

Institutional Development at the Grassroots for Poverty Alleviation

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According to the report of the Independent South Asian Commission on Poverty Alleviation, in 1991, the South Asian region had a population of 1.1 billion out of the total world population of 5.3 billion. Estimates of the incidence of poverty vary widely in the Region. Even if the extremes in the estimates are left out, poverty in the region in the year 1991 would be approximately 30 to 40 per cent of the population. That places the number of poor, according to these estimates somewhere between 330 million to 440 million, more likely on the higher side. If it is taken at 40 per cent, then nearly 360 million poor would have been living in rural areas and 80 million in urban areas. Given the present trends in population and economic growth and in the absence of a concerted effort at poverty alleviation the number of poor in the region is likely to increase substantially.

The problems of the poor are many but, fortunately, not insurmountable. Low production, low prices, low incomes, low wages, little savings and much unemployment plunges the rural populace deeper into debt and destitution. In a trivial way, the problem of the small farmer can be said to be the small size of his landholding. More specifically, the small farmer is handicapped in exploiting available opportunities because, by himself, he cannot do so profitably. In other words he is constrained by the scale of his operations from acquiring resources, as well as in marketing his output. Small holdings also seem to handicap rapid improvements in technology and incomes. The landless, the tenants and the non-farm labour are caught in a morass and swamp of poverty, from which they find impossible to extricate themselves. In addition the increasing population pressure is eroding the natural resource base on which the livelihood of the rural poor depends. Many millions live in abject poverty, marginalized from the mainstream and often hidden from the public eye. Apparently, the rural poor have no hope to improve their quality of life. The challenge for statesmen, academics, policy makers and administrators is to take the measures that give hope to the poor and to foster an enabling environment under which they can improve their lot.

Economists and policy makers once believed that economic development of smallholder farming systems was constrained by the other-worldly and non-acquisitive preferences of farmers in poor countries. The argument was said to hold true quite generally ; it has also been shown to be invalid, quite generally. The small farmer's problem is not his optimization

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Table 1
Incidence of Poverty in SAARC Countries
(latest available estimates)

Country	Rural (R) Urban (U) Total (T)	Estimated By	Year	Poor as a % of population
Bangladesh	R	BBS ¹⁾	1985-86	51.0
	R	Rahman	1985-86	47.1
	R	Hossain ¹⁾	1985-86	49.9
	R	BBS	1988-89	48.0
India	T	NPC ²⁾	1972-73	51.5
	T	NPC	1977-78	48.3
	T	NPC	1983-84	37.4
	T	NPC	1987-88	29.9
	T	Minhas ³⁾	1970-71	56.3
	T	Minhas	1983	48.1
	T	Minhas	1987-88	45.9
Nepal	T	NPC ⁴⁾	1976-77	40.3
	T	NPC	1988-89	40.0
	T	WB ⁵⁾	1988-89	71.0
Pakistan	T	WDR ⁶⁾	1962	54.0
	T	WDR	1979	21.0
	T	WDR	1984	20.0
	R	Ercelawn ⁷⁾	1987-88	16.0
	U	Ercelawn	1987-88	21.0
Sri Lanka	T	MPI ⁸⁾	1978-79	19.0
	T	MPI	1986-87	27.0
	T	Korale ⁹⁾	1985-86	39.5

1. Comparable poverty estimates for Bhutan and Maldives have not been undertaken.
2. Sources of estimates presented in the table are described below :
 - 1) BBS-Bangladesh Bureau of Statistics (Source : "Rural Poverty in Bangladesh : Trends and Determinants", Mahabub Hossain and Binayak Sen, Asian Development Review, Vol. 10, No. 1, 1992).
 - 2) Planning Commission, Government of India.
 - 3) B. S. Minhas, L. R. Jain and S. D. Tendulkar, "Declining Incidence of Poverty in the 1980s : Evidence vs. Artefacts", Economic and Political Weekly, July 6-8, 1991.
 - 4) National Commission, Nepal.
 - 5) World Bank.
 - 6) World Development Report, 1990. Poverty line is defined in terms of income, and the estimates are by households rather than by household members.
 - 7) A. A. Ercelawn (1990), "Absolute Poverty in Pakistan : Poverty Line, Incidence, Intensity", Karachi : ABRC (mimeo).
 - 8) Sri Lanka Ministry of Plan Implementation (1990) "Strategies for Poverty Alleviation : The Sri Lanka Experience", Working Paper, presented at the fifth SAARC Meeting of Planners, March 1990.
 - 9) R. B. M. Korale, "Income Distribution on Poverty in Sri Lanka" (1987), quoted by Godfrey Guanatilleke et. al. in "Rural Poverty in Sri Lanka : Priority Issues and Policy Measures", Asian Development Review, Vol. 10, No. 1., 1992.

behaviour : scores of books and articles have demonstrated that big and small farmers alike are, indeed, economic maximizers at the same time as they might be political maximizers and other-worldly as well. Similarly development administrators of the ilk of Brayne,¹⁾ in colonial India, once held that the rural dweller had only himself to blame for his poverty and misery : ignorant, lazy and morally bankrupt, the Indian villager, quite naturally, was not the stuff that development is made of. How misconceived and fallacious these views are has been demonstrated by the villagers, time and again, in various locations of the world, once the poor have been given responsibility and some resources.

An objective analysis of the rural poor would indicate that they are not an homogenous group. They are differentiated with respect to socio-economic conditions, agro-ecological situations and religio-cultural patterns. However, they also have certain commonalities : landlessness or small subsistence holding, isolation from the main economy, unorganized and leaderless, lack capital and have no access to credit, lack marketable skills, and have what Dr. Akhter Hameed Khan calls peasant mentality, i. e. they are subsidy oriented, look for doles, are fatalistic and follow factionalism. These elements essentially translate into lack of capacity of the rural poor to change their own lot. These are, remediable defects, unlike the impression Brayne had, of the shortcomings of the villagers, being irremediable.

Among the lessons that can be drawn from past efforts and the current situation of the rural poor, these experiences are :

1. In order to make use of economies of scale in the production and marketing processes and compete effectively in input, output and capital markets, small farmers and landless agricultural labourers require incentives, opportunity and the organizational capacity to develop cohesion, discipline, human skills, and the capital necessary to plan and implement development activities.
2. Many efforts at rural development have tended to increase dependence on development agencies rather than enhancing local capacity to conceive and undertake development activities in accordance with local priorities and opportunities.
3. The specialized agencies for training, credit, input supply, extension etc. set up by governments are often hampered in their effectiveness and reach by the lack of a strong and broad institutional base at the village level.
4. At the village level, utilization of different resources tends to be integrated systemically. Development agencies, however, tend to be organized on a sectoral or functional basis instead of following an integrated, multi-functional approach. To make optimal use of the village opportunities, it is important that villagers have the management capacity to integrate the assistance available from outside agencies with their own specific needs.

