

GROUP REPORT 3

TARGET - GROUP APPROACH OF THE RURAL BANKING SYSTEM IN INDIA

The "Integrated Rural Development Programme" (IRDP) in the District of Palamau and the Xavier Institute of Social Service (XISS), Ranchi, Bihar

1. THE SOCIAL AND ECONOMIC SITUATION IN THE DISTRICT

The District of Palamau is one of the most backward tribal areas on the Chota Nagpur plateau in Bihar: more than 60 % of the population lives below the poverty line. Middle- and upper-caste Bihari farmers have settled in the fertile areas of Chota Nagpur and forced the tribal population into ever more marginal farming areas. This tribal population lives for the most part in scattered hamlets and cultivates small plots of on average 0.8 - 1.5 hectares per household. The chief crops are maize and some dry paddy. As a rule, agricultural production feeds a family of 6-8 members for five to seven months of the year at most. Additional sources of subsistence are poultry and goat farming and products of the forest (wood, fruit). But to ensure survival the tribal groups are by and large dependent on the wage-labour, either seasonal or fulltime, of individual members of their families in nearby coalmines and steel-mills, in road construction and as seasonal labourers in the fields of the big farmers (Bhumihars) in the vicinity. There are a few non-agricultural activities in the villages, like basket-making, weaving, forging and carpentry. There is scarcely any cottage industry, despite good local resources such as wood, coal, etc.; the little that there is faces enormous competition from finished industrial products.

Agriculture is largely traditional; there have been hardly any innovations. The introduction of wheat as a second crop is not possible due to the lack of extensive irrigation. Where government irrigation projects have been started they are not exploited to the full, neither for paddy nor for market-gardening.

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Most of the poor families are marked by misery and abasement. They have eked out their existence with degrading coolie-labour (both men and women) for exploitative contractors or struggled along as rickshaw-pullers, domestic servants, etc. They have little hope of social advancement or the will to better themselves; rather, they exhibit all the signs of apathy, alcoholism, etc. Families are not in a position to satisfy even their basic needs - food, clothing, accommodation, clean drinking water, elementary education - to any acceptable degree. They are aware of their humble situation and of how government and development officials enrich themselves at their expense. But with their limited possibilities and perspectives they lack any clear idea of how to counter these practices or escape economic subjugation. They expect the government to take the initiative.

2. THE "INTEGRATED RURAL DEVELOPMENT PROGRAMME" (IRDP)

For the 6th five-year plan the Indian government drew up a country-wide development programme tailored exclusively to the needs of the poorest target-groups. This so-called Integrated Rural Development Programme makes use of specific financial instruments to encourage the self-initiative of these target-groups, to provide them opportunities for self-employment, with the aim of increasing their income. Through the banking system credit facilities are provided to subsidize the purchase of draught oxen or dairy cattle, goats, sheep or chickens, means of agricultural production or non-agricultural capital goods (workbenches, implements for wood-working), rickshaws, etc.

The programme envisages promoting 600 families per year in each block throughout the country in order to raise at least 3 000 families per block above the poverty line within the five-year plan period. The government support varies between Rs. 1 200 and 2 000 per household, of which 50 % is given as a subsidy (which is written off) and 50 % as a bank loan from the State Bank of India. The interest rate is 10.5 %, the capital to be repaid within 3-5 years.

Each block comprises about 100 villages; in Chota Nagpur each village consists of several scattered hamlets. To qualify for a credit a viable project has to be presented by the potential beneficiary. The project has to fulfil the goals and conditions of the scheme designed by the block authorities, and be approved by the staff of the local branch of the State Bank. Due consideration is given to the incremental income potential of the project and the borrower's ability to repay the loan. The Bank or the block authorities make provision to supply the appropriate capital goods and animals for each group of individual borrowers that qualifies for credits.

3. THE ROLE OF THE XAVIER INSTITUTE OF SOCIAL SERVICES (XISS)

The Bank has not made adequate efforts to help the beneficiaries to qualify for the programme or to provide technical guidance and supervision for their projects. XISS has appointed five field workers, each with one assistant and two village-level workers, to study the socio-economic situation of the individual village households, to identify potential beneficiaries currently living below the poverty line and to inform them and motivate them to apply for the government credit-cum-subsidy support. In addition, the field staff is charged in particular with forming people's committees (Lok Samiti) in the various villages, which should encourage the inhabitants of each hamlet to initiate and formulate their own projects at group level, and should act as catalyst and check that the individual beneficiaries are performing adequately. They play a permanent role in monitoring and evaluating the success of the project. Furthermore, they also supervise the borrower help him to cope with the established procedures of applying for and repaying a loan, and represent the interests of the group in dealings with the Bank and the development authorities.

4. OBSERVATIONS DURING FIELD VISITS: THE VILLAGES CHIRO, GARDEG, TULBUL AND LILUAKARAM

The villages visited in the District of Palamau in Bihar lie in one of the most backward areas in India. The backwardness finds its concrete expression in, among other things, not only widespread undernourishment but also in the lack of the technical knowledge necessary to increase their productivity, suitable means of production and communication as well as social infrastructure. Bonded labour can even still be found in places.

