acquired knowledge and skills. In this approach leadership training is supposed to have a multiplier effect. In practice, however, this effect is very seldom; better trained leaders and staff tend to keep to themselves the knowledge and skills gained. The result is a growing gap in knowledge and skills between the leadership and the rank-and-file membership as the organisation develops. Moreover, programmes organised in this way tend to encourage leaders to behave in an autocratic manner as they consider themselves to "know" while members, in their opinion, "do not know".

Although there should be no doubt about the need to train leaders as a special target category. There are several ways to counteract its negative effects.

(i) Making members responsible for selecting trainees. This would ensure that the right type of persons participate in training programmes and that "feed-back" is given to members afterwards. The group should be able to contribute from their own financial resources to the costs of training the persons they have selected. This method can be applied both to leadership training as well as to more specific skill training organised for "instrumental" leaders - i.e. leaders performing operational functions which in larger co-operative organisations are normally performed by specialised staff such as shop assistants, book-keepers and cashiers.

When members contribute to the education and training costs, the decision to se-
SUMMARY OF THE SESSION

lect course participants becomes an investment decision.

They should expect some return on this investment in the form of feed-back and better performance by the persons trained.

(ii) To fill the gap in knowledge and skills between leaders and ordinary members, special programmes have to be designed. Such programmes are specially designed for certain categories of members - for example women and small farmers.

Also to be considered when planning education and training programmes for the rural poor is functional literacy and numeracy is likely to come up as a priority. Literacy and numeracy are "functional" when they directly relate to the activities (micro-projects) in which the co-operative group/organisation is involved.

For example, numeracy training would directly relate to the understanding of documents which members receive for their produce and for the contributions they make to a savings scheme. The literacy programme would be directly related to the rights and duties of co-operative members, or to the way loan application forms are filled.

When there is no equal opportunity for access to education and training among leaders and ordinary members and among different categories of members the elite are likely to dominate the cooperative by serving their own interests rather than those of the members.

Where to organise education and training

It is still common practice to organise leadership and technical training at special centres with facilities for accommodation and meals. This type of arrangement entails removal of trainees from their homes for the duration of the course. Trainees are placed in an alien environment over which they have little control and where they tend to assume a "wait and see" attitude, passively accepting what they are told
SUMMARY OF THE SESSION

by trainers. This is hardly the appropriate surrounding to facilitate a horizontal flow of information among trainees.

A more decentralised training organised in the villages would be more favourable for the following reasons:

1. It is less costly;

2. Villagers and leaders feel more secure and can take an active role in organising, designing and conducting the course;

3. Access to programmes by the less influential categories of the population (e.g. women) is easier; in general, the course atmosphere tends to be more "open";

4. The course content tends to be more realistic and visits to on-going co-operative activities are more easily organised;

5. Teachers coming from outside (CFWs or subject-matter specialists) get to know the village better.

Session Guide:

1. Explain the objective of this Session.

2. Elicit from the trainees the methods they use most frequently in teaching co-operative members. Most of them will probably mention the lecture method. Explain the weaknesses of this method - e.g.:

- people forget what they hear;
- there are many distractions;
- it does not show; it tells;
- trainees do not participate actively in the learning process.

3. Present the subject according to the Summary above.
4. Distribute the Activity Sheet. Divide the trainees into groups of 3 – 4 persons and ask each group to discuss the four questions raised in the activity sheet.

The questions should help trainees discover weaknesses in the existing training systems. Ensure that the questions are well understood by trainees. Allow 45 minutes for this exercise.

5. Reconvene trainees into a plenary and ask representatives of each group to present summaries of their discussion. Conclude discussion on the group presentation and summarise the main learning points.

6. Distribute Activity Sheet 2 and ask trainees to go back to their groups and work through the assignment. Allow 20 minutes for this exercise.

7. Repeat the procedure in 5 above.
ACTIVITY SHEET

1. As a CFW and trainer give some examples of what you have learned from the people you train.

2. Do members of the group you are working with participate in any of the following activities? If so, to what extent?
   - designing education and training programmes;
   - organising training programmes;
   - conducting training programmes;
   - financing courses;

3. Do you think that their participation should and could be increased? If so, how?

4. In your experience what are advantages and disadvantages of organising educational programmes in villages as compared to formal training centres?

Summarise the outcome of your discussions on a flip chart for presentation at the plenary.
The following is an extract from an authentic report by an NGO. Read it carefully, then – on the basis of your own experience – list situations where popular theatre might be useful as an educational method for co-operative members.

"At the initial stage, we organised middle class, socio-cultural workers to stage popular theatre in the rural areas. But this was abandoned after we had witnessed an excellent performance by an organised group of landless people; their performance successfully portrayed the social injustice to which they were subjected. They met problems when they applied for a loan from the local development bank. The Bank Manager demanded a large amount of bribe before he would approve the loan. Group members were harassed by bank officials and middlemen. The play vividly portrayed the unjust and ineffective loan disbursement system.

Through popular theatre, ordinary people have exposed the behaviour of dishonest chairmen, group members, and others. As a popular medium, it has unique advantages from the perspective of people-centered and people-directed development.

- It uses the people's own cultural tradition of expressing grievances, ideas and hopes in a creative manner;
- It is most entertaining and stimulates actor-audience interaction;
- It brings massive public attention from all ages;
- It is a low cost-medium*

*(Text adapted from a report written by an NGO development worker).
SESSION 5.2

INPUT FROM SUBJECT SPECIALISTS

Objective: To enable trainees identify and brief subject specialists and mediate between them and the co-operative group members.

Time: 2 1/2 hours.

Material: Role Play 1 - 2.

SUMMARY OF THE SESSION

Subject specialists such as agricultural and health extension workers, bank loan officers, etc. may be invited to facilitate in local training programmes. Quite often they are people who have been trained in a top-down, non-participatory system. If they have not been exposed to participative teaching methods they are likely to teach in much the same way they were taught.

The co-operative CFW enlisting the support of such people in a training programme should nevertheless make the best use of their knowledge and experience in the subject matter. In doing so, the CFW should be at hand to ensure that a two-way communication between learner and facilitator is maintained during sessions.

CFWs can be seen as subject specialists in their own right; they are specialists in the development of co-operative at the grassroots level. However, their knowledge may not extend to all fields in which the awareness of members, leaders and employed staff need to be developed. Additional technical inputs from other development agents would usually be necessary. Such agents might be agricultural, forestry, irrigation, livestock, credit or industrial specialists. All these could be called upon to serve as subject specialists.

CFWs have the difficult task of liaising between co-operative groups and external resource persons. After need has been identified and a training programme designed, the CFW should identify
and enlist the services of subject specialists according to the requirements of the programme. It is important that he thoroughly briefs the specialists before he facilitates in the programme. He must explain to them the objectives of the programme as a whole and the particular sessions in which they will be facilitating. They must also know the type and level of the trainees, their problems and main concerns.

The CFW must also stress to the specialists the need for maintaining a two-way flow of information between facilitator and trainees, and how to do it most effectively.

The CFW should be present at the sessions in which the specialists are facilitating to monitor their performance and ensure that participatory learning does take place.

People tend to do things the way they were taught; if one was taught by a teacher who used poor and ineffective methods, it is likely that unless he is a trained trainer, he will use the same poor and ineffective methods when teaching others. This could also be true of the subject specialist whom the CFW might invite to facilitate in his programmes. Because they may have been taught in the "top-down" approach and are not sufficiently familiar with the technique of horizontal communication, their attitudes may tend to be paternalistic. They will see trainees as people to be "cured" of ignorance. Such attitude holds in contempt people's knowledge and experience which has developed over centuries, not only in the field of social organisation but also in technology.

On the other hand, subject specialists may impart some technical knowledge and skills most useful to the group. Moreover, their involvement could make it possible for co-operative groups to establish linkages with the institutions to which the specialists belong, thus giving the group access to the facilities those institutions control - e.g. subsidised farm inputs, credit and marketing facilities.

The CFW should observe the following points with regard to subject specialists.

- CFW must convince subject specialists that
SUMMARY OF THE SESSION

The experiential knowledge of the co-operative group members should be taken as a starting point, and that the people's knowledge and experience have to be valued as a useful input in the learning process.

- The location of a training activity should be conducive to exchange of ideas and experiences between the subject specialist and group members.

- In the process of communication between the specialist and group members, the language of the people should dominate rather than the professional language of the teacher which they may not understand.

- Trainees should not be pressurised to "adopt" the ideas given by specialists without critically appraising their value and relevance. People should be encouraged to consider the merits of whatever comes from the "outside" into their own spheres of knowledge; they must be given time to do so. Resistance to change or new ideas is normal and people should be left free to accept or reject the ideas and proposals put forward.

In the session guide a role play has been suggested as a means of enabling trainees to demonstrate to each other what they view and what they have experienced as the right and wrong approach to training.

Session Guide:

1. Explain the objective of this Session.

2. Present the main substance of the Session as given in the Summary, making sure that maximum trainee involvement is achieved through facilitator/trainee interaction and through discussion.

3. You should now introduce Role Play 1. Ask for a trainee to volunteer for the role of a Co-operative Field Worker. The rest of the participants should
play the role of an audience - a group of peasants being taught co-operation. Distribute the briefs for the CFW and the audience and allow a few minutes for trainees to study their roles before they start acting.

4. While the role play is proceeding, write the following questions on a flip chart:

- Were the villagers able to learn anything useful about co-operation or co-operatives? If so, what did they learn? If not, why?
- What, if anything, was wrong with the performance of the CFW?

After the role play reconvene the trainees and initiate discussion on the questions above. Summarise the main points emanating from the discussion.

5. Introduce the second role play. Ask for another volunteer to play the role of CFW (trainer) and give him or her the brief for this Role Play, allowing time for studying it. Explain to the rest of the trainees that as in the first Play, they will act the role of an audience and should do what the CFW (trainer) tells them to. They should feel free to interrupt the speaker with questions.

While the role play is proceeding write the following questions on a flip chart:

- Were the villagers able to learn anything useful about co-operation or co-operatives?
- How did the CFW in the second play compare with the first. In what ways was he/she better/worse?

6. At the end of the role play reconvene the trainees and initiate discussion on the questions above. Summarise on the chalkboard the main learning points from the two role plays and conclude the session.
ROLE PLAY 1

Brief for the Field Worker

You are a Co-operative Field Worker and are conducting a one-day course for villagers who are about to form a co-operative. Most of them are illiterate. They know very little about co-operatives. In this session you are teaching them what a co-operative is. You are not concerned about their need to learn. You only want to impress them with how knowledgeable you are on the subject of co-operation.

You start by introducing the industrial revolution in Europe and its social effect (in an abstract, theoretical talk). Then the factors leading to the Rochdale Society of Equitable Pioneers in 1844. You then proceed to talk about the Cooperative Principles (again explaining them in a very theoretical way).

Occasionally a member of your audience raises a hand wanting to ask a question but you don't pay attention. In your opinion this is your show, not your audience's.
Brief for the Audience

You are a peasant from Kidia Village. You have many problems in the village: poor crop, low prices, costly transport, etc. You don't know what to do. Someone has mentioned co-operatives. You have heard vaguely that a co-operative might help solve the problems in the village. But you don't know what co-operatives are, much less how they might help solve your problems...

So, today you are gathered at the market place expecting to hear this young expert explain to you what a co-operative is, and what it could do for you. But you are very disappointed by his explanation. To start with you don't really understand what he is talking about. He is talking about names, places and things you have never heard of, things that have nothing to do with your problems here at Kidia. Each time one of you tries to ask a question you are ignored.

At the end of his talk you are as ignorant as before about what a co-operative is. The young man has not taught you anything useful.
ROLE PLAY 2

Brief note for Field Worker

You are a co-operative Field Worker and have been invited to teach the subject co-operation to villagers who are about to form a co-operative. You know that many of them are illiterate and you are very determined to make them understand co-operation.