5. Many efforts at promoting group cooperation and activity have been captured by special interests that seek only to maximize their own benefits. To meet this problem requires special procedures and discipline that ensure participation of all possible beneficiaries, and effective supervision of the development process.

To sum up, the general public and the policy makers are aware of the magnitude of the problem. Over the past decades, the South Asian governments have taken various initiatives to create anti-poverty programmes. However, despite the allocation of large sums of capital and organizational effort, little seems to have been achieved on the ground. This failure at poverty alleviation can be attributed to the following major factors : following a development paradigm alien to the region, utilitarianism, sectoral imbalances, conventional top-down strategies, ad-hocism, inequitable distribution of assets, inaccessibility to technological innovations and finance, lack of rural productive infrastructure, over exploitation of natural resources, inadequate development of the social sector, the use of development resources as political patronage, and viewing the poor as a liability, therefore, to be shunned, ignored and disregarded. This obviously led to the exclusion of a large number of rural poor from benefitting out of the government initiated programmes, hence increasingly marginalizing them.

An Acceptable Solution

One solution, held for many decades, to the problem of small scales of operation was collectivisation of the kind implemented in China and the former Soviet Union. The other one practised in the capitalist world envisages rapid transformation of agriculture into a corporate system. *Neither suits the rural poor of the Third World.* A solution is needed that preserves the private ownership of land ; at the same time it calls for the pooling of resources and their cooperative management at the village level. This is neither a new proposal, nor a revolutionary one. But it does address itself to the needs of the small farmers in ways that lead to permanent improvements in the small-holder's position in society.

More specifically, there is a need for a combination of principles and implementation methods which have been employed successfully to organize the rural poor around their interests, and to service these rural organizations in a permanent and profitable manner. The theoretical frame-work being proposed is extracted from the experience of countries with flourishing small-holder agricultural sectors. These are the principles of Raiffeissen used with success in the institutionally-based development of German agriculture. The same principles were pursued by the Japanese. In the period after the Second World War, these principles of village organization have been adopted with encouraging results in both Taiwan,

China and the Republic of Korea. In Pakistan, these ideas were first made the basis of a rural development effort by Dr. Akhter Hameed Khan, when he initiated the Comilla project in 1959, in what is now Bangladesh.²⁾

The Conceptual Package : (The Theoretical Framework)

The situation of the poor has been worsening and to reverse this regression, several individuals and organizations, both governmental and non-governmental, have initiated anti-poverty programmes in the South Asian region. These capacity building programmes have been internally and externally evaluated, and have created islands of hope in the vast sea of despair. What seemed impossible is now within reach. These programmes have shown that the lot of the poor can be improved through self-help. Self-help, redefined as the willingness of the poor to organize, to generate their own capital through savings, to upgrade their human skills, to take full responsibility for management of local affairs. It rejects the traditional concept of self-help synonymous with the poor providing free labour only.

How is this capacity to be created among the poor ? What policies and strategies are to be followed ? Distillation of the experience of successes leads to the conclusion that, as suggested by Dr. Akhter Hameed Khan, the conceptual package must be related to the reality on the ground, and not related to “ivory tower” conditions. But what are the elements of the conceptual package, and how do they lead to capacity creation and to poverty alleviation?.

A. Social Organization :

In a situation where the target group is scattered and has essentially given up hope, the first element of the conceptual package relates to the need to bring the rural poor into an organized fold. This is the key, if the rural poor’s capacity for improvement is to be created and nurtured.

B. Human Resource Development

Upgrading of human skills of the poor, such as, managerial, productive and cooperative skills is essential to enable them to make the best use of available resources. While the poor have skills and a traditional knowledge base, these need to be built upon so that new profitable opportunities can be realized. The focus of human resource development (HRD) initiatives has to encompass both human and technical skills, with accent on the former.

C. Capital Formation

Generation of capital by the poor, through the discipline of savings, is the third important

element of the conceptual package. Capital is power. Without it, the poor can never hope to be self-reliant.

The Operational Principles

Organizing the Poor :

Conventional attempts to reach the rural poor have tried to design and improve delivery mechanisms for various developmental inputs. However, a key element has always been neglected i. e. for delivery mechanism to function properly and fulfil its objectives, there has to be a receiving mechanism at the grassroots level. But more important than acting as a receiving mechanism, the organized fold of the poor can act as a vehicle to increase the general capacity of the poor for self improvement. Full participation at the grassroots level is only possible if the rural poor are organized. Without this organization, participatory development will remain a mere slogan. How is social organization fostered ? What incentive do the poor have in organizing themselves ? And, have they not heard all this before ? What, therefore, is new ?

It is a trivial implication of theories of cooperative behaviour that people cooperate only when cooperation is profitable. Similarly, long-term cooperation requires continuing benefits to the members. The immediate implications are that organizations that seek to represent the poor and to provide for their economic and social needs must be broad-based and multi-purpose, in the initial stages. Thus the proposed organization must be a mass coalition of all those poor, in different geographical locations, whose continuing economic interests are best served by organizing as an interest group. Such an organization can be created around a single activity of over-riding importance to most of the poor.³⁾

To achieve this objective, homogeneity of the organization is essential. Thus, to lump different interest groups, into one organization is not going to work. For example, the landowners and the landless, the agriculture farm labour and the workers in the non-farm sector, the tenants and the share-croppers, the women as a special deprived group, may have to be organized as separate interest groups, to identify their needs and to meet their requirements. The AKRSP has organized over 728 women organizations, comprising over 24,843 women, in addition to the 1788 village organizations of over 73,460 members, to meet the special needs of women. The Bangladesh Rural Advancement Committee (BRAC), has organized groups of landless around tube-wells, by advancing them credit, thereby making them owners of a critical asset in agriculture. By selling irrigation water to landowners, the landless have explored a new avenue of income, which they could not exploit individually, without forming the organization.

The organizations of the poor, especially the village organizations, are meant to be self-sustaining development institutions that can enter into a partnership for development with government and private agencies. In order to achieve this status, the organization must be viewed by all parties, especially the poor, as legitimate and credible. The organization will be legitimate if it does not compromise with existing social and political vested interests. And it will be credible if it continues to confer benefits to its members.

To ensure that the organization remains a broad-based institution with a potential for self-reliance, two fundamental rules have to be observed at all times. Firstly, the organization has to meet as a general body on a regular basis. This requirement is necessary so that all members might review the needs and performance of their organization regularly. The responsibility for the comprehensive development of a village cannot be undertaken by individuals and committees, for all members must participate in the development process in their village, in order to benefit from it. The second fundamental rule to be followed is that all members must make savings deposits at their regular meetings. The accumulation of this equity capital is of paramount importance to the viability of the organization.