We were first confronted with these kinds of development problems in Chiro and Gardeg in the District of Palamau. Inhabitants of the two villages cultivate maize, gram, wheat and paddy in the kharif season (the summer monsoon season, June-October). They also make baskets and sell their products on the market. In discussions with the villagers we found that they were unable to articulate constructive ideas of how to improve their situation. With regard to the State Bank of India project and the XISS support we established the following:

- In practice the manner in which the project is executed is one-sided, concentrating solely on measures relating to economic development or investment and ensuring that the narrow IRDP conditions set by the government and the banks are fulfilled. The actual causes of poverty are not addressed: bonded labour, relationships of dependence, restricted access to land and the resources of the forests, lack of guidance and deficient management, lack of initiative in forming self-help groups, and a lack of dynamism and group solidarity necessary to translate ideas into action.
- The field workers and their assistants make a reasonable effort to identify economic investment opportunities for the poorer groups and to create homogeneous groups of people willing to invest. Of the 230 families in the two villages 30 are taking part in the programme. An obvious increase in yield could be observed in only a few cases.
- E.g., in some cases beneficiaries complained of having lost their goats, which had been financed by IRDP loans and included in a cattle insurance policy, through disease or the lack of food. Obviously, there was little knowledge of how to treat the animals and, above all, no veterinary services. In spite of the loss of the animals the beneficiaries were forced to repay the loans. Insurance claims had still not been settled, in some cases more than a year later.
- There were no visible signs of success in forming self-help groups for the common pursuit of interests against the bureaucracy and landowners.

In the village of Tulbul, subdivision Latehar, the average plot was 0.7 hectare. More than 50 % of the 45 families are landless labourers who have to find work in other places (e.g. Uttar Pradesh) after the agricultural season. Discussions with some of the villagers revealed an ability to articulate some of their most pressing problems (insufficient food and the concomitant necessity of irrigation facilities, sinking of a drinking-well as the nearest is a kilometre away). The majority of beneficiaries of the IRDP (500-600 in Latehar) had not yet repaid in full the amounts due since 1981. That was partly due to an initial misunderstanding about the lending procedure: the official village-level worker had called the people together and distributed the animals without informing them that this was on a loan basis. This example reveals that the administration's concern is more or less governed by fixed goals, i.e. fulfilling quantitative targets rather than increasing the income of the target-groups. This strategy has completely neglected flanking measures such as the marketing or processing of the products from goats, cows or buffaloes, the development of sources of animal-feed, veterinary services, etc. As in the cases of Chiro and Gardeg, villagers in Tulbul complained of having lost animals from disease. No self-help committee had been formed.

In the village of Liluakaram (subdivision Daltanganj) the inhabitants, 45 families, expressed the following development needs:

- a link road to the main road,
- a school; the administration has not responded to repeated approaches by the village committee,
- adequate compensation for land expropriated for the construction of the canal; in some cases official compensation of about Rs.208 per 0.4 hectare has been paid.

There have been ten beneficiaries under the loan programme, of which seven got loans to buy and operate rickshaws and three to buy goats. The loans for the rickshaws were considered relatively good in terms of potential earnings. This village is exceptional in that it has a village committee which is development-oriented and exercises social control over the recipients of the loans. In discussions with a representative of the State Bank of India in Daltanganj the following drawbacks of the IRDP were mentioned:

- the beneficiaries lacked technical knowledge on how to organize their projects,
- the lack of supporting services, e.g. marketing facilities and facilities to obtain means of production,
- the lack of veterinary services,
- inadequate infrastructure (roads, etc.),
- inadequate guidelines to deal with unsuccessful investments or those only partially carried through,
- the lack of appropriate measures to prevent fraud (sale of animals on the market after a few months, subsequently claiming death from disease and, hence, an inability to repay the loan).

Despite intensive XISS efforts the level of IRDP-loan recovery was 50-60%, i.e. more or less the level of other more credit-worthy clients of the Bank. Discussion revealed that the block authorities had often not been informed of the above-mentioned weaknesses and deficiencies, which indicates a lack of communication between the various authorities responsible for the IRDP.

5. EVALUATION OF THE IMPACT OF THE IRDP

5.1.

The government strategy of IRDP is considered an important step towards creating a specific package of development services targeted specifically at the rural poor in Third-World countries, thereby initiating the appropriate processes of planning and coordination between the various institutions and authorities involved. Provisions which allow NGOs to organize potential beneficiaries is another innovational governmental step in the right direction in the fight against poverty.

5.2.

Our assessment of the impact of IRDP in Palamau is based on our limited field experience and may not reflect a true picture. However, we feel that the following observations and assessments should be made.

- a) The approach allows a decentralized programme to be formulated at the local level. The block development authorities have - in

cooperation with the banks - made use of these possibilities and drawn up a few, though very rigid, schemes, which they thought suited to the development potential of individual poor households of the District of Palamau.

- b) The poor target-groups (tribal groups and scheduled castes) were neither prepared nor in a position to contribute to the formulation of these schemes, nor did the authorities offer any dialogue about diversifying the schemes offered. The poor are on the verge of starvation, struggling daily to survive, with no long-term economic or organizational perspectives for survival. The IRDP strategy of state aid for the poor is just another spoonfeeding strategy and does not support permanent self-help among the poor. But it supports all malpractices used to obtain government subsidies.
- c) Income increases were observed in only a few cases. The number of persons among the beneficiaries permanently raised above the poverty line is small (market-gardeners, rickshaw-pullers). Short-term income effects are soon dissipated.