Before you start talking to the group you should have collected and tied together a bundle of sticks (about 12 sticks).

You start by explaining, very simply, that "co-operation" comes from the word "co-operate". To co-operate is to help one another by working together. You then ask members of the group to give you examples of people working together to help one another. You encourage people to contribute to this discussion. Don't tell people their answers are wrong, even if they appear so.

Explain that when people co-operate they make a difficult job easier. Ask the group for examples of things that one person cannot do but which many people co-operating can do.

Take out one stick from the bundle and ask a member of the group to break it. After he/she has done so present him or her with the remaining bundle of sticks and ask him or her to break it.

Explain that it was easy to break the single stick, but difficult to break the bunch. Explain further that this demonstration teaches us that unity is strength. When we co-operate we are standing united - like the bunch of sticks; we are strong and formidable. When we work alone, we are like the single stick; weak and easy to break. Co-
operation is Unity, it is strength.

Proceed to explain that a co-operative is formed by people who work together to solve their common problems - problems which one person could not solve on his or her own. "For example, we all know that our wives and children have to walk long distances to fetch water. We need a well in the village. But no one individual can sink a well on his or her own, or is there? But if we all came together in a co-operative, we would find it much easier to dig a well, contribute money to buy and install a pump, and manage the operations of the well so that everyone in the village benefits".

Explain other ways in which co-operatives can help the people of Kidia e.g. by purchasing seed and fertilisers for the members at fair prices and by organising the marketing of the members' produce collectively so that each villager does not have to look around for a place to sell his or her produce.

Tell your audience that before you proceed to explain further what a co-operative is, you would be happy to answer any questions on what you have explained. Try to answer questions as simply and clearly as possible. Use local examples as much as possible.
mobilisation of savings

6.1 External Financing: Credit and Subsidies
6.2 Mobilising Local Resources: Co-operative Savings
6.3 Subsidised Credit and its Dangers
SESSION 6.1

EXTERNAL FINANCING: CREDIT AND SUBSIDY

Objective: To enable trainees identify sources of external finance for grassroots co-operative projects and the functions and limitations of such sources.

Time: 4 hours.

Material: Activity sheets 1 and 2.

SUMMARY OF THE SESSION

In many cases co-operative groups lack capital for their operations and investment. To satisfy their capital needs they look around for financing, usually in the form of loans or subsidies from local financial institutions such as banks and NGOs. This and other types of external financing however, has some shortcomings, perhaps the most serious of them being its tendency to undermine the spirit of self-help.

Like other organisations, a co-operative group needs working and investment capital. Finance for this purpose can be raised from:

(i) the members themselves by pooling together their resources (mostly savings);

(ii) income the organisation has generated by (e.g. collective work, or surpluses on economic activities);

(iii) external sources from agencies such as development banks, co-operative banks, governmental and non-governmental projects, etc.

This session will review some of the drawbacks related to external financing of a co-operative group in the form of a loan or a subsidy.

The need for external finances and its shortcomings
SUMMARY OF THE SESSION

Before undertaking an economic venture of a larger scale (e.g. processing, transport and irrigation) a co-operative may need, in addition to its members' savings, additional financing. In such cases internal financing will help the poor to break through the vicious circle of poverty.

Moreover, financing institutions might be helpful in assessing the feasibility of the project and in suggesting more cost-effective ways of implementing it. Financing is usually provided for the following purposes:

(i) credit or grants provided as working capital, for example, to buy raw material, to pay for transport, salaries, etc.

(ii) credit or grants provided for investments (construction of a building, purchase of equipment etc.).

In the case of a loan, working capital is normally provided as short-term credit (of less than one year), or investment capital as long-term credit (ranging from 3 to 10 years).

Financing is normally provided by special development banks, government departments or under special programmes of NGOs. In some countries there are co-operative banks which also serve this purpose. When the financing agency is a bank funds are provided as loans. Other agencies provide loans or grants depending on what they consider to be most suitable or convenient to them. In the case of a loan, it is often provided at subsidised low interest rate.
SUMMARY OF THE SESSION

The need for external credit or grants, which in many cases is justified, is well documented in policy papers and project documents produced by financing agencies. Much less considered are its negative effects on co-operative self-reliance.

The most noticeable ones which CDAs and CFWs should be aware of are the following:

(a) Access to credit or grants from external sources disorientates the co-operative group; instead of searching for ways and means to mobilise or generate financial resources by their own collective efforts, group members become dependent on the credit facilities offered by the external institution.

(b) Credit and grants tend to undermine the relationship between the CFW and the co-operative group, especially where the former is in a position to influence decisions on whether or not the credit or subsidy should be granted. It gives the CFW power over the group members. This might tempt him to impose his own ideas and priorities on the co-operative organisation. Moreover, when the CFW is involved in the supervision of credit and loan collection, he is often regarded as a loan officer rather than a development worker.

(c) The availability of credit facilities or grants tends to push groups to undertake activities on a scale they are unable to manage on their own. Consequently, the phasing out of both technical and financial assistance by the external institution creates problems.

(d) Generally credit and grants are restricted to certain activities and time schedules. The project is therefore not flexible enough to respond to a changing situation or unforeseen developments.

(e) The local institutions which distribute low-cost credit for development purposes are heavily dependent on grants or loans at concessionary rates from government or foreign donors. The inflow is often irregular and there is no guarantee that such
SUMMARY OF THE SESSION

support will last. The result is that the financial services provided by local banks and agencies are correspondingly irregular.

Co-operative banks and other formal financial institutions

In some countries there are co-operative banks which one would expect to be more forthcoming in meeting the financial needs of grassroots co-operative organisations. As it happens, most of them operate under the same government control and regulations as other banks. Quite often they are inclined to finance the capital needs of large co-operatives rather than small grassroots co-operative organisations - most of which are not registered as legal entities.

Some of the NGOs acting as CDAs have assigned themselves the task of maintaining linkages between formal financial institutions and grassroots organisations. This is usually to make the facilities of formal financial institutions, accessible to the grassroots organisations.

NGOs acting as "local donors"

An important category of local NGOs operate as financing institutions for co-operative groups. They manage subsidy or credit programmes, the latter with or without a saving element. The local NGOs receive their funds from government agencies or foreign donors which regard them as appropriate "intermediaries" for channelling resources to grassroots organisations. It is questionable whether the role of "local-donor agency" which some of these institutions assume (even if they don't like that name), does indeed contribute positively to mobilisation of local resources (savings).

Some non-governmental organisations, therefore, refuse any direct involvement in the distribution of money. They only assist people to set up their own savings and credit system at the grassroots level; from these savings most activities are financed. Other institutions manage a savings and credit system for an initial period, with the intention of handing over responsibility to the local organisations once their members, leaders and employees have been prepared for their respective roles.
Session Guide:

1. Make a brief review of the previous session. Then explain the objective of this session.

2. Present the subject according to the "Summary of the Session". Remember that trainees should formulate their own ideas on the issues involved.

3. Distribute Activity Sheet 1 and ask the trainees to answer the questions individually in their notebooks. Allow 20 minutes for this exercise.

4. Review with trainees their answers to questions in Activity Sheet 1. The idea is to determine the major sources of funding.

5. Distribute Activity Sheet 2 and divide trainees into groups of two persons. Ask each group to carry out the assignment. Allow 45 minutes for this.

6. Reconvene the trainees into a plenary and ask each group to present its conclusions on a flip chart. Initiate discussions on the group presentations and conclude the Session by summarising the main learning points.
ACTIVITY SHEET 1.

Answer the following questions individually (write down the answers in your notebook):

1. Which of the following are the financial resources of the organisation/groups you work with?
   - credit from commercial, development or co-operative banks, etc.?
   - funds from local NGOs or directly from foreign donor agencies?
   - funds raised by the group-members themselves (savings)?
   - grant or subsidy from government?

2. How important are external contributions (from banks, NGOs, etc.), compared to members' savings?

3. Which of the two (loans or grants) is the main financial resource for the organisation/group?

4. For what purpose are the loans or grants used?

5. What is the interest to be paid in the case of loans?

6. Does the group/organisation encounter problems with repayment of loans or interest to the financing organisation? If so, what are the problems and their causes?
ACTIVITY SHEET 2.

Report to each other the answers to the questions in Activity Sheet 1.

Discuss the effects of such financing on:

- self-help orientation of the co-operative groups and members' motivation to save;
- performance of the group (repayment rate, misuse of money, profitability of the financial operations).

Compare your answers.

What are the similarities/differences between each of your field work situations? How can the situation be improved?

Write your conclusions on a flip chart to be presented at the plenary session.
MOBILISING LOCAL RESOURCES: CO-OPERATIVE SAVINGS

Objectives: - To enable trainees recognise the limitation imposed by the commercial and other banks and the need and potential for the poor to raise their own funds for micro-projects.

- To enable trainees help mobilise local resources for self-reliant, autonomous development projects.

Time: 3 hours.

Material: Activity Sheets 1 and 2.

SUMMARY OF THE SESSION

The poor have the potential for savings. In many rural communities there already exist informal savings and credit associations which can serve as a basis for more advanced savings and credit co-operatives. Such organisations are vital in a process of socio-economic transformation. Access to village-based financial services is especially important for women.

Savings Potential of rural poor

As a director of an NGO in a developing Asian country put it:

"If the poor manage to survive, then this is because they have something; and if they have something, they can save".

It is wrong to describe poor people as "have nots". From a purely economic point of view they are "have littles". They do save and have saving potential (small as it may be) which can be used as a financial basis for a co-operative organisation.

Broadly speaking there are four methods by which poor people can make savings. These methods com-
SUMMARY OF THE SESSION

Implement each other.

(i) Savings which result from increased income obtained from collective production or from other co-operative type of activities.

(ii) Temporary "freeze" of expenditure. This is more a kind of thrift. Money is set aside for use later in the year when household income is expected to be less (for example during the dry season).

(iii) Reduction of expenditure on social obligations and activities (dowry, weddings, funerals, etc.). These often put heavy demands on the household budget and do not take into full account the adverse effects of the process of marginalization on the household income over a given period of time.

(iv) Reduction of household or individual expenditure on wasteful activities such as gambling and drinking. Poor people sometimes indulge in such activities as an escape from the hard realities of life.

In spite of their relatively low income, women are generally more thrifty than men. They are more responsible with their spending and often save in small groups or individually as a provision for hard times. In some developing countries, religious leaders play an important role in influencing more responsible behaviour and encouraging collective savings.

Savings can take place in forms other than money. "Savings in kind" - for example by storage of basic food crops such as grains and beans. Sometimes it is more practical to save in this way than to save money. This is particularly true in countries suffering from high inflation. Cattle, gold and ornaments are, in addition to food crops, popular items of individual savings.

The case for co-operative savings and credit

For financial self-reliance there must be a financial institution which is "people-centered" and easily accessible. Such an institution should offer facilities where village people can
SUMMARY OF THE SESSION

deposit their savings and obtain loans at reasonable rates of interest and under conditions adjusted to their situation. There are three major reasons why those engaged in co-operative development should actively promote village-based financial institutions:

(i) **Problem of Access to Credit**

It is difficult for the rural poor to gain access to financial institutions such as commercial banks because:

(a) such institutions are not attuned to the needs of the poor;

(b) they are often located in the urban centres, far from the rural poor.

For ordinary people to obtain a loan from a formal banking institution is often a costly and complicated affair. As regards costs, there are those relating to the interest charged by the bank as well as the non-interest costs (also referred to as the borrower's "transaction costs". Transaction costs are often high and could be prohibitive when compared to actual costs of lending. They include:

- travelling costs to the bank (often several times for the same loan);

- reporting at the bank office at times not convenient to the borrower and at the expense of productive work;

- documentation costs in the case of an illiterate member paying a literate person to help complete application forms.