The organization has to be the necessary primary unit on which to base a programme of comprehensive development for the countryside. It is the essence of successful development at the village level. The point needs to be emphasized because, though planners have often promoted the role of physical and administrative infrastructures in the plans, they have done so to the exclusion of what might be called a social and economic infrastructure — a series of organizations of the poor. It is only through this infrastructure that the incorporation of the human resources of the countryside into the planning process can be achieved.

To be viable, an organization must meet as a general body regularly and not leave the affairs of the organization to be managed by a few members. The organization does elect a president and a manager, as its office bearers, but it does not elect a committee to manage the organization. It may elect committees of members for specific activities, such as, management of a tractor or machinery owned by the organization ; resolution of disputes between members ; enforcement of the decisions of the general body on ban on free grazing of animals, protection of common resources like pastures, forests etc. Committees of the general body are also needed, especially to manage social welfare provision, like health, education, sanitation, mother and child care, nutrition education and family planning. However, it is through the regular meetings of the general body, which may be weekly or fortnightly and in no case less than monthly, that the supremacy of the members is assured, otherwise there is danger of the organization being hijacked by a few, for their own benefit.

Experience has shown that executive committees proved the bane of the cooperatives in the Indian sub-continent. The role of the lay members in keeping the organization on the

right track, has to be continuously emphasized. The members are urged to insist that the office bearers keep the members informed of the accounts of the organization, savings and other matters. Where members fail to do so, either due to sheer indolence or obstinacy of office bearers, an organization makes sluggish progress. The general body meeting ensures public knowledge of the affairs of the organization and acts as a deterrent against corruption. It sits in judgement on all complaints pertaining to the members of the organization and its office bearers.

The role of the general body in achieving equitable, productive, sustainable development and growth with social justice, at the village level, has been established beyond any doubt, in scores of rural development programmes. It also acts as the most effective mechanism against letting the organization become an instrument for dictatorial exploitation at the hands of a few unscrupulous elements. It also takes away the burden of resolving disputes from the programme staff and puts it fully and squarely on the organization. This helps the programme personnel to devote their time and energy to substantive matters of programming, instead of getting involved in internal factionalism and power games within the organization. These disputes have to be resolved by the organization, as no outsider can do so. The programme staff has to be patient. In some cases, it takes years before such issues get settled. Decisions or solutions forced from above do not stand the test of time.

Upgrading Human Skills :

The basic need is the provision of simple services to the individual villagers. There are two alternatives : one is to use the departmental approach, favoured by the state agencies, where an army of functionaries try, very often in vain, to serve the rural poor. The other option is to train a cadre of workers from the poor to provide the simple services needed by them. The organization of the poor nominates persons for training and after receiving training, the organization's members agree to remunerate the trained member, for services rendered. This makes the provision of services to members a sustainable activity. Under this option, the development cadre of the poor becomes the extension arm of the support structure needed to foster a framework of grassroots institutions. There are several examples of such programmes, with a few hundred professionals, reaching hundreds of thousands of the poor.

Rural development programmes have conventionally focused on agricultural skills that require either extension education or training in a particular craft. However, in agricultural systems undergoing modernization and change, the particular attribute that is of high value to the farmer and society is his ability to perceive and exploit profitable opportunities resulting from disequilibria in any of the markets where the farmer is a participant.

Certainly training in crafts and technical knowhow gained through extension work are useful additions to a farmer's human capital. But entrepreneurial abilities remain in short supply despite such training. The organization is one forum in which the scarce resource embodied in an entrepreneurial development activist is put to use directly for an entire community. The organization, in turn, compensates the activist in exchange for his services to the community. With increased exposure to a rapidly changing economy, these rural cadres acquire the confidence and ability to perform important entrepreneurial functions for entire communities.

Without the entrepreneurs, a village has little prospect of changing its subsistence economy to a commercial one, despite availability of resources in terms of capital and humans. Unfortunately, it is not easy to train entrepreneurs or to instill entrepreneurial qualities on a wide scale. The only reliable way is to identify them and to help them build on their existing capabilities, through training and availability of capital, where needed. The entrepreneurs are well versed in management, in setting up micro-enterprises, in marketing techniques and in making productive investments in the village. They help the absorption of capital, both locally generated and attracted from outside, in the region. In the absence of the entrepreneurs, the region suffers in two ways : firstly, no outside capital is attracted to the area and secondly, the capital generated through local savings finds an outlet, through the conduit of banking channels, to more prosperous and commercially attractive areas. Thus, a situation is created whereby, the savings of the poor, instead of being used for their betterment, end up helping and making rich areas richer. Without the fostering of entrepreneurs from within the region, this vicious cycle cannot be reversed.

The organization is also the mechanism through which extension work involving practical demonstrations can reach large numbers of small farmers on a regular basis, with the additional advantage that demonstrators will get instant feed-back from potential users.

Finally, one can cite numerous instances of trained personnel leaving their villages after receiving specialized training at government expense for the benefit of their village. Part of the problem is in the selection of such trainees : they are often selected by outside agencies without regard to their link to the village or their desire to serve the communities they represent. Another part of the problem is that, once trained as specialists, these villagers are sent to their communities without any arrangements for remuneration to sustain them. Experience has shown that organizations of the poor can be used effectively in both the selection and support of individual villagers trained in specialized skills. The organization has the capability to select individuals who will continue to live in the village after training, and it has the interest to support these specialists.

Capital Accumulation :

Generation of capital through savings is an important element of the conceptual package. Believing that capital is power, the objectives of capital formation are to :

- a) initiate and encourage the process of collective capital generation by the organization ;
- b) promote self-reliance in the organization and improve the managerial skills of its office bearers ;
- c) provide access to credit to the members of the organization ;
- d) accelerate the process of economic development by promoting local investment and job opportunities in the future ; and
- e) strengthen the organizations.

It is a requirement that the rural poor, once they are organized, generate their own capital through a process of regular savings. The support structure nurtures a savings habit among the poor. At each meeting of the organization, members are required to save, no matter how small the amount. This amount is entered into their individual passbooks and deposited in the nearby scheduled bank in the name of the organization. The account is jointly operated by the office bearers of the organization. In several programmes in the South Asian region, the rural poor have demonstrated a will to collectively save large amounts. Individually, the rural poor do not receive any returns on their cash holdings, as these are not deposited with banks. However, when their savings are pooled and deposited in a bank, then earn profit on returns on their savings.

It is a common phenomenon that over the past four decades the South Asian governments have allocated large sums of money for credit purposes, particularly for the small farmers, but very small amounts have actually filtered down. All this has happened while the market situation has been changing rapidly, implying that the rural poor have not been deriving optimum benefits from the availability of new farm technologies or from non-farm opportunities. The main reason for this inaccessibility stems from the nature of lending institutions ; they simply cannot reach the millions of rural poor. This does not mean that the rural poor do not use credit ; of course they do, they have to. For lumpy seasonal investments they need credit to make purchases. But in the absence of formal credit sources, they revert to the informal sector and enter the "debt-trap" of money lenders, where the interest rates are, invariably, exorbitant and exploitative.