The implementation of the well-meant strategy is not fulfilling the aim of economic uplifting of the poor:

- The IRDP package of services offered at block level may claim to be integrated on paper, but what reaches the target-group is a rather isolated credit-cum-subsidy to promote investment in animal husbandry, market-gardening or non-agricultural trade (rickshaw, carpentry) without any preparatory flanking measures to qualify the investors selected.
 - The credit is offered to individuals without group involvement or group guarantees; only in exceptional cases is repayment of the loans supervised by the village committee.
 - Government and bank officials implement these schemes as normal routine without any special commitment towards or identification with the target-group. Any supervision of the projects, which are scattered over various villages, is beyond their capacity. The Bank's credit risks are covered by a special Government Guarantee Scheme.
 - Malpractices in supplying the capital goods in kind (goats, draught animals, etc.) siphon off the element of subsidy into pockets other than those of poor households. In particular, officials of the development authorities tend to act unlawfully to their own advantage.
 - The programme is doomed to failure also because the individual investments to increase productivity are not integrated into an accompanying network of marketing, processing and other measures of social mobilization in favour of the poor. Their products are discriminated against on the organized markets or do not fetch adequate prices.
- d) XISS promotional activities support primarily the IRDP strategy of the government at the beneficiary level:
- All beneficiaries selected for support with the help of XISS staff come from poor families.
 - This approach promotes on-the-job training and practical experience among XISS workers with diplomas in rural development. Here they learn how to work with target-groups.
 - The field staff of XISS act principally as instruments of the block authorities in identifying suitable beneficiaries, and of the bank in

supporting borrowers in loan and repayment procedures. Their work has met with the full satisfaction of these institutions.

- The contribution of XISS field staff to qualifying beneficiaries in project management, etc. is very limited because of their lack of technical know-how and because the annual prefixed programme target of new households puts them under great pressure of time.
- At present it is asking too much of XISS field workers to form well-functioning village self-help groups (Lok Samiti). Those committees established on paper contribute neither to mobilizing self-help among villagers nor to formulating and executing projects (adult education, schools, kindergartens), nor do they operate as pressure groups in the formulation of suitable government support schemes. There was only one exceptional case of a well-functioning committee, which mobilized savings for a school and a road project and effectively supervised borrowers in arrears.
- Including XISS field-workers in the execution of the IRDP enables XISS to make an essential contribution to monitoring and evaluating the shortcomings of the present government approach towards fighting poverty. This should be taken into account in replanning the IRDP approach.

6. PROPOSALS

The group has presented some proposals for remedying the shortcomings of the existing programme for and with the rural poor in the District of Palamau. These are intended as a contribution to the on-going discussion on fighting mass poverty in that area by encouraging greater self-help. It should be remembered that they are based on the limited experience of a three-day field survey.

6.1.

In our opinion the IRDP programme does not bar in principle an integrated approach at the block level; for it provides support services in the fields of agriculture, animal husbandry, education, social welfare, basic health care, cottage industries, public works, etc.

The problem lies on the recipient side (among the rural poor): the corresponding absorptive capacity for opportunities of self-employment is lacking (people lack perspectives, know-how, initiative, organization, etc.).

Therefore, all efforts should be focussed on the following aspects:

- making the poor aware of their situation and their potential (through seminars, adapted media like folk-theatre, demonstrations of successful projects in other villages, etc.),
- getting the poor to form self-help organizations (by providing sufficient information and motivation as well as leadership training),
- getting them to mobilize their own resources (labour, savings, materials) instead of depending completely on government aid, which has created a mental reliance on spoon-feeding.

Once these measures have been introduced the people should be better able to articulate their needs and recognize just what supplementary government support they require to effect their investments. These investments - depending on the various circumstances in the Palamau District - could include:

- more intensive agricultural production and animal husbandry,
- development of village and cottage industries and services,
- infrastructural investments such as irrigation schemes, processing of agricultural produce, marketing structures, trade,
- investment in hospitals, schools, roads, etc.

The self-help approach should continue to increase self-confidence and enable the respective village committee to assume responsibility for and master the problems of rural development.

6.2.

Having created awareness and tackled organization the next step is to instruct people in the problems of investment. This requires qualified advice and services.

6.3.

The diocese, XISS and possibly other voluntary agencies are probably the most suitable organizations for initiating the process of awareness-building and providing training and technical know-how.

6.4.

It would be advisable to found a resource centre which could provide special services for investments such as:

- planning of agricultural and craft projects and advising small farmers in these,

- water table surveys and planning of irrigation schemes,
- other technical advisory services.

(P.S. The resource centre need not provide all the necessary services; it could have funds at its disposal to finance services by third parties).

The resource centre should be a non-government organization. Perhaps XISS would be able to set it up.

6.5.

There is a great need for qualified field-workers and other staff within the service structure (for awareness-building and the organization of aid for self-help organizations). On-the-job training of managers for self-help organizations, of potential investors and of committee members should be carefully planned and carried out.

6.6.

External aid could play a role if the IRDP programme support proves to be insufficient, e.g. for financing equipment for sinking wells, financing the work of the resource centre, etc.

6.7. Concluding remarks

We are aware that an integrated approach also includes political and cultural aspects. These have already been integrated into the programme of the Diocese of Daltanganj. Given the conditions in the District of Palamau there would be greater promise of success if the self-help groups were more qualified than they now are. Once a certain number of groups are functioning an umbrella organization could be formed (e.g. a federation). This could constitute an important step in mobilizing the poor for enterprises which go beyond purely economic concerns.

GROUP REPORT 4

SELF-HELP MEASURES: APPROACH AND METHODS

Report of the Visit to Seva Mandir, Udaipur, Rajasthan

1. PROGRAMME

The group (Geeta Menon, Karl Osner, Erwin Sinnwell and Heribert Weiland) arrived at Udaipur on the afternoon of 3rd March 1985 and was very cordially received by two members of the staff of Seva Mandir. As time was limited we set off immediately on the field trip. We visited the following projects:

- Nichala Talab

Reforestation of degraded forest land achieved through adult education as well as organization among the villagers.