Access by the poor to the services offered by the banks is further complicated by:

(a) Delays in the disbursement of credit,

(b) Credit is only granted for what the banks view as "productive investment". Poor individuals or house-
SUMMARY OF THE SESSION

holds requiring financial assistance in times of emergency (such as death or bad harvest) have no access to credit because their needs do not constitute "productive investment".

(c) The conditions under which credit is offered are rigid and do not take into account the irregular nature of household incomes.

(d) Banking institutions require collateral (such as title deeds) which poor households cannot provide.

These obstacles are more serious for women than for men:

- application forms often have to be signed or countersigned by the head of a household who is usually an adult male. Married women are usually denied credit - exceptions being made only for widows;

- land titles required as collateral are vested in men;

- because women's literacy rate is normally lower than men's, they have greater difficulties in dealing with written documents, e.g. forms;

- the banks' extension staff are predominantly male and are not very sensitive to special interests of women;

- because of their heavy workload women have less time than men. Sometimes they are not even allowed to travel alone to the bank.

To reduce some of the "transaction costs" discussed above, some banks have established mobile units which go to the villages. Access thus becomes much easier but services are still controlled by the bank and not by the people. The dependence thus created and perpetuated does not seem to worry the banks' clients as long as they are well served. In some countries bank officers are know to encourage
SUMMARY OF THE SESSION

formation of "joint liability groups" to ease transactions and secure repayment.

(ii) Village-based private lenders

The financial services provided by village-based money-lenders, shopkeepers, traders, landlords, etc. are more easily accessible, but rates of interest tend to be very high and in many cases usurious. Interest payments which take up 20 to 30% of the household's cash income are quite common.

Even more serious is the seizure by the lender, of the poor household's harvest, land or livestock when repayment of the loan is overdue.

Friends and relatives are another source of finance. Though useful and practical in many situations, this method cannot satisfy the need for credit, neither does it transform the financial system.

(iii) Village-based savings and credit systems

Savings and credit groups which are spontaneously formed and are informal can be found in virtually all villages. In development literature they are called "rotating savings and credit associations" (ROS-CAs) because money rotates among members. Such organisations can serve as a source of inspiration for more advanced savings and credit schemes controlled by the people and performing a variety of functions.

Village-based financial services do not entail the high "transaction costs" mentioned earlier. Procedures can be kept simple and convenient since people know each other. Because of its simplicity, the "transaction costs" for the co-operative can be kept low as most of the administration is often carried out on voluntary basis.

If a Savings and Credit Co-operation is well rooted in the village structure the amount of savings tend to exceed that of
SUMMARY OF THE SESSION

loans after some time. This contributes towards freedom of decision-making and financial self-reliance.

Repayment rates on loans will be higher, because co-operative/group members realise that their own savings and those of their neighbours are involved when loans are not repaid.

Members or groups of members will exercise greater caution in making investment decisions than when the money originates from external sources.

Where such savings and credit organisations function well, they also serve as a forum where other economic problems are discussed.

Co-operative micro-project ideas emerge and can be assessed on their feasibility. Village-based savings and credit organisations tend to branch out into other activities such as co-operative marketing of products, collective purchasing of agricultural inputs or consumer goods. They become "multi-purpose", and quite often provide the impetus for new "single purpose" co-operative organisations to be established.

Repayment

Default is one of the major problems in rural lending. Borrowers fail to pay what they owe for a variety of reasons but mostly because there are no control measures to ensure prudent use of funds and timely repayment. The following measures will help curb loan delinquency:

- loans are granted to small groups of 3 to 5 (sometimes more) persons who are collectively responsible for repayment; this is called "joint liability";

- no new loans are granted until old ones are largely repaid;

- denying loan to all group members if one of them fails in his repayments. (This makes the entire group collectively responsible
Session Guide:

1. Make a brief summary of the main points arising from the previous session (Session 6.1).

2. Introduce this session using the information in the Summary of the Session.

3. Distribute Activity Sheet 1. Divide trainees into groups of 3 or 4 persons and ask each group to discuss the savings potential of the rural poor. Stress that trainees should draw from their own field experience. Allow 50 minutes for this exercise.

4. Reconvene the groups into a plenary and ask each to present its conclusions. The plenary discussion following the group presentations should establish whether the rural poor have any savings potential. If there is a consensus to that effect, elicit from trainees whether such savings could be used as capital for a co-operative savings and credit organisation.

5. Elicit from trainees under what conditions would the following be preferable:

**SUMMARY OF THE SESSION**

for loan delinquency even though only an individual defaulted;

- repayment of individual loans is secured by co-guarantors (e.g. two persons who have to repay the loan in case of default by the borrower).

There are numerous ways of ensuring repayment. These should emerge from the co-operative members themselves. CFWs may contribute to this process through ideas and by referring to successful approaches experienced elsewhere.
- external resources;
- local resources generated by the members themselves.

6. Distribute Activity Sheet 2 and explain the exercise involved. Ask trainees to return to their groups and work on the exercise.

Allow one hour for this exercise, then reconvene trainees into a plenary for presentation and plenary discussion.

Summarise the main points emerging from the plenary discussion and conclude the Session by stressing the main learning points emerging from it.
ACTIVITY SHEET 1

Drawing from your own field experience discuss and provide answers to the following:

1. Do you think that the poor sections of the rural population save and do have a saving potential? Why?

2. In which of the following ways do poor people save:

- individually (at home, or in kind by buying gold, cattle etc.);
- groups
  - traditional savings groups,
  - co-operative savings and credit organisations,
  - group savings in kind, (e.g. collective storage of food crops);

3. For what purposes do people save?

4. Are there differences in the savings potentials and behaviour between:

- women and men?
- other categories of the rural poor (e.g. between those who have and those who have no land; those with income from labour and those without)?

Prepare your conclusions and summarise them on a flip chart for presentation and discussions at the plenary.
ACTIVITY SHEET 2

Discuss the following questions:

1. What problems do poor people encounter when dealing with formal banking institutions in your area?

2. Is there a need for village-based co-operative savings and credit organisations in your area?

3. How does one secure the repayment of loans in your area?

Prepare your conclusions and summarise them on a flip chart for presentation and discussion at the plenary.
SESSION 6.3

SUBSIDISED CREDIT AND ITS DANGERS

Objective: To provide trainees with adequate background information that would enable them advise grassroots co-operative groups on the perils of cheap credit.

Time: 2 hours.

Material: Activity Sheet, Working Aid

SUMMARY OF THE SESSION

Low interest charged on subsidised credit has adverse side effects. Loans primarily intended to improve the conditions of the rural poor often end up in the hands of the rich; loans are sometimes used for political ends and in many cases this facility create dependence on foreign aid.

Many governments and NGOs have launched low-interest credit schemes in an effort to help improve the living conditions of the poor. The rationale behind such schemes is that low interest rates render loans both accessible and attractive to the rural poor. They are also considered to have potentials for helping the rural poor adopt new technologies without a severe strain on the household budget.

We have already discussed the negative effect of "easy money" on self-help motivation and orientation. In some cases the people cannot distinguish between loans and grants - especially if the money comes from government or other external sources. It is also an established fact that low interest rates have the following negative effects which are often overlooked by project-holders and their donors:

(a) The mere fact that credit is cheap does not necessarily mean that it is more accessible to the poor. The other factors discussed earlier must be seriously considered.
SUMMARY OF THE SESSION

(b) Low interest rates encourage the use of loans to pursue political ends.

(c) The chances of credit ending up in the hands of the well-to-do are greater when credit is cheap. Those who are richer and better informed use their inside-knowledge and influence to get access to cheap credit and receive the bulk of it. For the lending institutions it is more economical to provide relatively large loans to a few well-to-do persons than to many poor borrowers.

(d) Adoption of new technologies is not significantly influenced by the rate of interest on loans. Other factors such as price policies, tenure systems and risk management have greater impact on the borrowers' decision on whether or not to invest in new technologies.

(e) When credit is cheap only a small margin remains for the organisation administering the credit fund to cover its overheads and pay an attractive rate of interest to savers. Examples abound of foreign funded "revolving funds" which sooner or later "dry up" causing the project to cease due to the combined effect of low interest charged to borrowers which does not even cover administrative costs, inflation and non-repayment (loan delinquency)

To develop sustainable, self-reliant financial systems, realistic market rates should be charged on loans. Local financing institutions such as co-operatives which aim at financial self-reliance by charging commercial interest rates find their policies undermined by substantial or subsidised, cheap credit or grants offered by projects or agencies which receive important foreign support. The rural poor may decide to take advantage of these programmes but should also be aware that they offer no lasting solution to their financial problems.
Session Guide:

1. Make a brief review of the previous session.

2. Introduce the session as presented in the "Summary of the Session".

3. Distribute the Activity Sheet and the Working Aid and explain the assignment. Divide trainees into groups and ask each group to do the assignment given. Allow 50 minutes for this exercise.

4. Reconvene the trainees into a plenary and ask each group to present its conclusions. Discuss the concept of commercial interest rates and discuss what levels of interest on loans and savings should be applied for self-sustainance of a Co-operative Savings and Credit System.

5. During the plenary discussion trainees will probably argue that if the aim is truly to help the poor, it would not be realistic to charge them commercial rates of interest; they might not afford then. Stress the point that although cheap credit is desirable one must be aware of its negative effects on the rural poor.
ACTIVITY SHEET

1. Should the interest charged on loans for poor people be subsidised or should it be commercial - i.e. high enough to cover costs? Give reasons for your views.

2. If we accept the percentage for default (4%) and administrative costs (4%) as real, what interest should be paid on savings and what interest should be charged on loans to make the system self-sustaining?

Prepare your conclusions and summarise them on a flip chart for presentation at the plenary.
For a self-sustaining savings and credit system, costs are covered by revenues from interest payments. This is referred to as a commercial interest rate.

The percentages below are only given as examples.
management support services

7.1 Organisation, Communication and Financial Management

7.2 External Management Services
SESSION 7.1

ORGANISATION, COMMUNICATION AND FINANCIAL MANAGEMENT

Objective: To enable trainees recognise the key areas in co-operative management which need their advice and guidance.

Time: 2 1/2 hours.

Material: Activity Sheet.

SUMMARY OF THE SESSION

In the context of this Guide, management consultancy relates to the advisory services which a CDA provides to co-operative groups having micro-projects. However well-planned an economic project may be, in the course of action, new and unforeseen operational, financial, technical and human problems will emerge for which the co-operative organisation may need some advice from outside.

Management consultancy can tackle various issues which are central to the organisation's performance and continuity. Consultancy can be provided in the following areas:

- organisational matters (organisational management),
- financial matters (financial management),
- technical matters (technical management),
- serious disputes within the organisation (conflict management)

Organisational management is concerned with the optimal use of the organisation's productive resources:

(a) human resources which are its members, leaders and employees;

(b) material resources such as motor vehicles, machinery, buildings as well as
SUMMARY OF THE SESSION

the natural resources (land and water).

Financial management is concerned with the optimal resources (member's contributions, bank loans, subsidies and an organisation's own reserves).

Technical management is concerned with the use of technology by the group.

Conflict management is concerned with the handling of disputes which may arise in co-operatives. This often happens when leaders and members pursue different and conflicting objectives or when they have different ideas about the strategy to be followed or the method of work to be applied.

Organisation, Management and Communication

Organisational problems can be linked to shortcomings in the structure of an organisation--such as the composition of the board. The board may comprise too many persons for effective management, or too few, causing certain categories of members to be ill-represented. In an agricultural co-operative, for example, farmers cultivating a larger-than-average area of land would belong to a category of membership which tends to be over-represented, while small farmers and women tend to be under-represented.