To overcome the high transaction costs impeding the flow of institutional credit to small farmers and the rural poor, a social innovation is needed that makes widespread banking operations possible. To provide the rural poor with credit at market rates, which are very low as compared with informal rates, and related inputs, a mediating structure is needed.

The organization of the rural poor provides that structure. Experience illustrates that access to credit is not a panacea ; related activities are also needed : inputs, management techniques, market information, etc. A package is needed of which credit is a key component.

Group lending to organizations for onward disbursement to members, has proved to be very successful, both in terms of impact and repayment. Success has even been greater where credit and savings have been integrated. Group cohesion has also been strengthened as essentially collective savings has become a new common property, that provides equitable benefits to members.

Implementation Methodology

In a scathing indictment of the process that is often followed in poor areas to identify and implement projects for the poor, Robert Chambers has noted six common biases that detract from the observation of rural poverty. A particularly acute bias is described in this way : “Most learning about rural conditions is mediated by vehicles. This applies not only to rural tourism, but also to research. Starting and ending in urban centres, visits follow net-works of roads”.⁴⁾

The Diagnostic Survey

For a number of reasons, including the one above, village planning does not lend itself to a distant planning process.⁵⁾ For the purposes of creating a capacity for self-sustained development at the village level, planning from urban centres must give way to planning from the villages. The villagers must be the effective planners, and the planning process must draw upon the knowledge and experience of the villagers. The process of identifying projects must also be able to incorporate variations between villages and sometimes even within a single large village. In practice, this means that every step of the first three phases of the project cycle — identification, preparation and appraisal — should proceed through a series of interactive dialogues between the villagers and the development agency. Together, these series of dialogues can be termed the Diagnostic Survey — a survey to diagnose the poverty of a village and identify a cure for it.

The Aga Khan Rural Support Programme (AKRSP),⁶⁾ in Northern Areas of Pakistan, the Diagnostic Survey starts with a visit by the management to a village whose residents have agreed to meet AKRSP staff. The General Manager initiates the first dialogue by explaining the objectives and methods of AKRSP to the villagers. He then invites them to identify a

common need, solution of which would result in benefits, having ingredients of equitability, productivity and sustainability and it can be undertaken by the villagers themselves. Almost invariably, villagers were able to agree on a project of over-riding importance to all villagers. Thus the result of the first dialogue in the Northern Areas was the identification of a small productive project by the residents of a village. This would, of course differ from village to village, organization to organization, region to region and country to country.

The identification of the need is followed by the second series of dialogues. The first step here involves a feasibility survey of the proposed scheme. Supervisory responsibility for this technical assessment rests with the programme professionals. Responsibility in the field devolves on the Social Organization Unit. This unit works with informed village residents to assess the feasibility of the proposed venture. It is on the basis of information obtained locally that blueprints and cost estimates are prepared.

The finalized scheme is taken to the villagers by the management and discussed with them. This starts the third dialogue of the diagnostic survey, in which AKRSP and the residents of the village explore the terms of partnership that would characterize the relationship between the two entities. On behalf of AKRSP, these terms of partnership are explained as general principles of rural development that proved successful elsewhere in the world, like Germany, Japan, Taiwan, South Korea etc. In turn, the villagers could demonstrate their acceptance of these terms by spelling out precisely the manner in which they would organize to plan, implement, manage and maintain specific projects that involve physical works, skill development and the creation of equity capital over time. At this stage, an organization, consisting of all beneficiaries is formed. The formation of the organization is followed by an assessment of project benefits by the programme management. This completes the Diagnostic Survey.

In practice, each phase of the project cycle might require several visits by the staff, so that every dialogue is really a series of open-ended dialogues. This approach to needs identification at the grassroots level is fundamental to the identification of a viable entry point for organization and subsequent development work. It has the virtue of being directly addressed to all members of the organization. One of its major advantages over the conventional survey approach is that its results are easily verifiable in an assembly of members — no amount of skulduggery can quietly transform the felt needs of the populace to conform to instructions from “above”. Finally, the Diagnostic Survey helps create bonds between the organization members and the development agency personnel, rather than preserving the distance between outside planners and their poverty-stricken subjects.

Integrated Development through Participatory Approach

It is universally accepted and advocated that without community involvement and participation, development initiatives either in the economic or social sector, have little chances of success, especially at the grassroots level, where the majority of the population reside. Despite this consensus, it is surprising how little is done to operationalize this objective. The need for conceptualizing a realistic framework for collaboration between government/other development agencies and community organizations engaged in pursuit of both social and economic goals, is imperative, because when it comes to community involvement, the two sectors cannot be divorced from each other. In fact, experience has shown that productive sector interventions take precedence over the social sector, in fostering overall development.

In this context, the example of the Saemaul Undong movement of South Korea, would not be out of place. The movement, is said to have been initiated, without a well defined theoretical and methodological framework.⁷⁾ But it is interesting to note that through a process of evolution, the movement ultimately came to conform to the classic theoretical framework and conceptual package of rural development. It began with policy guidelines and village priority needs being determined from above. Initially, preference was given to non-productive physical infrastructures. It was soon realized that villagers were obliged to carry out projects which were not necessarily well suited to the situation existing in their respective villages. In fact, the example of village Geumpyong, which acquired national reputation, showed that the village did not follow the project hierarchy set up by government, and gave priority to the productive sector, in the belief that increase in income would lead to fulfilment of other village needs. It became obvious that the stereotype version of pre-determined priority of village needs must be avoided, in view of the micro variations from village to village. The lessons of Saemaul Undong movement, clearly lead to the need to leave determination of priority of village needs to the community. In the Northern Areas of Pakistan, the villagers overwhelmingly opted for the productive sector as their first priority.

The reasons for this phenomenon are inherent in human nature. If organization of the poor is the best means to alleviate poverty, and human nature is such that people only stay organized if they find continuing gains from staying organized, it is imperative that the glue which is intended to bind the poor together, must be of a type which results in gains to every member on a continual basis. In actual fact, the poor do not need the same intensity of community participation for deriving benefits from social sector interventions, especially education and health, as for the productive sector. There are many examples, even from Third World countries, such as Sri Lanka, where a high literacy rate and a very good standard of health was achieved by the population, through centrally administered pro-

grammes. By and large, community participation in social sector is being sought to bridge the gap between available resources and the desired level of services. If Third World countries had the resources, they could easily plan and provide health and education facilities for all. All that the community had to do was to make use of these services. Of course, there would be places and regions, where some motivational work will be needed. In case of family planning, nutrition and health education, child and maternity care etc., one may require more active participation by the beneficiaries, and so also for female education in some of the conservative areas. It has also been seen that social sector provision by itself does not lead to alleviation of poverty. Sri Lanka's example is quite explicit in this regard.