- Shampura Village

Adult education, men's and women's organizations, reforestation programme, savings societies, rural development in agriculture, especially irrigation.

- Pahada Village

Adult education, women's organization, self-help savings clubs, health care and income-generating activities, non-formal education programmes in Asariwada and Mahila villages.

- Kaya: Seva Mandir Training Centre

Under construction; planned capacity of at least 100 persons amidst reforested farm land and vegetable gardens.

- Biogas plant and smokeless, fuel-saving ovens (chullas) which save up to 25 % in firewood consumption.

It must be noted here that we could not spend more than a day and a half visiting these projects, due to State elections on the 5th and religious holidays on 6th and 7th). However, we utilized the remaining days in very intensive and enlightening discussions with the core staff of Seva Mandir, viz Dr.M.S.Mehta (founder and President), Dr.Om Srivastava (General Secretary), Dr.Ginny Srivastava (Secretary and Director of the Women's Development Unit) and Mr. Heera Lal Sharma (Secretary, Kherwara). The latter had accompanied

us and provided very fruitful insights into the projects and functioning of Seva Mandir at the village level.

We express our deep thanks to the Seva Mandir staff for their overwhelming hospitality and readiness to answer all our questions with patience.

2. SEVA MANDIR - AN INSTITUTION TO PROMOTE AND SUPPORT SELF-HELP

2.1. History

Seva Mandir (Temple of Service) was founded by Dr.M.S.Mehta, a distinguished politician, administrator and diplomat, who conceived the idea of working for the poor in the late 1920s. The Seva Mandir Trust was set up in 1952. The functioning of this non-governmental organization began with the formulation of a task catalogue in 1966.

The phases in the development of Seva Mandir can be precisely identified. They show the change from formal top-down to informal bottom-up self-help activities ('help for self-help').

1966-1970	literacy programmes;
1970-1977	functional literacy programmes for farmers, with the support of UNESCO;
1977-1980	awareness building and organization of the rural population;
since 1980	self-supportive programmes at grass-root level.

2.2. Basic concepts and philosophy

Seva Mandir believes

- that the people, especially the poor, have the capacity and strength to take their destiny into their own hands,
- that a truly egalitarian and democratic social order can be established only through the people's own efforts.

2.3. S t r u c t u r e

Seva Mandir is presently working in 370 of the 800 villages in 4 blocks of Udaipur District and within Udaipur City. There are at present 190 village organizations with a total membership of 5 000, of which 2 000 are women. The total number of full-time workers is 105 and that of part-time workers 380.

In each block there are 5 field workers who are responsible for 6 to 20 hamlets. In an attempt at decentralization the three secretaries of Seva Mandir are each responsible for one block.

2.4. M e t h o d s

- Seva Mandir has adopted the b o t t o m - u p approach, whereby the needs of the people (mainly the marginal and small farmers) are identified by the zonal workers and discussed by the other members. This target-group oriented, 'issue-based' approach (e.g. road construction) is the method practiced since 1979. It has gradually replaced the earlier 'activity-based' approach (e.g. literacy campaign, health, income generation) in which Seva Mandir worked more from above on 'anticipated' problems. This change in approach is the result of the educational and awareness-building activities of the institute, which have given the people the ability to identify problems and approach the group when the need arises.
- Group formation is deliberately restricted to n e i g h b o u r - h o o d groups or hamlets as, given the existing caste and class differences, there could be a danger of friction if it were extended to one whole village. According to Seva Mandir, group homogeneity is a very important precondition for success.
- It is intended to have the groups r e g i s t e r e d as s e l f - h e l p groups once a degree of solidarity and independence has been achieved, for this would give them access to public resources and bank credit. Furthermore, registration strengthens the autonomy of the local groups vis-à-vis Seva Mandir.
- N e t w o r k s of neighbourhood groups will be formed to deal

with those issues and problems which transcend the scope and capabilities of the single group or hamlet.

- Economic activities of the local groups should become self-reliant and viable as quickly as possible to establish financial independence at village level.

2.5. Scope of activities

Seva Mandir is engaged in various activities as a response to the needs that arise at the village or hamlet level. These can be broadly divided into the organization of women's groups, health, agricultural innovations, reforestation and in particular education, in terms of both curricula and teaching methods.

2.6. External relations

Seva Mandir is financially equally dependent on governmental institutions and foreign funds. As Seva Mandir is not a grants-in-aid institution these funds are received specifically for projects promoted by these agencies.

There is close collaboration, including funding, with foreign NGOs, especially Canadian, British and German (Terre des Hommes and Volkshochschulverband) organizations.

Communication, joint training and support characterize the relationship among Indian NGOs like Seva Mandir. However, there is at present no umbrella organization at the regional or national level to coordinate the movement as such, though there are occasional joint meetings.

The success of a non-governmental, self-help supporting institution like Seva Mandir which propagates democratic ideas, group autonomy, decentralization, etc. is much dependent on the socio-political environment. This is especially true when the groups try to gain access to public funds and services and/or find themselves competing with more powerful private or governmental organizations.

The government's attitude towards organizations like Seva Mandir is generally sympathetic (cf. 7th Indian five-year plan). The main hindrances come from the lower officials who try to manipulate the available resources to their own advantage. In addition, there are also non-political hindrances arising from lack of understanding, over-bureaucratization, etc.

2.7. Seva Mandir as part of a self-help system

Through its philosophy of democracy and equality and national and international funding Seva Mandir tries to act as a catalyst in promoting self-help by and for the poor. It is one part of a system comprising:

- the rural and urban poor,
- the local self-help groups and networks, and
- national and international institutions promoting self-help.