Another source of misunderstanding and confusion is lack of clarity in the division of responsibilities and tasks among the individual board members; between board members and ordinary members, and between board members and staff. Closely related to this problem is ambiguity in the rules and regulations governing interaction between the organisation and its members, and among members. Structure, division of responsibilities and the rules of operation should be such that they facilitate good internal communication. In the management context co-operative communication entails exchange of information (facts, intentions and ideas) between and among the members, their elected leaders and employees. Both the rank-and-file members and their elected leaders must be well informed so that they can take the right decisions, carry out their respective tasks and responsibilities and exercise their rights.
SUMMARY OF THE SESSION

Good communication is a pre-requisite for effective and sustained member participation. In any co-operative organisation members must be informed. In some co-operative organisations there is a tendency to withhold information from the members, confining it within a small clique of the leadership. Sometimes those in authority withhold information because they either lack communication skills or are unaware of the importance of communicating information.

Where attempts are made to pass on information to members, this is done off-handedly and unskillfully; when it ultimately trickles down to the member it is either too little, too late or ambiguous.

In all co-operative organisations, meetings are an effective means of communication. But meetings can only serve this purpose if they are well attended by the people concerned (e.g. members and committee members). Sometimes meetings are arbitrarily convened without due consideration to the convenience and disposition of their intended participants. The result quite naturally, is poor attendance.

Meetings must be planned in consultation with members and must be scheduled in a way that will ensure maximum attendance. The methods used for communicating information to members during meetings must be simple and clear so that the information is easily understood. Communication should remove rather than create barriers.

The opportunity provided by meetings should not be the only occasion to communicate with members. Since constant flow of information to and from members must constitute a regular feature of the activities of a co-operative organisation, it is important that an efficient system of communication with and among members should be devised and implemented.

As with internal organisation, communication systems and methods should be developed, tried out and constantly improved by the co-operative organisation itself. In the process, however, the CFW can provide advice on the basis of his own experience.
SUMMARY OF THE SESSION

Financial Management

As a co-operative group develops into a more "structured" organisation, and as this organisation grows in size and its activities increase, so does its demand for external help in certain technical fields. In particular, the organisation will need external assistance in book-keeping and financial management. Some co-operative organisations at this stage may become "multipurpose" - i.e. undertake a variety of activities such as produce marketing, operating credit schemes, supply of farm requisites, transport, etc. Management of multi-purpose co-operative - especially the financial aspect of it, is complex and might require the assistance of the CFW or specialists from the institution he represents.

In fact all types of co-operatives need advice in financial management and in cost accounting and control. As has been stressed elsewhere, there is no co-operative self-reliance without financial self-reliance. Good financial management is an important step towards financial self-reliance.

Co-operative FWs working with grassroots co-operative organisations should not focus their attention only on education and training matters but should pay equal attention to management issues - particularly those relating to organisation, communication and financial management.

Session Guide

1. Introduce the session using the information given in the Summary of the Session.

2. Distribute the Activity Sheet and ask trainees to answer the two questions individually. They should write their answers in their notebooks. Allow 30 minutes for this exercise.

3. Divide trainees into small groups and ask them to discuss the answers they have prepared as above.
Allow 45 minutes for this.

4. Reconvene the groups into a plenary and ask each to present its conclusions. Initiate discussion on the group presentations and summarise the main learning points of the session.
ACTIVITY SHEET

Answer the following questions in your notebook.

1. Which aspects of management need outside assistance most: organisational, financial, technical or conflict management? Give reasons for your answers.

2. What, if any, are the problems related to:
   (i) composition of the boards and of other committees;
   (ii) division of responsibilities and tasks within the board; between board and members; and executive staff;
   (iii) rules and regulations governing the day-to-day operations of the group/organisation or the absence of such rules and regulations;
   (iv) communication within the co-operative group/organisation;
   (v) management of finances, cost accounting and book-keeping. Is assistance in the field of financial management, cost accounting and book keeping provided? Who are the best qualified persons to provide such assistance?
SESSION 7.2

EXTERNAL MANAGEMENT SERVICES

Objective: To enable trainees recognise the pros and cons of external management services.

Time: 2 1/2 hours.

Material: Activity Sheet.

SUMMARY OF THE SESSION

At different stages of their development, co-operative organisations may not have the necessary technical know-how and skills to carry out different aspects of management. External management or advisory services in management will be most desirable in such cases. This support, however, has its perils: group members might be lax in developing their own skills, thus becoming dependent on outside help to manage their affairs.

External advisory services in management of grassroots co-operative organisations should be provided in such a way that they become a means rather than an obstacle to achieving self-reliance. Such a service might be provided by a co-operative field worker or by a specialist in co-operative management and organisation.

Although such services may have positive effect on the performance of the co-operative, in the long run they can be counter-productive if they create a dependence on the external adviser (a field worker, expatriate, etc.). Quite often such outsiders introduce management systems which, though well conceived and designed, are nevertheless ill adjusted to local situations. Moreover, because of their complex nature, such systems go far beyond the local group's capacity for self-management.

Working with their elected leaders, co-operatives' group members must be able to manage activities by themselves if they have to bring about positive change in their living conditions.
SUMMARY OF THE SESSION

It must be stressed, however, that self-management does not necessarily render outside assistance redundant - particularly where such assistance involves special knowledge and skills. A common practice for most co-operative development projects is to provide management experts who carry out the managerial and technical functions until the project has proved capable of managing on its own. When that stage is reached responsibilities are gradually handed over to the co-operative leaders and local staff. The most serious weakness of this strategy is that as long as the project is run by outsiders the members tend to assume a passive role, leaving everything in the hands of the experts. Hardly do they identify with the project or consider it to be theirs.

Although the external experts often put the blame for this inertia on lack of understanding on the part of the members, the truth is that the strategy disregards the principle of self-management. When external support is ultimately withdrawn the project collapses or, if it does continue, the process of readjustment is long and painful.

As regards financial management and accounting, the systems used should be simple and practical. Accounting systems should be simple enough so that financial statements are easily understood by ordinary members. Only the very basic books of accounting should be maintained; where possible they should be written in the local language. External experts tend to introduce into projects some complex management and accounting systems that are difficult to maintain after external support has been withdrawn.

External management advice often poses the danger of the adviser imposing his ideas on the co-operative group. It also tends to undermine people's self-confidence: people assume a negative self-image (they consider themselves incapable and powerless). On the other hand there is a general consensus that co-operative organisations need external management support to discuss and appraise the feasibility of their ideas. As long as external management advisers do not usurp responsibilities for management from the members and employees, they can render
SUMMARY OF THE SESSION

most valuable service to co-operative organisations.

Lastly, the role of the external adviser - in particular the CFW - in settling disputes should be made clear. It is not uncommon for co-operative members or their leaders to seek the intervention of a CFW in the settlement of disputes. Although under very special circumstances the CFW might be required to offer some neutral and technical opinion in a dispute, it should be very clear that arbitration is outside his responsibilities. In case of disputes, the best he can do is to identify suitable persons - preferably from the local population - who can mediate in the disputes. The CFW can also advise and assist in formulating procedures for settling disputes.

Session Guide:

1. Make a review of the previous session.

2. Present the session according to the "Summary" above.

3. Distribute the Activity Sheet then divide trainees into groups and ask each to discuss the questions. If you do not consider the questions relevant to your trainees you may reformulate them or prepare a case depicting a more relevant situation.

4. Reconvene the trainees into a plenary and ask each group to present its conclusions. Initiate discussion on the group presentations, elicit the main learning points and conclude the session.
1. Which external Management Support Services do co-operatives in your area receive and from whom?

2. In which areas of the following do you assist co-operative committees in their administrative problems?
   - financial management
   - board/management relations
   - conducting meetings
   - financial reports
   - recruitment, etc.

3. What do you think would happen if you withdrew such assistance suddenly?

4. Is the way you provide assistance consistent with the idea of promoting co-operative self-reliance? Give reasons for your answer.

5. Do CFWs have a role to play in the settlement of disputes in co-operatives? Give some examples from your own experience as to the pitfalls one should avoid in such situations?

Summarise your conclusions on a flip chart for presentation to the plenary.
linkages with third parties

8.1 Linkages: Benefits and Risks
8.2 Negotiating with Powerful Parties
SESSION 8.1

LINKAGES: BENEFITS AND RISKS

Objective: To enable trainees recognise the need for establishing linkages between co-operative groups and other institutions and the problems associated with linkages.

To enable trainees assist co-operative groups identify and establish linkages.

Time: 2 1/2 hours.

Material: Activity Sheets 1 and 2.

SUMMARY OF THE SESSION

A Co-operative development Agency employing field workers cannot offer all the support services co-operatives might need. CFWs have the important task of building up direct relations between co-operative groups and "support institutions" or "third parties". These are institutions other than the CDA, which administer important human or material resources. Access to such institutions might be crucial for the groups to perform well and widen their range of options for co-operative action. In this connection the usually difficult relationship between non-governmental and governmental institutions deserves special attention. Comparative studies have shown that greater impact is achieved where both types of institutions are aware of, and fulfil complementary roles in the development process.

Nature and Categories of Linkages

The concept of linkage-building falls under two main categories:

(i) Linkage-building among co-operative groups/organisations, i.e. the network among them and the building up of a structure of co-operative organisations. This
SUMMARY OF THE SESSION

aspect of linkage-building will be dealt with under the next topic, "Process extension and movement-building".

(ii) Linkage-building with support institutions or "third parties" such as government agencies, university departments, non-governmental development organisations, religious institutions, traders, private banks, etc. The importance of these institutions varies with the nature and accessibility of the resources they administer or the services they provide.

We shall deal here with relationship between the co-operative organisations which are non-governmental, and government or government-controlled institutions. It should be noted that the term "non-governmental" in some countries connotes "anti-governmental". If this is the case in your country you should try to use another, more acceptable term.

The problem with CDAs (be they governmental or non-governmental) is that they tend to regard the co-operative groups they support as their own. A CDA which has helped create and develop co-operative organisations tends to regard them almost as its property and to claim exclusive responsibility for providing assistance. It will monopolise the interaction between the co-operatives and the "outside world" instead of supporting and encouraging such contacts. Co-operatives are thus denied a valuable opportunity to develop working relations with other bodies. Other development institutions are perceived as rivals, either because they do not share the CDA's ideology, belong to a different denomination or are manned by persons who maintain a difficult personal relationship with the CDA's leadership.

As one CFW put it: "We pay lip-service to the issue of inter-institutional collaboration in official meetings, but we do not actively pursue it". Another CFW has been quoted as saying: "We are so busy with following our own groups that we have no time left to establish contacts with other institutions. Moreover, we cannot trust them. The others may take over our groups by offering better conditions".
SUMMARY OF THE SESSION

The Need for Linkage-Building

There are several reasons why a CDA should support rather than obstruct linkage-building.

- Firstly, it is a matter of principle. Organisational self-reliance implies that co-operative groups are free to interact with those non-governmental, governmental organisations or private persons they feel can serve their interests. Co-operative groups belong only to themselves and not to the CDA. (If the CDA itself is a co-operative institution, e.g. a Co-operative Union or Federation, it belongs to the co-operative groups).

- Contacts with institutions other than the CDA will give the groups/organisations access to know-how and resources the CDA cannot offer and which the groups may need to improve their performance or to plan new micro-projects.

- Linkage with some institutions such as government agencies might be necessary, especially if they wield much power or influence. To ignore them would endanger operations of the projects.

- It will be difficult, without linkage for the CDA to influence the decisions taken by these institutions - decisions which might directly or indirectly affect the living conditions of the rural poor and their opportunities for socio-economic transformation.

The relationship between government and co-operative groups

Generalisations on the relations discussed above are not easy to make because they vary from country to country, from district to district, and sometimes from village to village.