Sustainable social sector services depend on resources which can only be generated by the productive sector. It is, therefore, logical that social sector interventions shall have to follow productive sector gains, which would also determine the level of such services. The poor may lack riches but they are not devoid of common sense and that is why experience of working with the rural poor has shown that the poor stay organized if the organization proves a perennial source of economic gains. They do organize around social sector interventions also, but such organizations are *ad hoc* in nature and are usually unable to sustain themselves. Such activities are best entrusted to a committee of a few dedicated individuals, who may not necessarily be poor.

Community participation does not mean involvement of a small group of influential local representatives. The representative approach to development as reflected in many South Asian countries, in current models of water users associations, cooperatives, local councils, elected representatives and decision making through committees, is not community participation. It is at best representative participation, of a sort.

Community Participation means broad-based, decentralized, homogenous organizations at the village and neighbourhood level. Broad-based and homogenous means that membership extends to, and decision making is done by, all those whose common economic interest is best served by working together. Decentralized means that decision making is the responsibility of local communities : supporting agencies, like government and other development agencies, provide technical and financial assistance, but they do not infringe upon the sovereignty of the community organization. In other words, community participation ensures development of, for and by the people.⁸⁾

Rural Support Mechanism for Community Participation :

The importance of a support mechanism in the process of implementing the conceptual package is central. The programmes for the poor can only be effectively implemented, if

these are led by an autonomous support structure, committed to the creation of a participatory village level institutional framework. The traditional approach of establishing a large number of specialized agencies (for training, credit, input supplies and extension etc.) for reaching the poor has failed because they were hampered in their effectiveness by the absence of a strong and broad institutional base at the village level. Creation of a village level institutional framework does not fall in the purview of any of these agencies. Therefore, the proposed Rural Support Mechanism (RSM), has to take the lead in the creation, promotion and support of effective and disciplined community organizations to manage rural development. Wherever possible, existing or proposed organizations of the communities should be used or incorporated into this effort provided that they are willing to operate in accordance with the principles and terms of partnership offered by the Rural Support Mechanism (RSM).

In order to achieve the overall objective of stimulation and support of rural development, the RSM has to be responsible for a wide range of conjunction with government agencies, local bodies, non-governmental organizations (NGOs), the private sector and the other development agencies, such as foreign donors.

RSM will :

- i) create, promote and support effective and disciplined community organizations to manage rural development, incorporating existing organizations at the village level wherever possible ;
- ii) serve as a flexible catalyst to assist in the identification of opportunities to promote equitable and sustainable development patterns and in drawing in the resources (technical assistance, training financial and so on) to enable local people to make full use of these opportunities ;
- iii) act as a training organization to provide, a wide range of local skills to villagers in managerial and practical subjects. The purpose of this training is to increase the capacity of local people to manage more effectively their resources for sustainable and productive development ;
- iv) work to link community organizations with government agencies, NGOs, donors and private businesses that can provide services (extension, training, marketing, finance and so on) to support rural development ;
- v) give special emphasis to the evolution of responsible credit behaviour through the encouragement of regular savings and through group management and repayment of loans ;

- vi) work with the community organizations and with relevant government agencies to create plans and programmes for the sustainable management of natural resources in the area in which it operates ;
- vii) whenever necessary to the above functions, undertake limited technical and socio-economic research to support and assess its programmes. RSMs would seek to develop a network of collaborating institutions, both national and international, to participate in this research effort ;
- viii) pay particular attention, consistent with prevailing cultural and socio-economic factors, to the opportunities and needs for involving women in rural development ;
- ix) serve as catalyst to the community organizations with those agencies that provide social services parallel to the major emphasis on income generating activities ; and
- x) eventually aim to replace itself and its functions with entirely local institutions.

Administrative Scheme of RSMs :

Given the existing laws in Pakistan, the most appropriate structure of RSM is that of a company limited by guarantee. Its subscribers need to be selected carefully and should include persons with a commitment to alleviating poverty and some insight in rural development. Each RSM has to have a Board of Directors. The Board is responsible for establishing policy, selecting and appointing senior staff, approving budgets and overseeing the implementation of the programmes for the poor. The Memorandum and Articles of Association are designed to give the management the flexibility necessary to pursue its broad mandate.

The key management functions of the company are undertaken by a small management group, comprising experienced professionals with demonstrated capacity for a participatory and catalytic approach to rural development. The management group has the responsibility of proposing the overall approach, determining the priorities of RSM in the respective programme area, and presenting the budget to the Board of Directors. The management group also has the responsibility for implementing the approved programme, catalyzing the role of other agencies, and for the basic research and development necessary to support the programme.

Setting Up Social Development Units

The field staff consists of a small number of Social Development Units (SDU), each probably consisting of a social organizer (a social scientist), an engineer and if possible a credit officer. SDUs are based in the field and be responsible for the promotion and

sustenance of the community organizations, and for linking the organizations to programme packages and other services available from RSM, government and other agencies.

Staff numbers have to be kept small and quality high. Small numbers are necessary to keep the programme flexible and responsive, to prevent the emergence of a large bureaucracy, and to emphasize its catalytic role.

RSM is the missing link, currently, between the existing government structure of Third World countries and the rural poor, to forge meaningful and effective community participation. Despite all the good intentions and proclamations, governments have been unable to involve the communities in their development effort and in despair have abdicated in favour of the NGOs. Unfortunately the NGOs, however big they may become, can never expand and manage a nationwide programme. Their role is mainly catalytic. Replication and expansion can only be achieved through government support and resources. Grameen Bank had to obtain a special charter, under martial law regulations in force in Bangladesh at that time, to expand its activities to less than one-fifth of the population of the country. AKRSP could only plan to replicate itself nationwide, once Government of Pakistan accepted the idea and made funds available for the purpose. It is, therefore, imperative that governments of Third World countries adopt the innovation of an RSM, to attain the goal of poverty alleviation through community participation.

RSM can not be part of the government bureaucracy, nor should it be governed by government rules and regulations. Like any other private company, it remains in business as long as it is making 'profit', namely, eliciting effective community participation. If the rural poor feel RSM is of no use to them, the structure phases out. In any event, RSM is mandated to replace itself and its functions with entirely local institutions.

The inadequacy of government departments and services for the poor is further heightened because of the lack of organization among the poor. RSM, by organizing the poor, therefore, make government departments and their services to the poor, more effective and accessible.

RSM also offers a meaningful opportunity to donors and development-oriented young men and women of the developed countries, to make productive contributions towards alleviation of poverty, in the Third World countries.