3. SOME PROJECTS VISITED ON THE EXPOSURE PROGRAMME

The field visits provided many insights into the activities and approach of Seva Mandir. These can be briefly described as follows:

3.1. Reforestation programme in Nichala Talab

As in most other villages initial work in Nichala Talab was purely educational (i.e. through a government-funded literacy programme). However, after the change in orientation in 1979-80, the educational activities became more functional and issue-oriented. Out of the original literacy group evolved a 'peer group' which focussed on the growing ecological problems of deforestation with concomitant effects such as a shortage of firewood, falling water-table, erosion and desertification.

After these problems had been articulated by the peer group, Seva Mandir offered its services in the conceptualization and implemen-

tation of an integrated agricultural and reforestation project. It acted as an intermediary to government institutions (especially the Department of Forestry) and provided legal and technical expertise.

An eco-camp was held to instruct young people, who were then employed in the reforestation programme. In a process of learn-through-doing people built fences and dug pits on 1.5 hectares of village wasteland. During the next monsoon the seedlings provided by the Dept.of Forestry were planted.

As compensation for the loss of daily income the Dept.of Forestry paid each camp participant Rs.9 per day, of which Rs.2 was put into the group fund that will be ploughed back into the project. As a result of the process, the group is now able to decide on its own about its future activities and procedures. For instance, they are going to work out a system of equitable distribution of the produce of the forest.

3.2. Women's activities in Pahada village

As in other cases, there too adult education (of women between 16 and 18 years) was the starting point. In an attempt to apply the knowledge they had acquired in the course to their daily lives the women formed a committee. Initially, health was the main concern, to deal with which the women created a common fund. Over and above this, the committee also encouraged the women to open savings accounts at the local bank, instead of dealing exclusively with moneylenders. Community accounts are also held for pressing needs, and the interest redistributed among the members.

Through its organization the group is now not only able to deal with the above-mentioned problems but has greater self-confidence in issues like criminal cases, exploitation by moneylenders, fair wages, etc. As an income-generating activity some women have taken up weaving, for which they are acquiring loans from the bank for the raw material, while the weaving looms are being provided by Seva Mandir. The autonomy of this group of women in terms of decision-making is growing steadily; they are now in a position to articulate themselves and cope with their own needs.

3.3. Social and political obstacles to self-help activities in Kherwara block

Although the concept of self-help may be promising, the implementation frequently runs into great difficulties. Thus, in one such case the integrated rural development programme of three villages was well prepared by the people's organization and supported by Seva Mandir. But it met with opposition from the Vice-president of the Panchayat, a moneylender, trader and large landowner (thakur). The group's efforts threatened his economic interests and political standing. He tried to undermine the efforts of the people through his political and administrative influence. His own brother, an extension worker at village level, helped him in his efforts. Without the support of an - internationally - recognized organization like Seva Mandir the villagers would have had no prospect of success.

4. ECONOMIC IMPLICATIONS OF SELF-HELP ACTIVITIES

The discussion with the staff of Seva Mandir about the economic viability of the self-help projects we visited (especially irrigation and biogas projects) broached aspects of cost calculation, profitability estimates, conditions of financing and economic cost-benefit analysis. One such question concerned a project in which less than 40 % had been financed by the bank, and 50 % given as a grant, viz whether the profitability had been accurately calculated and whether the cost-benefit analysis was based on the bank loan alone or on the total investment. If the problems concerned only financing, the credit conditions should be examined, i.e. longer-term loans, interest-free or repayment-free periods, etc. In other words: Are there differences in the cost-benefit calculations for projects financed by grants and those for projects financed by repayable bank loans? Or: Are development projects planned in terms of economic viability? Is optimal use made of available resources and conditions? Finally: Is there not a tendency to promote as self-help projects precisely those which, in economic terms, can never be profitable?

When dealing with economic self-help activities the consideration of social costs and benefits is particularly important. Educational and social services are inputs which are not normally exactly calculable, like costs in a cost-benefit analysis, as they are borne by self-help institutions like Seva Mandir. Although not exactly calculable, the social pressures of group formation, education and technical advice should be taken into account as benefits or assets when estimating the creditworthiness of a group. In particular, increased credibility as a social benefit of group formation should be taken into account by private funding institutions so as to facilitate access of self-help groups to private bank loans.

GROUP REPORT 5

SELF-HELP AS A MULTISECTORAL APPROACH

Ahmedabad Study Action Group (ASAG) and the Dholka Taluk Development Programme

1. BACKGROUND OF ASAG

ASAG is a private, non-governmental organization registered as a public charity trust with the aim of promoting development among the poorest population groups in urban slums and rural areas. Some 25-30% of its staff are qualified professionals, mainly architects, engineers and managers. The rest are technicians, skilled artisans, craftsmen and experts in community development.

The impetus behind the formation of ASAG was the flood disaster of 1969. The founding members, all architects, were invited to design houses for flood victims. As students they had realized that professional architects as a rule worked for wealthy clients. They, inspired by a sense of social responsibility, decided to work for the poor. Initially, ASAG concentrated primarily on designing and/or building low-cost housing for the poor. In this field ASAG has excelled.

The purpose and functioning of ASAG were outlined and elaborated by Mr. Kirti Shah, the moving spirit behind the organization. Experience had taught him that it is comprehensive development of the people that matters and not merely improvements in their environment and living and working areas. ASAG seeks to initiate this through economic development, by imparting to the poor the skills and knowledge they need to ensure a regular and steadily increasing income.