The following problems may occur in the relationship between co-operatives and those in authority:

1. Any development effort, even if it claims to focus solely on economic and social change, affects the power relationship between
SUMMARY OF THE SESSION

people and between institutions. Sometimes government officials consider a group which presses for better services a source of trouble.

2. The development priorities of the rural poor might be quite different from those of government. The latter may judge the group's plans as not fitting into the government's "development plan". Where the interest of the rural poor and the government are clearly opposed to each other, the search for cooperation may be a hopeless task. Yet, a strategy has to be developed for coping with this political situation — one which protects the interests of both parties and the self-determination by the group.

3. Government institutions (and for that matter political parties) and non-governmental institutions may try to bring local organisations into their sphere of influence by a combination of political pressure and promises of easy money or other incentives. Sometimes this is done with good intentions but at times this is used for other motives which in the long run undermines the groups' self-identity and self-determination.

Problems are not unique to relations with government. They may also exist in the relations between co-operative groups and non-governmental organisations. Some of them have strong backing from national or local governments and are quite as powerful, often disposing of large sums of money.

The above notwithstanding, there are also many examples of good "triangular" collaboration. The triangle is formed by the co-operative group, one or more government institutions, and one or more NGOs. Research in many developing countries has shown that the performance of local organisations in the rural areas is best where governmental and non-governmental institutions have complementary roles and succeed in collaborating across different levels.

The CFW's role

CDA's have a duty to support co-operative groups in the process of linkage-building with support
SUMMARY OF THE SESSION

organisations or "third parties".

(i) CFWs should help co-operative group leaders and members identify and establish linkages with third parties whose facilities could benefit the group.

(ii) CFWs should act as advisers to local co-operative groups about the possible benefits and risks involved in strengthening, loosening or avoiding such relationships. The concept of consultancy implies that it is not the CFW but the co-operative group which determine the strategy to be followed.

(iii) While the CFW may act as a contact between a co-operative group and other institutions, his primary task is to facilitate direct linkage, thus enhancing the group's self-reliance in building and maintaining linkages.

Session Guide

1. Present the session using the ideas and information in the "Summary of the Session". Note that linkage-building is usually a weak point in the functions of many development agencies. This may be reflected in the trainees' attitudes towards one another's institutions.

2. Distribute Activity Sheet 1. Ask trainees to answer (in their notebooks) the three questions. Allow 30 minutes for this exercise.

3. Distribute Activity Sheet 2. Divide trainees into groups and ask them to discuss the answers prepared individually as above, and to write their conclusions on a flip chart.
4. Reconvene the trainees into a plenary and ask each group to present its conclusions to be followed by discussion. Summarise and synthesise the discussion. Allow 45 minutes for this.

**Note:** You may wish to prolong the discussion or conduct an extra session on how CFW's can positively influence negative attitudes within the leadership of the CDAs as regards linkage building between co-operative groups and the other institutions. Discussion could also focus on the implications of CFW's taking their own initiative to foster collaboration at field level without official permission from their superiors.
ACTIVITY SHEET 1

Individual Work Plan

Complete the following task individually by writing down the answers in your exercise book.

1. Which of the following support institutions do the co-operative groups you work with have a working relationship with (in the form of trading, subsidies, education and training, advisory services etc.)?
   - Government or government-related institutions
   - Non-governmental development organisations
   - Private traders, companies, etc.
   - Banks
   - Religious institutions
   - Others.

2. Select the most important of these support institutions and answer the following questions: (exclude your own institution and the bank as these have already been dealt with).

   2.1 How did such collaboration come about?
   2.2 What has been your role, if any, in this collaboration?
   2.3 What is the nature and extent of this collaboration at present?
   2.4 How crucial is your assistance or advice in the maintenance and improvement of such relationships?

3. What specific actions have you taken to bring about good understanding and sympathy between co-operative groups and government institutions?
ACTIVITY SHEET 2

Group Work

- Report to each other your answers to the questions in Activity Sheet 1.

- What are the similarities and differences?

Write the answers on a flip chart for presentation at the plenary.
SESSION 8.2

NEGOTIATING WITH POWERFUL PARTIES

Objective: To enable trainees identify and analyse the strategies and tactics employed by powerful institutions when negotiating with the rural poor.

Time: 2 hours.

Material: Activity Sheet.

SUMMARY OF THE SESSION

Ideally, co-operative groups should interact and negotiate with "third parties" on the basis of equality. This practice however is rare. Most of the time they negotiate from a subordinate position. It is the CFW's task to assist co-operative groups in the situation analysis and in formulating appropriate negotiating tactics. This will give the groups greater influence on the policy and activities of higher level institutions and individuals. The situation analysis entails definition of one's own perceptions of the problem at hand, those of the other party, the strategy and negotiating tactics to be applied.

In order to survive and thrive, co-operative groups need to interact with different types of institutions operating at higher levels. We refer to such institutions as "third parties".

In an ideal situation the co-operative group interacts with third parties on the basis of equality. This means that the group is free in its decisions to accept or reject the conditions put forward by other parties (for example, whether or not to use government services, or to buy from a trader). In reality however, most co-operative groups have not reached that stage yet and have to bargain from a position of inequality. They often have to negotiate with institutions and persons of considerable power, some of whom try to take advantage of the co-
SUMMARY OF THE SESSION

operative groups while pursuing their own institutional or personal goals.

To influence the decisions of these powerful elements for the benefit of the rural poor is not always easy. CFWs ought to assist co-operatives in designing strategies which will give them greater influence on the policies and decisions of the higher-level institutions despite the group's relative powerlessness. Co-operative groups whose membership consists largely of poor people interact from an inferior position. Strategies to improve one's position so as to increase his bargaining power cannot be developed overnight. They develop by trial and error in a process during which past experience combined with the discovery of one's own strengths and weaknesses make a significant contribution.

The learning process and design of strategy will benefit from an analysis of the situation; that is to say, an analysis of one's own and the other party's perceptions of the problem, strategies, and negotiating tactics. Ideally, institutions and individuals at the higher level should not abuse their authority and influence, or have prejudice against the rural poor. They must acknowledge the people's creative capacities and be prepared to engage in dialogue with them.

If this does not prevail, co-operative members should be advised to carefully analyse the situation before engaging in any dialogue with the institutions. The following questions might help in the analysis:

(i) How does the other (more powerful) party perceive us? Would it be possible to make them change their perception, acknowledge our capacity for creative thinking, our organising potential, and the validity of our arguments?

(ii) How does the other party perceive the problem? Would it be possible to change their perception of the problem? Will this change lead to a more sympathetic attitude and willingness to compromise?

(iii) If there is no way of making the other party change their mind, should we comply or resist?
SUMMARY OF THE SESSION

Common perceptions and tactics

The following is a generalisation on "perceptions" and "tactics" often encountered in rural areas. The local co-operative group is negotiating from an "underdog" position with a more powerful party, which is inclined to serve its own interests than the needs of the rural poor.

(a) The co-operative group's perception of the problem.

- How can we, as a group, avoid being dominated, controlled or exploited by the other party?

- To what extent can we trust the persons we will speak to? Can we speak freely?

- Are we sufficiently informed about the other party's intentions of honest negotiating?

- Is our position strong enough to take a stand or should we be ready to compromise?

(b) Perception of the problem by the institution.

- How can we make the co-operative group comply with what we want them to do?

- How can we find out what their real intentions are?

- What information should we give them?

- What stand should we take if they show resistance? Do we take the hard line or compromise?

(c) The Co-operative group's perception of the institution.

- They (the other party) try to manipulate, control, and take advantage of us.

- They will withhold information which we badly need.
SUMMARY OF THE SESSION

- They will look after their own interests first.

(d) The institution's perception of the co-operative group.

- They are stubborn and do not know what is good for them.
- They are short-sighted; they look after their short-term interests first.
- They have little creative ability and should simply be told what to do.
- You should not tell them everything; only what is good for them to know and what will keep them quiet.

Strategies and negotiating tactics of the Co-operative Group

If the group feels that its position is rather weak, it will tend:

- not to enter into arguments, to keep its real intentions hidden;
- not to inform the other party about the real situation and tell only what the latter would like to hear;
- to keep agreements vague, not very concrete;
- to ask for more information and time.

If the group feels strong enough, it will tend to:

- criticise whatever it does not like;
- claim better conditions and different regulations;
- mobilise resistance by massive show-up;
- threaten to directly contact higher authority;
- threaten not to co-operate in any way.
SUMMARY OF THE SESSION

Possible strategies and negotiating tactics of the institution:

(a) If the position of the party is not strong, one should expect them to do any of the following:

- argue at length and provide selective information;
- try to influence the group's opinion leaders by promises (which may never be fulfilled);
- use divisive tactics; make use of differences in opinion between leaders and members, and between the leaders themselves;
- refer to administrative rules and regulations as a reason for not accepting the group's arguments and proposals.

(b) If the other party considers itself to be in a strong position, the tendency will be to achieve compliance by one or more of the following tactics:

- argue that the group and its leaders should know their place (be aware of their inferior status and powerlessness);
- threaten that group members will be barred from access to resources or services (subsidies, credit, etc.);
- refer to official doctrine, national policies and laws;
- threaten leaders or the group as a whole with legal and other punitive action.

Field workers' perceptions and behaviour

CFWs working at the grassroots with groups are quite familiar with the problems discussed above. It is not their duty to define the best strategy for the co-operative groups; this would contradict the principle of self-reliant development. The co-operative group has to formulate its own strategy. But CFWs may assist them in the preparation and evaluation of negotiations.
**Session Guide:**

1. Present the session using the information in the "Summary of the Session".

2. Distribute and explain the task in the Activity Sheet. Divide trainees into groups and ask them to carry out the task. Allow 45 minutes for this exercise.

3. Reconvene trainees and ask each group to present its conclusions on a flip chart. Group presentations should then be followed by a plenary session. Synthesise the conclusions and summarise the main learning points of the session.

**Summary of the Session**

Through analysis CFWs may discover that their own perceptions and behaviour are not quite different from those of the representatives of powerful institutions. Some CFWs display "bossy behaviour" and, as the spokesman of development organisations, they may also be inclined to use the co-operative groups to serve their personal and institutional objectives.
ACTIVITY SHEET

1. Select, for further analysis, one of the "support institutions" whose relationship with co-operative groups you discussed in the previous session. (Government department, NGO, or Bank).

2. Discuss the following questions:

   (i) How do the representatives of this institution perceive the co-operative groups, their membership and their problems? (The group's organising potential, the members' willingness to change, the socio-economic problems faced by the rural poor etc.).

      - Is their perception of the problems and of the people correct?
      - Can it be modified, and if so, how?

   (ii) What are the tactics applied by representatives of institutions when dealing with co-operative groups to make them comply with their policies, or to justify their non-acceptance of the group's legitimate claims or demands?

   (iii) To what extent does your own institution apply the tactics you identified under (ii)?

Write the answers on a flip chart for presentation to the plenary.
process extension and movement-building

9.1 Process Extension
9.2 Movement-Building
SESSION 9.1

PROCESS EXTENSION

Objective: To enable trainees recognise the need for process extension by co-operative group members.

Time: 2 hours.

Material: Activity Sheet.

SUMMARY OF THE SESSION

The impact of co-operative micro-projects is often localised in a relatively small number of villages. Each development agency has to work out a strategy which, by replication, permits group entrepreneurship to become an important vehicle for socio-economic transformation. Two important components of such strategy: involve selecting core groups or villages, and making local leaders responsible for process extension.

Co-operative micro-projects have an important role in initiating a process of socio-economic transformation. When promoted within the framework of participatory development their impact on the economic and social well-being of the rural poor is profound. Co-operative savings and credit, common storage of grain, co-operative marketing of cash crops, collective farming, and small co-operative industries have all brought about important structural changes in the economies of households and sometimes even entire villages.