The Dynamics of Implementation

The paradigm (conceptual package), the operational principles and the implementation methodology, described in the preceding sections of this paper, are based on the actual experience of implementing rural development programmes in different geographical loca-

tions of the world, namely, Comilla in Bangladesh, Daudzai in north-west frontier of Pakistan, Mahaweli System H in Sri Lanka and Gilgit, Baltistan and Chitral in northern Pakistan, encompassing over three decades, about 175,000 rural families (nearly 1.5 million population) living in approximately 3000 villages, spread over 100,000 sq. km., three-fourths of which was located in the most difficult terrain in the world.

When people visit developed countries like Germany or Japan, it is difficult to visualize what the situation must have been 100 or 150 years ago, which gave rise to the birth of Raiffeissen or the like, and how the difficulties and handicaps were overcome by the small holders to rise above the level of subsistence. No wonder, many questions are often asked,

Fig 1 Hierarchy of Organisational Units

ORGANIZATIONAL CHART OF AKRSP

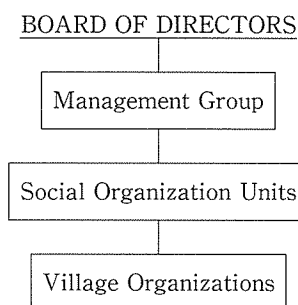
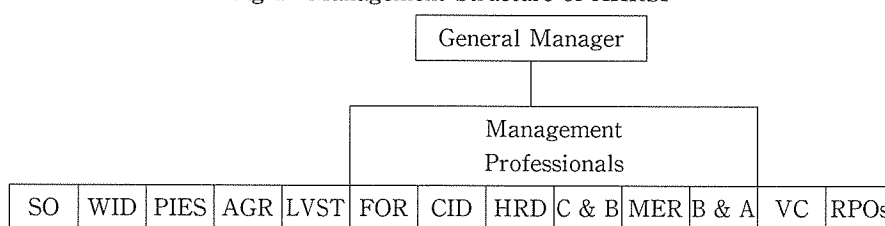


Fig 2 Management Structure of AKRSP



Key :

- SO = Social Organisation
- WID = Women in Development Section
- PIES = Productive Infrastructure & Engineering Section
- AGR = Agriculture Section
- LVST = Livestock Section
- FOR = Forestry Section
- CID = Commercial & Industrial Development Section
- HRD = Human Resource Development Section
- C&B = Credit and Banking Section
- MER = Monitoring, Evaluation & Research
- B&A = Budget and Accounts Section
- VC = Visitors' Centre
- RPOs = Regional Programme Offices

Note : The help given by Ms. SUZUKI Kanako of GSID in making of the charts is gratefully acknowledged.

about the difficulties and obstacles does one face in implementing such programmes ? What has been the failure rate of this ostensibly successful paradigm ?

The paradigm is easy to comprehend, because the acme' of sophistication is simplicity, but it requires a kind of commitment, bordering on obsession, to implement it. The World Bank, in its first interim evaluation of AKRSP in 1986,⁹⁾ attempted to articulate the management factors relating to programme planning which characterize the paradigm followed by AKRSP as below :

- giving equal attention to institutional and technical issues ;
- building local institutional capabilities before attempting to introduce technical change ;
- building local institutional arrangements progressively, on the foundation provided by a recognized, pre-existing arrangement ;
- relying on the village-level institution to identify its priority needs ;
- planning the design and implementation of interventions jointly with the prospective beneficiaries ;
- planning with beneficiaries through an iterative process that focuses on specific local requirements and builds mutual respect and confidence between villagers and the development agency ;
- giving as much consideration to the effects of interventions on equity as on productivity ;
- recognizing as far as possible the stability and sustainability effects of projects from the outset ;
- searching experience actively for development principles that are appropriate to the project area and making them operational ;
- adopting a trial and error approach and being prepared to acknowledge failure and learn from it ;
- making programme staff mobile and ensuring that senior management are able to visit the field frequently ;
- fostering very open communication within villages and between villagers and programme staff ;
- doing everything possible to ensure that programme activities serve the needs of the village-level organizations, not vice versa ;
- offering incentives sufficient to attract very high calibre staff into rural development in a remote area ; and
- when outside help is needed, employing the best assistance to be found.

The Bank, in the same review, debunks the theory of charisma and observes¹⁰⁾ that broken out into its component characteristics, as above, the management approach of AKRSP seems far from “superhuman”. Unquestionably, the standard of management skill

is very high but the principles could all be pursued by the managers of a similar project.

Time Frame and Commitment

Rural development is a long term activity and requires a steady guaranteed level of funding. Here, we are defining rural development in the context of building a social and economic infrastructure for self-reliant development. It entails behavioural change in the rural poor about their perception of development. Behaviourial change does take time and cannot be hurried through. The successful examples of Germany, Japan, Taiwan and South Korea testify to this fact. In Comilla, for nearly a decade, the government's commitment remained firm, which completely changed the economy of the area and the lifestyle of the people. In 1970, when I visited Comilla, after a lapse of nine years and travelled through the length and breadth of the district, I did not come across a single paddy field where improved methods of agricultural practices were not visible. The Thana Training and Development Centres (TTDC) were pulsating with activity, thronged by ordinary villagers. Despite the new Government's lukewarm attitude towards Comilla, since 1972, the per capita income of the district is still \$600, compared with \$150, in the rest of the country. In Daudzai, we got no more than three years of solid support, after which the provincial government withdrew its support and in many cases, ironically, the buildings constructed to house the rural development centres, called Markaz, as symbols of development, were handed over to the police department, for housing police stations. In Mahaweli again I found the commitment lacking in the Colombo bureaucracy, despite very high interest, both at the political and project level. AKRSP's greatest strength has been the long term commitment to the programme, of the Aga Khan.

How does one ensure, under the circumstances, a long term commitment for institution building at grassroots ? Understandably, the political governments cannot help but have a maximum of three to five years time frame for their development initiatives and programmes. The way we are trying to achieve this in Pakistan is by persuading the government to entrust the work to non-government organizations, with the minimum required level of funding, made available up front. One expects that in three to five years the organization should be able to establish its credibility for the governments regardless of party affiliations and other donors.

Investment in Organization

The first step for ameliorating the condition of the rural poor, is fostering an institutional

framework at grassroots or an economic and social infrastructure. Experience has shown that an investment is needed to get the poor organized. The nature of the investment has to be identified by the poor beneficiaries themselves. This is a one time subsidy. Considering the destitute condition of the poor, it would be impossible for them to help themselves without this outside assistance. The nature and extent of this investment varies from community to community. In areas with a developed physical infrastructure, the investment might take the form of credit and human resource development only. The poor themselves are capable of identifying a need, fulfilment of which would bring them together and serve as the glue to bind them in a continuing relationship. This portfolio of needs, for example, in the Northern Areas of Pakistan mostly comprised productive physical infrastructure (PPI). The PPI was the investment in organization without which community participation would not have been forthcoming from the rural poor, on a continuing basis for development works. On an average, this one time subsidy or investment in organization in case of Northern Areas of Pakistan came to less than 10% of the development allocation of the government for the area, over a period of ten years. This resource can easily be arranged by re-allocating development funds.