ASAG appears to be fairly loosely structured without a clear-cut

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We should like to express our sincere thanks to the staff of ASAG for their hospitality, their readiness to plan the exposure programme in the Dholka area and guide us round several projects and the numerous wide-ranging discussions.

hierarchy, and hence without a formal chain of authority. The essentially non-profit organization seeks to cover its costs only through fees for its professional services and has, according to its founder, been very fortunate in this respect. We did not meet the Board of Trustees, but were assured that without their approval and continued support ASAG would never have been able to survive. Indeed, so far the organization has not faced a major crisis. The staff draw their inspiration and motivation from the service they perform. ASAG has built up a credibility with the government and aid-donors, which has ensured a continuous flow of funds.

ASAG has neither assets nor capital reserves. This has become a matter of concern to some members in the light of the expansion of its activities in recent years. To reduce risks ASAG practices a pluralistic policy of cooperation with local and foreign institutions and organizations.

2. ASAG'S APPROACH

In 1978, some seven years after its foundation, ASAG adopted a new approach based on its accumulated experience and the felt needs of its target communities. Housing was no longer regarded as an adequate goal but rather as a beginning and just one element of a multi-sectoral development approach to economic projects for the poor, which incorporated managerial, marketing and financial inputs. The guiding principle behind this comprehensive approach is people's participation in decisions concerning their own affairs.

To realize this concept ASAG has formed multi-disciplinary teams of staff members, some of them recruited from the villages themselves, to help familiarize target groups with services and linkages, and provide them with resources, production techniques and income-generating schemes - in the hope of stimulating self-sustaining economic systems at communal level.

At present ASAG is continuing to explore ways and means of relating the cooperative approach to the socio-economic needs of its target communities and awakening their interest in it. To achieve this, ASAG seeks to influence government policies through feedback and dialogue.

In view of the geographic spread of its projects ASAG is making efforts to decentralize its training programmes and advisory and management functions.

3. METHOD

ASAG aims at involving the target groups. That means that when offering services (e.g. low-cost housing) ASAG invites target groups to participate in the designing of houses, allocation of plots and in all related decision-making. Besides this, ASAG offers new services at the suggestion of target groups. A simple, yet effective means of involving people in project design is just talking to them. People's participation has three advantages:

- social constraints such as the caste system, are taken into account;
- activities already practised in the target group serve as the starting point for ASAG's assistance; and
- development is understood as only a gradual process which evolves step by step, each step within the financial, technical and organizational capacities of the groups concerned.

Participation is also a means of identifying the poor among the population. Instead of employing income or nutritional criteria, members of the public, including local leaders and social workers, are asked whom they consider to be poor. This can be complemented by examining children of the target group to establish the incidence of under- or malnutrition.

ASAG does not aim to integrate projects in the sense of offering any group appropriate measures in all social and economic sectors (horizontal integration). However, integration is sought in so far as the output of one project may serve as an input for another

project (vertical integration). Yarn spun in Project A is woven in Project B, the cloth embroidered in Project C or sewn into garments in Project D which are used as school uniforms in Project E. In this way ASAG tries to find outlets for every activity, thus rendering them economically viable.

ASAG sees its role as an intermediary between the poor and the resources they need, be they national or international. Though ASAG has not always adhered strictly to this role - in some cases ASAG staff act as managerial agents - it has nevertheless shaped ASAG's organizational structure. It is very informal, granting field workers a lot of autonomy, which sometimes renders it difficult for headquarters to control their activities effectively.

4. MAIN FIELDS OF ACTIVITY

ASAG has worked on a number of low-cost housing schemes, offering the poor qualitatively good, cheap housing and service sites.

Furthermore, ASAG has initiated agricultural, horticultural and forestry projects with the purpose of creating employment and generating income for the poor strata of the population, of improving their diet and, in particular, of reducing the burden of fuel collection on women. Other fields of activity are the promotion of crafts either by introducing new raw materials (acrylic fibres), techniques and products (carpet weaving) or by improving the financial, organizational and economic situation of existing workshops. Some of the activities mentioned, among others, are aimed particularly at widows, abandoned women and children from poor families to help them acquire a regular income which, in most cases, can be earned working at home.

5. RESULTS

We consider the following to be the most important results of ASAG'S activities in the Dholka administrative area:

- creation of employment opportunities for the poor,
- increases in income,
- reduced costs of housing construction,
- reduced cost of clothing (acrylic fibres instead of wool),
- improvement in health standards,
- reduced salinity in affected areas,
- environmental improvement through afforestation,
- decentralization of production processes (by promoting rural industries),
- changes in the government's attitude towards development (from slum clearance to slum improvement),
- successful implementation of existing measures for providing loans,
- changes in bank credit policy,
- inducing the poor to accept responsibility for their own development,
- improvement in the capabilities and efficiency of ASAG's staff members through their own experiences.

6. THE ROLE OF FOREIGN AID

Although they have no financial problems, ASAG regretted the lack of personal contacts with foreign voluntary agencies. Instead, solely to suit the organizational requirements of donors, they have to do office-work (e.g. write reports) which bothers rather than benefits both sides. More contact with resident representatives of foreign voluntary agencies is a precondition for the evolution of a friendly and cooperative relationship in which the representative's advice is sought, problems openly discussed and potential setbacks and failures in development programmes recognized in time. The presence of such resident representatives would also be a particular help for small, new, very informal or badly structured indigenous voluntary organizations, which might

be deeply committed, motivated and efficient in assisting the poor but easily overlooked by foreign agencies or, if assisted exclusively and directly from abroad, are regarded with distrust by local institutions.