However, from a wider perspective their impact as vehicles of socio-economic transformation has in most cases, remained very limited. Impact is often very localised and restricted to a few families or villages. When viewing the situation from a regional standpoint, one discovers that only a tiny part of the rural population is actively engaged in self-controlled co-operative action. This limited impact can be attributed to three major constraints which CFWs and the institutions they work for must seek to overcome:
SUMMARY OF THE SESSION

(i) Replicating micro-projects in other villages is inhibited by shortage of qualified CFWs. For financial reasons it is not feasible, nor is it even desirable - from the point of view of self-reliant development - to replicate the impact by simply increasing the number of CFWs. What is often lacking is a well designed strategy which permits replication without correspondingly multiplying the number of CFWs.

(ii) While the areas of operation of the CDA and its CFWs is normally large, the number of villages where their assistance has some impact tends to be small. The villages are often isolated from each other by great geographical distances, making it difficult for the groups to interact between each other and for the CFW to visit them regularly. This "butterfly approach" also complicates the collaboration between villages; it also makes it difficult to implement activities at supra-village level if a two or three-tier structure of grassroots organisations is in place.

(iii) The leaders of co-operative grassroots organisations themselves may have a narrow perspective of development. Their outlook may be confined to their own village and their social position within it. In this way they are less concerned about opportunities for common action between groups and between villages.

When the above factors are considered, the following questions arise:

(a) How can replication of initiatives be promoted? How can initiatives started in one village inspire similar or comparable group initiatives in other villages without a CFW having to spend the same amount of time in each village?

(b) In what ways can we promote the process of networking among groups and develop it into a multi-tier structure? (This process would then lead
SUMMARY OF THE SESSION

to the creation of unions and federations at district, regional or even national level. By uniting at a level above that of the village, groups can engage in activities which require larger capital investment but which would have the advantage of producing a higher "added value").

Multiplication and replication

Co-operative micro-projects should develop from local, village-based initiatives. By making prudent use of whatever economic opportunities are available at the village level, participants create their own benefits. However, the significance of such projects as tools for socio-economic transformation on a large scale depends on their potential for replication (not imitation) in other villages and extending the process of awareness-raising to many more localities.

A single, universally valid strategy to facilitate this horizontal development does not exist. However, the following suggestions may be helpful in developing such a strategy.

Note: Co-operative development programmes can be focused intentionally on a few "core" groups or villages (sometimes referred to as "pilot" groups). These villages could serve as a source of inspiration to neighbouring localities. In order to be selected as a "core" group the leadership should be prepared to assume responsibility for the design and implementation of process extension to other villages. The CFW should ensure that leaders are prepared to play such a role as a condition for the CDA's assistance to the "core" group. Core village leaders can facilitate process extension by inviting other villages to participate in meetings or celebrations. The "core" group can make symbolic gestures of support and solidarity by granting a small sum of money to an emerging group in a neighbouring village as "seed capital" for a planned micro-project.

The agency and local leaders might decide
SUMMARY OF THE SESSION

to start with a limited range of economic activities. Priority in this case would be given to those which have proved most effective in improving the living conditions of the target categories of the population in a given area. These must be relatively easy to implement by co-operative action. This approach will make the work of the CFWs more professional and experience-based. An example is the credit union movement. In the beginning its focus is on two activities only (savings and credit). These activities might be too limited for fundamental socio-economic transformation, but it has the advantage of CFWs gaining good experience in one particular field of co-operative activity. At a second stage many of the credit unions branch out into other activities - either by diversifying their savings and credit activities or by setting up new, autonomous co-operative units.

From the outset the CFW should make it clear to the leaders in the selected core villages that the assistance and advice he provides will not last for ever. He should ensure that the target groups are willing to carry out extension work in other groups and villages. Thus extension of micro-projects to other villages will not necessitate an increase in the number of CFWs attached to the CDA. In the course of time, the role of the CFW will shift from that of helping core groups and villages to that of facilitating extension and promotional programmes covering a whole region. This is one more reason why we should give due attention to local development of leadership that is able to think and act beyond the narrow confines of its own group or village.

If local leaders can carry out the major extension work in different villages, this will take up the time they would need for work on their own income-generating activities. In some programmes, local leaders are partially compensated for their extra input - for example by payment of a minimum daily wage for every day that they spend on promotional work
1. Present the Session using the information given in the "Summary of the Session".

Note that for CFWs it might be difficult to accept the idea that local leaders might be more effective as extension agents than they (the CFWs) are.

2. Distribute the Activity Sheet and explain the assignment. Then divide trainees into groups and ask them to do the exercise. Allow 45 minutes for this.

3. Reconvene trainees in a plenary and ask each group to present their conclusions. This should be followed by a plenary discussion. Synthesise the various points emanating from the discussion and summarise the main learning points of the session.
ACTIVITY SHEET

1. How does one achieve successful replication of co-operative micro-projects in other villages?

2. What role can local leaders play in such a process?

3. Who should be responsible for the process of replicating co-operative micro-projects: local leaders supported by CFWs or the CFWs themselves?

4. How does one ensure greater involvement by local leaders in extension and promotional work?

5. Do local leaders have to be compensated for their efforts? If so, why and how?

Summarise your conclusions on a flip chart for presentation to the plenary.
SESSION 9.2

MOVEMENT-BUILDING

Objective:
- To enable trainees recognise the need for vertical structures of grassroots co-operatives so as to bring about more fundamental socio-economic transformation.
- To enable trainees recognise the negative aspects of vertical structures in representing the interests of the rural poor.

Time: 2 hours.

Material: Activity Sheet.

SUMMARY OF THE SESSION

Movement-building refers to the gradual building up of a multi-tier structure of co-operative groups. The co-operative units operating at the grassroots level may decide to set up together a new unit at a higher or secondary level. Several secondary-level units may decide to set up an umbrella organisation at tertiary level. Ideally, the lower levels in the pyramid structure thus created should exercise control over the higher ones and not vice versa. The primary units should be considered as the foundation of a vertical structure. The primary units are a result of a horizontal expansion. In the course of time, the horizontal network tends to evolve a multi-layer structure. For inter-group and inter-village collaboration to be effective, setting up a new organisational unit at supra-village level might be necessary. Such a "secondary-level" structure may start as an inter-village committee for mutual consultation and exchange of experiences. This rather loose structure will get stronger once it has been given specific tasks to perform. In most cases the new secondary-level organisation will need a separate legal status without which it may not be able to undertake important economic activities.
SUMMARY OF THE SESSION

The need for a co-operation and organisation at higher levels is prompted by a combination of economic and political considerations:

Economic Considerations

By pooling their resources within the institutional framework of a Union or Association, grassroots organisations bring within their reach new activities with a higher added value—that is to say, activities which normally have a higher profit-margin. For example, the processing and marketing of products (grain, milk, vegetables, handicrafts, etc.) is normally more gainful than their production.

Political Considerations:

Movement-building is essential for strengthening the co-operative groups' bargaining and claim-making position vis-a-vis other parties which represent different economic interests and which tend to disregard the specific interests of the rural poor. Higher-level people's organisations operating as co-operative unions or federations and representing large segments of the organised rural poor can act as their mouthpiece. They can play advocacy roles, put pressure on government, and lobby for political and economic support. Economically powerful individuals who might have bad designs on the people's organisations can be dealt with more successfully.

Clearly, higher level co-operative organisations operating above the village level demand other forms of assistance than grassroots organisations. The complex nature of their economic and political activities requires more qualified staff. In many cases there will also be need for a more complex and ramified structure of higher-level organisations performing different tasks such as representation, economic enterprise and education and training.

In this session we shall limit ourselves to problems which might arise in the relationship between primary and secondary-level units. CFWs' assistance is often needed to streamline such relations.
SUMMARY OF THE SESSION

Sacrificing Autonomy

Once primary unit representatives have decided to undertake a common action they have to comply with the rules of the higher-level organisation which are decided upon by their representatives. Such rules regulate interaction between the secondary body and its member organisations, and also between the member organisations themselves. Here are some examples:-

- Village savings and credit co-operatives have to comply with the general rules regulating the functions of the credit scheme managed by their union.

- A union or association engaged in wholesale distribution will supply village shops with consumer goods. Village primary units are obliged to place their orders with the union and are no longer free to purchase their requirements elsewhere as this would undermine the economic viability of their common wholesale enterprise.

- A union or association administers a special fund for the acquisition and installation of grain mills in a series of villages where women groups have decided to process grain co-operatively. The groups have to comply with the conditions set by the union for securing an investment loan, amortisation, maintenance of the mills and acquisition of spare parts.

Roots of Conflict

Tensions and conflicts may occur in co-operatives with vertical structures. These may be caused by any of the following factors.

1. **Personality of Local Leaders:**

   self-assured local leaders at the primary level may have great difficulties in complying with rules and regulations which are not of their making, yet ones that are based on principles of sound management.

2. **Sharing of costs and benefits:**

   costs incurred at the higher-level organis-
SUMMARY OF THE SESSION

ation and shared among the affiliated primary-level organisations can be another source of conflict. Access to facilities and distribution of benefits can also cause conflict.

3. Take-over by large organisations:

The bigger the secondary level organisation the more it is likely to attract economically and politically powerful individuals to take control over its operations (the history of co-operatives and trade unions is replete with examples of this kind).

4. Accountability by the leadership:

The people in leadership positions at secondary level are not always willing to account for their actions; while maintaining that what they do is "for the betterment of the people", they often tend to manipulate meetings and procedures. They often demand that the lower-level organisations should account to the higher-level when the reverse should be the norm. A similar attitude is often found among managers.

5. Sanctions:

Approved sanctions to be applied to primary units which fail to comply with commonly agreed rules are often ignored.

The Role of the Development Agency

Some CDAs operating under the banner of an NGO or a government project play a dubious role in movement-building. Quite often they accelerate their growth artificially as a result of the combined effect of political pressure and technical assistance.

Another problem often occurring in projects funded by foreign donors is that of an NGO or government department performing functions such as administration of a credit scheme, wholesale marketing and industrial processing which should have been performed by secondary co-operative organisations.

As a matter of principle, the NGO or government department concerned should do this as a service
SUMMARY OF THE SESSION

to and for the benefit of co-operative groups which they have helped to set up and which receive their assistance. However, such CDAs, in spite of good intentions, often have the following weaknesses:

- deciding unilaterally on:
  
a) the conditions for access by the groups to the facilities they offer,

b) distribution of costs and benefits,

c) and on the sanctions to be applied in case of non-compliance;

- not having well-developed systems of accountability to the people and the groups the CDA is supposed to serve;

- operating without an effective mechanism for external control;

- working without a strategy of transferring responsibilities to secondary or tertiary-level co-operative organisations which would belong to, and be controlled by the grassroots groups.

In this situation CDA, in its exalted position, controls the co-operative groups instead of the reverse. In this undemocratic way many CDAs contradict the participatory and egalitarian ideology they advocate through their education and training programmes.

The Organic vis-a-vis the deterministic (economist) approach

The principle of organic growth has not always been respected in co-operative development because of the desire by project holders and their financiers for quick, demonstrable results. After a rather superficial analysis, an economic service is created requiring a substantial amount of investment. Subsequently, recipient groups are formed in the villages. This approach gives inadequate attention to the social, psychological and cultural factors involved in the growth and structuring of a people's movement. Attention to purely economic considerations at the expense of other factors eventually lead to
**Summary of the Session**

The establishment of a co-operative structure which lacks the coherence and internal dynamics necessary for long-term viability; as a result it becomes uneconomic and loss-making.

There are no easy answers to the question as to how higher-level co-operative institutions can be effective while remaining flexible and close to the grassroots without degenerating into self-serving bureaucracies.

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**Session Guide**

1. Present the Session using the information in the "Summary of the Session".

   You should bear in mind that the theme of this session is a rather sensitive one as trainees might conclude that they represent institutions involved in artificial expansion of the co-operative movement using project money.