Role of an Activist

A paramount factor for the sustainability of an organization of the poor is the presence or absence of an activist from amongst themselves. It is the activist who helps the organization understand the vision of development ; who gives his time and makes sacrifices to take programme messages to the general body of the organization ; who brings about changes in the management system of the village ; who makes services being provided by development agencies, accessible to the organization members ; who, in short, is the moving spirit behind the organization. Not a self sacrificing man but one who sincerely wants to improve the situation of his co-villagers or group members with his own. The organization provides him the forum to achieve this objective. Without the organization, everyone in the village is left to his own devices to further his cause. No wonder, individuals with some resources, connections and entrepreneurship leave others not so fortunate far behind : a common phenomenon witnessed on the rural scene in Third World countries. Our experience has shown that the success or failure of an organization of the poor is directly attributable to the activist of the organization, usually the manager of the organization, in the case of AKRSP.

The activist also helps in identifying and training other villagers to perform special tasks for the members they might be in need of. Thus a cadre of village level specialists, trained by programme staff and remunerated by the organization members, is created who help in

implementing programme packages. Thus the actual responsibility for implementation of the development programme and its different packages is borne by the organization through its cadre of trained specialists, namely : presidents, managers, specialists in charge of livestock, plant protection, poultry, marketing, forestry, plant nursery etc., to which social sector cadre of village workers like health volunteers, traditional birth attendants, family planning activists, education committees, are also soon added. The village cadre is remunerated by the villagers on the basis of services rendered. For example, the manager gets a commission on the disbursement and recovery of loans, out of the service charge paid by the loanees. The specialists get paid for each service provided on the basis of a pre-arranged tariff, e. g., a fee for vaccinations, respraying the orchards, selling nursery plants or marketing commissions.

The approach to train a cadre of poor villagers, to look after their day to day needs and not be dependent on government extension services, is in sharp contrast to the traditional approach of having an army of paid extension workers to do the job. For one thing, no government can afford to employ such a large number of extension workers as are needed to provide day to day services to the poor. In the Northern Areas of Pakistan, AKRSP had to train a cadre of no less than 12,394 village men and women to provide these services to nearly 100,000 families. By way of illustration, a social organization unit (SOU) of AKRSP, the field tier of its support structure, comprising a social organizer and an engineer to begin with, had the support of nearly 350-500 rural cadres to implement and monitor programme packages in 75-100 organizations with 3750-5000 members. As the work progressed some activities were finished and others were added. The composition of SOU also underwent changes such as withdrawal of the engineer and now, in some cases the organizations are demanding replacement of the social organizer by an accountant, in view of the increasing importance of the credit and banking package. In Sri Lanka, the Mahaweli Authority instituted a very high level of staffing intensity, to provide community development, agricultural development and water management services to the settlers of Mahaweli. Yet, the desired results could not be achieved till a cadre of over 3000 farmer leaders, from amongst 23,000 settler families, was trained and entrusted with day to day responsibilities of water management, adoption of improved cultural practices in the field of agriculture and acceptance of community development responsibilities, such as running of day care centres, polyclinics and the health volunteers programme etc.

The Primacy of the Organizations of the Poor

The two ingredients needed in the staff of the Rural Support Mechanism (RSM), to implement a programme for the poor, are conviction and belief in the development approach

and complete accountability to the local organizations. The World Bank, in case of AKRSP, called it “the primacy of the village”. Any staff member who lost the confidence of the villagers knew that he had no place in AKRSP and that, as General Manager, I would not condone such a lapse. It is remarkable, that there never were spurious complaints against staff members by the organizations. Any complaint made was publicly substantiated at the general body meeting of the organization, leaving no scope for the staff member to hide behind lame excuses.

The quality to listen to and respect the expertise of the villagers has to be instilled in the staff members of RSM right from the first day. It takes time to acquire these qualities and to develop this attitude towards the poor, but the example set by the senior management and professionals of RSM, day in and day out, does succeed in moulding the behaviour of the staff in making them accountable.

As to the question of availability of professionals, willing and committed, we find that in the case of AKRSP, a field level intensity of three professionals to 100 organizations and an overall intensity of one professional to 20 organizations, was needed for purposes of motivation of villagers to form organizations and to stay organized for the development of programme packages, implementation, monitoring and course corrections. Even a backward and isolated area like Northern Areas of Pakistan with less than 20% rate of literacy, produced 95% of the staff from within the region, who spoke at least one of the five local languages besides Urdu, the national language, and English. They were second to none in terms of efficiency, commitment and dedication.

Replicable Components of Rural Development

Every rural development programme consists of two components. The replication of these components determines the viability of the programme. The two components may be defined as the (i) conceptual package and (ii) the programme package. The conceptual package comprises the fundamental principles of rural development and is based on decades of experience of the world, which has stood the test of time and is, therefore, replicable in any region, in any country, which has small farmers and other kinds of marginalized people. To make its success location specific or to attribute other factors as solely responsible for the success of the programme would not be correct. My experience of implementing the conceptual package, in four different geographical locations in three countries of the South Asian region, reinforces my conviction of the universal applicability of the package.

An important aspect of this package is the institutional model. The World Bank, on the basis of its Operations Evaluation Department’s assessment of 250 rural development projects

the world over, in its 1986 evaluation of AKRSP, observed that the first four years of AKRSP, concentrating on the institutional model, are the missed four years of rural development programmes funded by the Bank. Professor Dr. Mahmood Hasan Khan of Simon Fraser University (1989 Annual Conference of Pakistan Development Economists) calls it the Organizational Model and commends it as an alternative to the capitalist and socialist models.

The Organizational Model envisages various forms of organizations of the poor. In a homogenous situation the organization includes everyone in the organization. Some call it the harmony situation. Even in a situation where a rigid power structure exists, and the majority (say more than 75%) is of homogenous nature (e. g., small landowners) the establishment of just one organization (hereinafter called VO) suffices as the basis of all subsequent action. Power elites are admitted to the VO, so long as they agree to the essential decision-making being made by the "General Body" of the VO, where every household is represented. In villages where the community comprises more than one interest group (e. g., 40% small landowners, 50% landless, and the rest consisting of others as well as the well-to-dos), to be two VOs, one with small landowners and the other of the landless. The basic interest of the two groups cannot be the same, and may even be conflicting.

Unlike the conceptual package, the programme package component of rural development, will have to evolve through the process approach.¹¹⁾ For example, the programme package of AKRSP is not necessarily replicable, because it was evolved by the organizations of the area over a period of time to meet their particular needs. Other regions may have similar needs or may have different needs. It is only through the process of a diagnostic survey, that a programme package for a region can be determined.