Foreign NGOs have an important role to play in lobbying within their own governments to the benefit of poor people and voluntary agencies in the Third World, especially by convincing their governments to adopt a more flexible approach to the use of funds and to gently pressure Third-World governments not to extend their control over voluntary agencies and their activities (a potential development in India).

"EXPOSURE PROGRAMME INDIA": GROUP REPORTS. EVALUATED FOR THE SPECIAL UNIT (ES 31) "SELF-HELP AGAINST POVERTY" IN THE FEDERAL MINISTRY FOR ECONOMIC COOPERATION

Karl Schöck

1. EVALUATION RESULT

The exposure programme set out to familiarize the participants with the problem of overcoming poverty through self-help and above all to bring them into direct contact with poverty. Its objective was not a systematic recording and penetration of the problems in the form of an investigation. Rather, the five group reports are descriptions of findings, experiences, events and correlations, summarized by each group at the end of their stay in the respective projects.

A remarkable feature of the five group reports is the fact that, in contrast to project evaluation reports, they also contain and show the cause of facts, correlations, findings and impressions which are either not taken up at all or only to a limited extent in the actual project evaluations. Of course, the group reports cannot be put on a level with systematic studies and their results. They show, however, that the procedure adopted for these five reports has brought forth results which, in the case of normal project evaluations, are obtained either not at all or only partially. Furthermore, the group reports are remarkable in the fact that the evaluation results establish an outline in which the basic situation of the poor figures at the head, while all consequences and conditions resulting from this situation appear in an order corresponding to reality.

This means that the following order applies to the evaluation of the group reports: awareness/importance of self-help-promotion institutions/self-help groups/self-help contributions, need for services/concept, participation/women's active participation/savings and loans/general conditions/help from outside by donor countries.

2. EVALUATION RESULTS IN DETAIL

2.1. Awareness

All five cases selected as examples show the dependence of the poor on great landowners and money-lenders - often similar to bondage - to be the basic evil obstructing the fight against poverty. To overcome this evil was and still is the objective of the institutions promoting self-help. It becomes evident from the five reports that wherever dependence of this kind is a reality of life for generations, those affected by it lose the ability to conceive that they have the right to live in independence, and the ability to articulate and enforce this claim. Therefore they must be made aware of this right. Each of the five cases shows - directly or indirectly - that, on the one hand, this awareness cannot be achieved by the individual concerned himself, he needs help from outside; on the other hand, however, this step is a precondition for self-help: self-help presupposes the awareness of having a right to act independently. Only then does the difficult path follow of translating this awareness into the respective action of practising this awareness, of strengthening and enhancing it, of gaining self-respect, self-confidence and self-assurance and, thereby, of obtaining independence.

2.2. The importance of self-help promotion institutions

All five reports illustrate the primary task of self-help institutions: enabling the poor to help themselves through a process of learning. These efforts must start, as described above, with making the poor aware and strengthening their awareness that they have a right to be treated as equals in a society of equals. Where other concepts are applied, e.g. as in IRDP/XISS, Ranchi (cf. group report 3), where economic recovery is the primary aim, the poor cannot find their way towards successful self-help.

Thus, the importance of institutions promoting self-help lies first of all in their ability and capability to give to the poor the type of awareness described earlier on. Secondly,

the importance of these institutions is determined by their contributions as contained in the following paragraphs 2.3. to 2.7. These contributions, again as established by the five reports, must be determined by the concept described above and must be incorporated in it. Together, they form a whole with interacting parts.

2.3. Self-help groups

"The willingness of the people to cooperate among themselves is a necessary precondition for the success of any development work" (cf. group report 1, ch.10). This finding is confirmed, by the way, by the other four reports.

The five reports describe successful and less successful activities carried out by self-help groups. It becomes clear that overcoming poverty through self-help can be done effectively only through self-help groups.

Moreover, the statement cited above - and this is of importance in this connection - gives rise also to the question of what precedes the formation of self-help groups. The reports reply to this as follows:

- a self-help group will form itself or be formed only if the people concerned are aware of their right to act independently and on their own responsibility;
- however, even if this basic condition is fulfilled, a self-help group will only be formed if the people concerned recognize the advantages the formation of such a group has for themselves and if they are willing to show and capable of solidarity;
- this necessary link between individual ability and willingness and the ability and willingness to act in group solidarity illustrates that both - the individual and the group - determine one another; the success, however, of a solidarity group depends decisively upon the extent to which interests of the individual group members are taken into consideration and realized later on.

Remark: The question whether homogeneous self-help groups work together more effectively and successfully than e.g. whole village communities cannot be answered apodictically. The reports rather confirm that the community of interests of the people making up a group, i.e. their concrete common objective and the means best suited for achieving this objective, should be the criteria determining the make-up of the groups.

2.4. Self-help and the need for services

Again, all five reports confirm that, in principle, preference should be given to an integrated approach, i.e. an approach which is geared to all parts of the respective target group members' lives. Such an approach must be based on the following:

- identification of the target group's needs,
- identification of the self-help contributions which can and must in fact be rendered by the respective self-help group; the emergence of a "recipient mentality" must be counteracted by describing and demanding all self-help contributions which can actually be rendered by the group itself,
- determining which services the target groups must be given access to (service needs) and establishing the ways and means of achieving this.

Self-help contributions must be in line with the actual needs and ability of the target group. It is therefore important to discuss and coordinate with the target group the terms "need" and "ability" in general as well as in detail. People must have a say in determining and planning their actions, they must be able to identify with these actions from the very beginning if they are to learn to consider them as their own actions.

The need for services must be considered equally acceptable, justified in its functional cause and effect, and necessary by the target group.