2. Elicit from trainees the strategy to be used in making the institutions they work for more consistent with the principle of organic growth (growth from within).

   Also elicit from them whether the institutions they work for are accountable to the rural poor whose interest they serve, and whether they allow democratic control by groups or organisations at the lower level.

3. Distribute the Activity Sheet and explain it so that it is thoroughly understood. Then divide trainees into groups to discuss the questions in the Activity Sheet. Allow 45 minutes for this exercise.

4. Reconvene the trainees into a plenary and ask each group to present its conclusions. This should be followed by a plenary discussion whose conclusions you should synthesise and summarise.
ACTIVITY SHEET

1. From your experience give some examples of economic activities which have become possible (or would become possible) by several grassroots groups working together at supra-village level (district or provincial level).

2. What are the major problems you have noticed (or expect) in the relations between primary co-operative units (grassroots groups) and the secondary-level unit?

3. What role do you play in settling those problems?

4. (a) If the CDA you work for is not a secondary or tertiary co-operative organisation (a co-operative union or federation), what facilities do you provide in such fields as marketing, supply, processing, credit and transport?

   (b) Do you think these services should be provided by the CDA on a permanent basis, or should they be transferred to a secondary co-operative unit controlled by the grassroots co-operative group?

5. How is your institution held accountable to the grassroots groups?

   Synthesise the conclusions of your discussion. Focus on what you see as the general situation, avoiding any specific cases.

6. Write your answers on a flip chart for presentation at the plenary.
monitoring and evaluation

10.1 Monitoring and Self-Evaluation
10.2 Evaluation by Field Workers and Co-operative Leaders
SESSION 10.1

MONITORING AND SELF-EVALUATION

Objective: To enable trainees recognise the need for monitoring and self-evaluation at co-operative group level and to assist such groups evaluate themselves.

Time: 2 1/2 hours.

Material: Working Aid, Activity Sheets 1 and 2.

SUMMARY OF THE SESSION

Self-evaluation is a necessary condition for human progress; it is a crucial factor in co-operative development. Monitoring, the act of constantly checking how one is progressing towards a set objective, is also vital. In any co-operative organisation, monitoring and self-evaluation should be carried out as a regular feature of the organisation's activities. CFWs should help to institute and maintain an effective monitoring and self-evaluation system in the co-operative groups they support.

A learning process

The aphorism that people "learn by doing" is too easily taken for granted. The process of learning has to be organised not only through education and training, but also by a regular assessment guided by two basic questions:

(i) How we are faring?

(ii) Are we achieving our goals in a systematic way?

This process can be referred to as participatory monitoring and on-going self-evaluation. It is a learning process which helps to improve one's performance and avoid repetition of costly mistakes.
SUMMARY OF THE SESSION

The Four levels

Monitoring and self-evaluation can be organised at four different levels:

(i) At the level of the co-operative groups: the group reviews and assesses its own performance.

(ii) At the "interface" between groups and the CFWs; the co-operative groups and CFW, review and assess the way they interact and the relevance and quality of the CDA's promotional services.

(iii) At the level of the CDA: the staff assess the functioning of their own organisation as a promotional body at the service of the rural poor; the role it plays, and the position it holds in the society as a whole.

(iv) At the level of the CDA together with other "supporting institutions": the CDA together with other development agencies (governmental or non-governmental) review their development efforts, their results, their mutual collaboration.

In this session we shall only deal with monitoring and evaluation at the co-operative level.

Participatory monitoring and on-going self-evaluation defined

Participatory monitoring is the periodic review by a co-operative group of the on-going activities to assess whether or not the activities are proceeding efficiently according to plans, and are reaching their specific objectives. For example, in an agricultural marketing co-operative people would ask: "Are we marketing as much as we had intended to?" or "Are the costs within our estimates?"

With on-going self-evaluation the co-operative group members assess the relevance, results and impact on quality of life of the activities undertaken. In the Working Aid, a model is suggested which might be helpful for a systematic evaluation. The model comprises six points: development philosophy or vision, resources, methods,
SUMMARY OF THE SESSION

objectives, results and quality of life. For example: "What has been the result of achieving the objective of marketing more produce through the co-operative group?" The results might be higher income and higher production. But has this improved the quality of life? Exactly whose - all the people in the village or some of them? Has it caused food shortages in the village? Has it increased hardships for women and elderly people? Is this in accordance with the development philosophy of the group? etc. As shown in the Working Aid many more questions can be put in relation to the above six points.

The importance of self-evaluation

Most of the evaluation which takes place is not organised as "self" but as "external" evaluation. Experts come from outside to evaluate the performance of co-operative groups and of the CDA from which the groups receive assistance. Such evaluations, mostly organised by funding agencies, are often viewed as a threat because a negative assessment may put an end to external funding. Even if organised in a "participatory" manner, this kind of external evaluation is not the same as self-evaluation where co-operative group members are their own evaluators. Self-evaluation is basic to a process of self-reliant development. It is at the root of human progress.

"Mirrored" self-evaluation

In this process of self-evaluation, co-operative groups may be assisted by a field worker. We shall refer to this as "externally supported self-evaluation". The CFW in the process raises questions such as those in the Working Aid. He serves a "mirror" function. He tells the group: "Look at yourselves and judge". Even if an outsider is involved, self-evaluation should essentially remain a process of self-help, self-analysis and self-correction by the group members.

Distinguishing between monitoring and self-evaluation

Monitoring is closely related to on-going activities. Those responsible for managing co-operative affairs should follow closely or "monitor" the progress of work, the cash-flow, costs and
SUMMARY OF THE SESSION

income, etc. When things seem to go wrong, they should inform the members and discuss with them the measures to be taken to redress the situation. Monitoring helps identify weaknesses or shortcomings so that corrective action can be taken before serious harm is done.

Self-evaluation is an appraisal of the efficiency and effectiveness of the group's activities and its organisation. It is an input for long-term planning. For example the co-operative group may conclude that in retrospect the marketing activity could have been carried out with less costs - i.e. more efficiently; that it has contributed little to the farmer's income (it has had little positive effect, etc.). Consequently, one may decide that the marketing activity should be organised differently or that other more effective types of co-operative activities should be considered.

The impact of co-operative action is not limited to the economic aspects of life. Evaluation is not complete if the social, political and cultural aspects are not also considered. Village people are usually aware of this. They will refer to these other aspects saying:

- "the activity has given us more discipline"
- "it has given us self-confidence"
- "it has made others listen to us - something they did not do before"
- "it has made us aware of our collective strengths"

Uplifting the moral, cultural and sociological sense can be more important than increased economic welfare.

Monopolising information by leaders

Experience shows that leaders sometimes monopolise information on co-operative affairs, often withholding it from those who need it most. Monitoring and self-evaluation cannot function well if members are ill-informed. Many co-operative groups hold regular meetings. Such gatherings could certainly facilitate free flow of information. However, meetings by themselves cannot
**SUMMARY OF THE SESSION**

guarantee adequate information to members. The leader's dominant position needs to be neutralised by a systematic provision of information to members. If the group is to function in a democratic way and the leadership held accountable for their deeds, members should be aware of their right to information and get access to it in a manner which they can understand.

At the group level CFWs have a definite role to play as facilitators to make the monitoring and self-evaluation exercise successful. The key questions the CFW, members and leaders should ask themselves are:

(a) What should the co-operative group members know in order to be able to assess the performance of their own organisation?

(b) Do group members under the present conditions have access to such information? If not, how can this situation be remedied?

If leaders are afraid of informed members, they are not the right type and should relinquish their leadership position. CFWs who want to promote a monitoring and self-evaluation system at village level are faced with a dilemma: the greater the need for the system to be introduced and formalised, the greater will be the resistance by leaders.

The attached Working Aid might be helpful in systematising the outcome of the evaluation and identity some issues which might otherwise be overlooked.

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**Session Guide**

1. Present the session using the Summary above.

2. Distribute the working Aid and explain the chart.

3. Distribute Activity Sheet 1 and explain the task involved. The six issues mentioned in the Working Aid can be used to determine whether or not the self-eva-
4. Distribute Activity Sheet 2. Divide trainees into groups and ask them to exchange their experiences as a result of the previous assignment. They should then discuss the questions raised in Activity Sheet 2. Allow 50 minutes for this exercise.

5. Reconvene the trainees into a plenary and ask each group to present its conclusions. Initiate a plenary discussion on the group presentations and conclude the session by summarising the main learning points.
WORKING AID

Main issues to be addressed in self-evaluation

- The top of the figure shows the development philosophy of the people (co-operative group members), their vision of the future.

- Resources: concerns the financial, material and human resources co-operative group members are putting in (time, energy, money and land).

- Methods: concerns the way the resources have been used.

- Objectives: is what members want to achieve by co-operative action.

- Results: is what has actually (or has not) been achieved compared to objectives. Moreover there may be other positive or negative effects intended or un-
intended, arising from the way resources have been mobilised and used.

- Quality of life: is the impact of the activities on the group members' individual lives.

From the above points, co-operative group members could ask themselves the following key questions:

(i) What do we want to achieve? Is our vision still the same?

(ii) Was the amount of resources we put in (money, labour and land) adequate for what we wanted to achieve?

(iii) Did we use the resources efficiently (method of work)?

(iv) Were the objectives set the right ones? Were they realistic?

(v) Have we achieved the objectives of our activity? What were the results? What were the other positive, or negative effects from the way we have mobilised resources and used them? What were the unforeseen, positive or negative side-effects?

(vi) Has the co-operative activity improved the quality of life?

If so:
- in what respect?
- to what extent?
- of how many people and of what category?
ACTIVITY SHEET 1

- Describe in your notebook and from your own experience, the way and the frequency with which your cooperative groups practise monitoring and self-evaluation (they may call it differently or have no name for it), indicating what role you have so far played in that process.

- After this, review the Working Aid attached to this task and decide on the extent to which the co-operative groups give consideration to the key questions listed in the Working Aid. If you think of other questions, possibly more important, write them down.
ACTIVITY SHEET 2

1. Report to each other your answers to the questions in Activity Sheet 1.

2. Discuss the following questions.

   (i) What is the importance of monitoring and constant self-evaluation at the group level?

   (ii) How commonly is it practised?

   (iii) What do you think are the key questions in a monitoring and self-evaluation exercise?

   (iv) What is your role as a CFW in facilitating self-evaluation work?

Write down your conclusions/outcomes on a flip chart for presentation in the plenary session.
SESSION 10.2

EVALUATION BY FIELD WORKERS AND CO-OPERATIVE LEADERS

Objectives:
- To enable trainees recognise the role of the external evaluator in monitoring and evaluating co-operative projects.
- To enable trainees evaluate their own (and their institutions') methods of work.

Time: 2 hours.

Material: Activity Sheet.

SUMMARY OF THE SESSION

It is important for CFWs and co-operative leaders to take time and assess together how successful they have been in promoting co-operative action. They should consider the division of responsibilities between "external" and "internal" promoters as regards the tasks to be accomplished. This type of monitoring and self-evaluation will normally require a back-up service from a consultant or co-ordinator who can help organise the evaluation and draw up conclusions.

In the previous session four different levels of monitoring and self-evaluation were identified. One of them, "monitoring and self-evaluation at co-operative group level", was dealt with. In that process the CFW had been assigned the role of facilitator.