Regions which are at a higher level of development and where physical infrastructure is already developed, and where identification of PPI type intervention, the approach to rural development in terms of the programme package will have to be different. Interest groups will have to be formed and entrepreneurs identified. Equity will have to take a back seat. The Soviet experience clearly brings it out that after the initial stage of equitable development, human nature does not respond to efforts only for collective benefit. It is motivated more by individual gains. It is for this reason that the Soviet strategy, after the first phase of equitable development, did not succeed in collective production and marketing. The field has to be left to entrepreneurs who are expected to give a boost to the economy, thereby generating increased employment opportunities and greater production, resulting in general prosperity. In AKRSP, our experience was similar. After the initial phase of equitable development, efforts at cooperative marketing and collective management of the means of production or livestock, did not succeed. Thus, regions where the rural people have graduat-

ed and exploited all opportunities of equitable development, entrepreneurs and family enterprise will have to be supported in the productive sector, along with fostering of the interest groups for credit and human resource needs.

In the absence of an organization, encompassing the majority of the households, in areas where the interventions for equitable development are not present, social sector packages will have to be offered through new approaches and innovations. After the initial positive response of the majority of the beneficiaries, in an *ad hoc* dialogue, the responsibility will have to be entrusted to specific committees and activists of the community.

Linkages and Coordination of RSM with Government and other Agencies

As the name indicates, RSM is for support and not to substitute for existing services. In fact, one of its main objectives is to make the government and other services for the poor more effective and accessible. The need is not only to increase government services but to make these accessible to the poor. For example, setting up of credit institutions or opening new branches of banks does not necessarily mean that credit becomes accessible to the small farmers or the subsistence holders. RSM aims to rectify the existing situation by bringing the rural poor within an organized fold and thereby giving them access to existing government services : services to which, individually, they had no access. The most spectacular example of this type of access is the availability of credit to over 98,303 men and women in the Northern Areas of Pakistan, where a few years ago, only a few hundred had access to it. The number of credit institutions and branches of banks had remained almost the same in the area. The Agriculture, Livestock and Forestry Department of government agreed to act as trainers for village level specialists and whenever possible, pooled the supplies available at their disposal with AKRSP supplies, to increase availability to the villagers. There is tremendous scope, for linkages and collaboration between RSM and government and other agencies.

Consistent and continuous attempts have been made in the past and continue to be made currently, to undertake rural development programmes, through local councils or elected representatives. No one decries the importance of the local council structure, in political education, in planning, implementation and maintenance of infrastructure. Above the village level, it undertakes coordination with development departments of government and other agencies, taxation, and inter-village planning. But the structure is not an economic unit for undertaking rural development of the village. This requires a broad-based structure at the micro level, namely, an institutional framework of village level organizations. The conce-

ptual package, for equitable development, demands and requires involvement of every small holder in the process of development.

Indirect or remote participation through an elected local councillor (or an elected representative), is not going to result in improving the economic situation of the rural poor of a village. It is not possible, for the councillor or the elected representative, to fulfil all the obligations of the small holders of collective management, generation of capital through savings, and upgrading of human skills. These can be achieved only if every member of the rural interest group fully participates in those activities. No wonder that not only in Pakistan, but even in India, with a highly developed Panchayati Raj system of local councils, their record of achievements in rural development, has been dismal. The explanation that paucity of resources and lack of funds at the disposal of the local councils are the main reasons for this failure, is not wholly true.

CONCLUSION

The sum total of this paper, based on my experience of the last three decades, points to the following fundamental essentials of a rural development programme aimed at poverty alleviation :

- i) a sound theoretical framework, i. e., a conceptual package, based on the distillation of successful rural development poverty alleviation programmes of the world ;
- ii) a rural support mechanism to foster an economic and social infrastructure, without which the rural poor cannot overcome the handicaps from which they suffer. This outside support is essential to help the poor rise above the level of subsistence. An excellent example of this support, we find, in Taiwan's Joint Commission for Relief and Rehabilitation (JCRR), set up during mid-forties. In South Korea, it took the shape of the Saemaul Undong movement. In Pakistan, it has taken the shape of the National Rural Support Programme (NRSP), based on the decade old successful experience of the Aga Khan Rural Support Programme (AKRSP), in the Northern Areas of the country ;
- iii) willingness of the poor to forge a development partnership, entailing fulfilment of the obligations of organization, generation of capital through savings and taking over responsibilities by acquiring managerial, productive and other human skills through a programme of human resource development ; and
- iv) political, administrative and financial, long term commitment by governments, to implement rural development programmes of poverty alleviation.

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[SUMMARY]

The situation of the poor has been worsening and to reverse this regression, several individuals and organizations, both governmental and non-governmental, have initiated anti-poverty programmes in the South Asian region. These capacity building programmes have been internally and externally evaluated and have created islands of hope in the vast sea of despair. What seemed impossible is now within reach. These programmes have shown that the lot of the poor can be improved through self-help. Self-help, redefined as the willingness of the poor to organize, to generate their own capital through savings, to upgrade their human skills, to take full responsibility for management of local affairs. It rejects the traditional concept of self-help synonymous with the poor providing free labour only.

How is this capacity to be created among the poor ? What policies and strategies are to be followed ? Distillation of the experience of successes leads to the conclusion that, as suggested by Dr. Akhter Hameed Khan, the conceptual package must be related to the reality

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on the ground and not related to “ivory tower” conditions. But what are the elements of the conceptual package, and how do they lead to capacity creation and to poverty alleviation.

Social Organization

In a situation where the target group is scattered and has essentially given up hope, the first element of the conceptual package relates to the need to bring the rural poor into an organized fold. This is the key, if the rural poor’s capacity for improvement is to be created and nurtured.

Human Resource Development

Innradinn of human skills of the poor such as managerial productive and cooperative skills is essential to enable them to make the best use of available resource. While the poor have skills and a traditional knowledge base, these need to be built upon so that new profitable opportunities can be realized. The focus of human resource development (HRD) initiatives has to encompass both human and technical skills, with accent on the former.

Capital Formation

Generation of capital by the poor, through the discipline of savings, is the third important element of the conceptual package. Capital is power. Without it, the poor can never hope to be self-reliant.

The sum total of the paper based on the experience of the last three decades, points to the following fundamental essentials of a rural development programme aimed at poverty alleviation :

- (a) a sound theoretical framework, i. e. a conceptual package, based on the distillation of successful rural development poverty alleviation programmes of the world ;
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- (c) willingness of the poor to forge a development partnership, entailing fulfillment of the obligations of organization, generation of capital through savings and taking over responsibilities by acquiring managerial, productive and other human skills through a programme of human resource development ; and
- (d) political, administrative and financial, long term commitment by governments, to implement rural development programmes of poverty alleviation.