In this session, the different forms of interaction and communication between co-operative groups and the CFW will be discussed. Moving from the first to the second level implies a shift of focus in the evaluation: from the assessment of the performance of co-operative groups to the assessment of the quality and relevance of the co-operative development work which is supposed to have had a positive effect on the group's performance.
SUMMARY OF THE SESSION

Co-operative development is the joint responsibility of CFWs and co-operative leaders. Together they evaluate their common work, determining the extent to which they have worked together effectively and whether they have succeeded in creating favourable conditions for a co-operative to flourish. This form entails both "self-evaluation" and "mutual evaluation". Two types of actors are involved. On the one hand there are the CFWs who promote co-operative action and, on the other, the leaders who are also involved in co-operative development work and are supported by CFWs. CFWs can be regarded as "external promoters" and leaders can be referred to as internal promoters. Since the ultimate aim is to promote co-operative self-reliance, the basic question to be asked is: to what extent has one succeeded in transferring promotional tasks from external to internal promoters?

Key points to consider:

- Development philosophy/vision: Do co-operative groups and CFWs share the same development philosophy and the same vision?

- Objectives and results:
  - How do quantitative objectives compare with quantitative results? (Number of people to be involved, number of villages and range of activities to be covered etc.)?
  - How do qualitative objectives compare with qualitative results (Co-operative self-reliance, participation by the poor, participation by women)?

- Methods: Questions related to the method of work are at the core of this type of evaluation. These questions correspond to the 10 topics covered in this Guide.

How efficient and effective have CFWs, group members and leaders been working together in relation to:

- identifying the segment of the rural poor deserving priority attention?
SUMMARY OF THE SESSION

- identifying purposeful co-operative micro-projects?
- preparing and planning micro-projects?
- organising education and training programmes?
- mobilising savings at group level and provision of external financial support?
- providing advice when micro-projects are in operation?
- facilitating linkages with other support institutions?
- extension of the process to other villages and creating structures above the village level?
- monitoring self-evaluation at group and inter-group level?

- Resources: Having reviewed the development philosophy, objectives, results, and the methods of work, was the amount of resources available (skills, manpower, finances) adequate to reach the development objectives set?

- Quality of Life: Have the promotional efforts contributed towards improving the quality of life of all those who are involved in it?

CFWs and co-operative group leaders are often so engrossed in their day-to-day operational tasks that they have little time to address themselves to these rather fundamental questions. However, those who have been able to practice this form of monitoring and self-evaluation have found it to be a most worthwhile exercise.

The need for external support:

The assessment of the quality of the co-operative promotion work will be much more fruitful if several CFWs together with a variety of co-operative groups participate in it. Broad participation will allow for comparison and for systematisation of findings from a wider variety of
SUMMARY OF THE SESSION

cases. This approach makes the evaluation more demanding in terms of organisation and management, in which case some form of external support becomes necessary. At any rate, external support is recommended for any type of self-evaluation, irrespective of the level at which it is carried out. The outsiders' view will be helpful in identifying important issues which the "insiders" may tend to overlook. "Outside" or "external" support also eliminates the danger of self-evaluation becoming too inward-looking. Such support could come from a person based at an institution training the CFWs. He should be close enough to the field to understand the problems. At the same time he should be able to maintain a high standard of objectivity. His role can be compared to the one the CFW is supposed to play when accompanying group leaders in a self-evaluation exercise. The external adviser should also act as a facilitator, creating a climate in which self-criticism becomes an accepted code of conduct among all participants. He should also help develop a systematic way of handling evaluation findings.

The two types of evaluation discussed in this and the previous sessions can be regarded as the first two steps in a "bottom-up" process of evaluation and as the foundation of a more elaborate system. This system will involve the entire CDA staff and may question its policy and practices. The organisation of such a delicate process goes beyond the scope of this Guide.

The "internal" monitoring and self-evaluation system in which CDA and co-operative groups participate will require re-definition of the function and place of "external" evaluations such as those initiated by funding agencies. These, as has been pointed out, are usually organised as top-down exercises, often causing insecurity and disarray at the recipient end.

Session Guide

1. Present this session using the material in the "Summary of the Session".
2. Distribute the Activity Sheet.
Divide trainees into groups, and ask them to discuss the assignment. Allow 50 minutes for this exercise.

3. Reconvene the trainees into a plenary and ask the groups to present their conclusions. If you consider it necessary you could ask a smaller group of trainees to synthesise the questions into a common framework to be discussed as an extra session the following day.
Imagine that as a group of CFWs you were asked to assess, in collaboration with grassroots co-operative leaders, the quality and relevance of the co-operative development work performed in a given area. Co-operative development is shared responsibility of CFWs and leaders. Some promotional tasks are carried out by CFWs as external promoters, others by co-operative leaders as internal promoters, and still others by the two together.

1. What do you feel are the main **issues** to be discussed if the purpose is to make co-operative development work more effective while at the same time keeping costs low?

2. Do you think co-operative leaders would agree with you that these are the main issues? Would they have other priority issues?

3. Do you think that for a systematic evaluation of the co-operative development work in which you and co-operative leaders participate, some form of assistance would be needed from a third party? Please elaborate.

Write down your main conclusions on a flip chart for presentation at a plenary.
conclusion

11.1 Evaluating the Course
11.2 Action Commitment
SESSION 11.1

EVALUATING THE COURSE

Objectives: - To enable trainees assess what they have learnt from the course.

- To enable both trainer and trainees make a thorough appraisal of the impact, relevance and value of the course.

- To enable trainer and trainees generate ideas that will help to improve similar training programmes in future.

Time: 3 hours.

Material: Activity Sheets 1 and 2.

SUMMARY OF THE SESSION

Why evaluate the course?

It is important that trainees are given the opportunity to explain what they have learnt and assess the extent to which the course has met their expectations. Individual and collective awareness of what they have learnt will strengthen their motivation to put it into practice.

At the same time, the trainer would like to know how the trainees value the course. He will also need to know what changes need to be made to improve future courses of this kind - their organisation, management, content and methodology.

By having the trainees review each other's answers as suggested in the session guide, their observations are likely to be both articulate and complete.

As a trainer you have to be aware that the trainees' judgement is highly subjective and that the validity of their answers could be diminished by
Session Guide

1. Explain the objectives of this session.

2. Distribute Activity Sheet 1, explain it thoroughly and stress the need for answering the questions frankly and without any inhibitions or prejudices. Then ask trainees to work through the questions in the Activity Sheet individually. Allow 30 minutes for this exercise.
Note: The information contained in the evaluation sheet may need modification to suit both the course group and programme.

3. Distribute Activity Sheet 2. Divide trainees into groups and ask them to work through the exercise. Allow 45 minutes for this exercise.

4. Reconvene the groups into a plenary and ask each to present its conclusions. Summarise the conclusions on three flip charts as follows:

1. Positive features of the course.
2. Negative features of the course.
3. Suggestions for improvement.

5. Conduct a discussion on each of the three conclusions. There will be no need to have a consensus on each point. You should assume a completely neutral position during the entire exercise, even if your performance has been unfairly criticised.

Synthesise the discussions and elicit the key points. Ask trainees if they agree with your conclusions. If they do not, the points should be discussed again, reformulated and discussed again until a general consensus is reached.

Note: The trainer may also opt for a much more modest role in this session. To avoid some of the biases invalidating the evaluation results, it might be desirable for him not to participate in the plenary session but have one of the trainees designated as discussion leader. At the end of the plenary the conclusions may be presented to the trainer, whereupon he may give his comment. In practice, this will mean that one will need two plenary meetings: one with, and one without the trainer.
ACTIVITY SHEET 1

Course Evaluation (individual)

- Write down the answers to the following questions in your exercise book.

Questions:

1. What were your expectations when you entered the course?

2. To what extent have those expectations been met?

3. What was particularly useful to you in the course?

4. Which parts or sessions should have been left out? Why?

5. Has this course helped you identify possible gaps in knowledge or skills which you would like to acquire through other training programmes?

6. What is your assessment of the course methodology, that is to say, the way the course was conducted (individual tasks, group tasks, role playing, plenary sessions, working aids, case studies)?

7. What are your suggestions for improving the course methodology?

8. What is your opinion about the contributions, roles and attitudes of the trainers? (Please write down positive and negative remarks, if any.)

9. Have you been satisfied with the accommodation, meals, relaxation facilities, etc?

10. What are your suggestions for improvement of 9 above?

11. Was the course too long, too short or just right?

12. Are you satisfied with the personal contacts you have made during the course? Have you made new friends?

13. How could the atmosphere be further improved to facilitate good communication, socially and intellectually among trainees, and between the trainees and the trainer(s)?

14. Do you have any other comments or suggestions?
ACTIVITY SHEET 2

Sharing ideas (in group)

Each member of the group should give his answers to the first question in Activity Sheet 1. When all members have done this, you should proceed to the second, and then the third question, etc. until all the 14 questions are answered.

Try to formulate the group's judgement and remarks in a clear, concise way. Some of the answers might be less relevant than others because they refer to very specific situations or individual feelings which can be considered as exceptional; others might be of a more private nature and less suitable to express in a plenary.
SESSION 11.2

ACTION COMMITMENT

Objective: To enable trainees develop a strategy with which to put into practice the knowledge and skills they have gained from the course.

Time: 3 hours.

Material: Activity Sheet.

Session Guide:

1. Refer to the objectives of the session and its summary. Emphasise the importance of each trainee working out his own strategy which should be well-adjusted to his typical working situation. Stress that trainees must have faith in the value of their own ideas about positive changes in grassroots co-operative work. Refer to the good ideas they have so often put forward during the course and explain that such ideas, coupled with their intimate knowledge of conditions in the field, will be most effective in bringing about the desirable change.

2. Explain that it is now time for trainees to decide on a strategy for putting into practical action the ideas they have gained from the course. In doing so, however, they should be realistic about the situations in their working areas.

You must also consider the possibility of a short follow-up course which will provide an opportunity for trainees to report back on how they have applied in their work the knowledge acquired from the course. If there are such opportunities offered by
your institution, explain them to trainees. You should not, however, make promises about future assistance if you are not quite sure of carrying them out.

3. Advise trainees that when they return home they should try to form "action-learning" groups consisting of former participants of the course who would meet occasionally and exchange ideas and experiences.

4. Distribute the Activity Sheet and explain the assignment. Ask trainees to work through the questions individually. Stress that the action plan (item 6 in the Activity Sheet) will require a "realistic" rather than a "revolutionary" strategy as the latter is most likely to upset the people in the CDA as well as those in the field; that is hardly the right way to introduce change.

Allow 45 minutes for the assignment.

6. Conduct a plenary session in which individuals will present, in summary form, their responses to the questions in the assignment. The discussion on the individual presentations should aim at identifying similarities and differences in the individual observations and action plans. Trainees should also identify obstacles that might arise when implementing the individual plans, suggest ways of removing or by-passing the obstacles, and of improving the strategies. Explain that although the design of a strategy will depend on the peculiarities of each particular situation, there are common features which may apply in most situations.

7. Summarise the discussion by listing what has been identified as the major obstacles in applying the knowledge and what trainees have learned, and the suggested ways of removing such obstacles. Also summarise the common features of the strategies that can be applied by all trainees in their different situ-
ations. Go through the list once more with the trainees and refine it as necessary.

8. Conclude by stressing to the trainees that they have an important role to play in bringing positive change to the rural poor and that to achieve this they should work conscientiously in putting into practice their newly acquired knowledge.
ACTIVITY SHEET

1. What do you consider to be the most useful thing you have learnt from this course?

2. What do you think are the immediate and long term changes, if any, that should be introduced in your field work?

3. When you return to your CDA, and having explained what you have learnt from the course and what you plan to do, what reaction do you anticipate from your:
   a) colleagues?
   b) superiors?

4. How are you going to enlist the support of your superiors in trying out the ideas you have gained from the course?

5. How are you going to win the co-operation and support of the co-operative groups in introducing positive changes in the organisation and management of their co-operatives.

6. Prepare an action plan in which you will put into practice your newly acquired knowledge and expertise. Your plan should be realistic and practical, and should take into consideration the situation in your CDA and that in the field, as well as the attitudes of the people involved in both.