This shows conclusively that such an approach must be conceived "from bottom to top" and that, vice versa, an approach "from top to bottom" is doomed to failure (cf. group report 3).

2.5. Self-help concept, participation

Should the five group reports prove to be representative by means of further cases-in-point, the following would apply in general:

A successful self-help concept must take account of the above-mentioned facts. Furthermore, the individual elements of a self-help concept must be in line with them.

Accordingly, a self-help concept should above all

- render self-help and its development understandable as a process which is completed in concrete steps,
- ensure a procedure that is geared to the task and the ability of the target group,
- guarantee, in order to achieve this, a permanent discussion and coordination with the respective target group (participation); their results should determine the steps which should be taken and at what time, and which steps should not be taken,
- ensure therefore that the concept is reviewed constantly as to its appropriateness and, if necessary, updated and that programme components can be either changed or adapted,
- gear the required functional education to concrete cases which have a direct bearing on the situation of the poor (e.g. rice cultivation, child care, etc.), and
- envisage outside support only for tasks which cannot be tackled by the group on its own.

The reports show that poor people are indeed able to articulate and assess their own interests, their needs and their abilities. Therefore, participation as described above is one of the mainstays of any successful self-help. If it remains mere lip service or is practised only half-heartedly, success will fail to materialize, and disappointment and resignation will set in.

2.6. The role of women

The reports on Divi Seema and Seva Mandir contain information on the role of women in the development process.

No study has yet been made of whether this important aspect and the significance that must be attributed to it have been properly appreciated. It seems necessary to investigate and update this complex with the aim of illustrating clearly its importance for

the development process and rendering it feasible for incorporation in development concepts.

2.7. Savings and credits

The example of Divi Seema shows that savings and credits mean more for the poor than means necessary merely for their socio-economic development. The report states that: "To prepare the people to bear the cost of their own means of production in the long term they motivated and educated the people to form credit unions which would stimulate them to save and administer their savings. The poor should learn to accumulate small sums of capital, how to handle money and how to think and act in economic terms. Above all, they should realize the possibility of freeing themselves from their traditional subservience to moneylenders, who had successfully stifled all individual attempts to break out of the vicious circle of poverty. The village credit unions are not an aim in themselves but a means of weakening the age-old structures of dependence responsible for poverty at their critical point. The overriding goal is the creation of a self-sustaining network among the village poor which should ideally be independent of external personnel and financial resources."

This aspect, too, should receive more attention.

2.8. General conditions

The five reports describe individual facts and situations in which reference is made to the importance of the general conditions prevailing in each case; only some of them are mentioned directly. This perhaps somewhat "modest" result becomes more understandable, even self-evident, when the self-help activities presented in the reports are assessed as what they are: a permanent attempt to improve among other things the general situation of the poor by way of concrete steps and actions. The concepts and self-help activities described, which are developed and/or implemented by the respective institution promoting self-help, thus justify per

se the importance of the general conditions.

The reports contain references showing that this complex of "general conditions" cannot be treated generally.

In their work, institutions promoting self-help have to cope with conditions created at and by different levels. The most direct confrontation takes place at the level which is determined by local power structures. And here the institutions can exert an influence most easily and most successfully. On the other hand, they will be able only in rare cases to influence regional conditions and even less national conditions. They have no influence on general conditions determined at the international level.

A differentiation according to these levels is of practical importance for "self-help against poverty". Obviously, the conditions existing at each level can in fact be changed only within that level. It is useless, e.g. for the Indian Government to make legal provisions for a credit policy for the poor if this policy does not work in practical terms. The translation of such a policy into practical work must - following this example - be made possible at the regional level, i.e. by the banks, up to the level of instituting the respective procedures and giving the banking staff special training; its implementation must be requested by the local level, its execution must be monitored and directed.

It is necessary, therefore, to factually relate the respective general conditions to the respective level and thus to clarify which responsibilities are held at which level. This would mean, however, that none of the levels described here could any longer dispute convincingly the responsibilities it holds. This would also apply to the international level.

2.9. Aid from donor countries

Here again, the five reports contain detailed statements. They do not suffice, however, to make up a complete picture.

But some important conclusions can be drawn which should be taken into consideration by donor countries when supporting "self-help against poverty".

Aid from donor countries can be successful if

- the situation of the target group is known and recognized (par.1),
- a promoting institution can be found and won as a partner; this institution must possess the qualifications and prerequisites mentioned in par.2 and 8 regarding its activities and technical layout,
- the partner is able to develop and execute a concept as described in par.5,
- the respective government at least tolerates "self-help against poverty" and the formation of autonomous self-help groups,
- wherever necessary, ways and means are envisaged and used which can positively influence from the outside any impeding general conditions,
- the target of overcoming poverty through self-help and the respective concepts and conditions are accorded absolute priority (e.g. over thinking in terms of turnover),
- the cooperation is carried out on the basis of mutual trust and constant willingness for dialogue,
- the cooperation among the competent state, para-statal and private agencies and organizations required to attain the objective is guaranteed,
- the task is considered as a process which needs, and must be accorded, adequate time and sufficient developmental and technical side-measures.

DEVELOPMENT IS FOR PEOPLE

Evaluation seminar, Bonn, 13.9.1985

Clemens Jürgenmeyer

In keeping with the long-term goals of the "Exposure Programme India" the trip to India was not the end of the programme. Rather, it was an important stage in an on-going learning process which should give the participants a better insight into the mechanisms of poverty and ways of overcoming it. The self-help approach plays a crucial role, for its starting point is the poor themselves. The aim is to work with them to find ways and means of breaking out of the poverty cycle. There is ample evidence that the poor are both willing and able to improve their living conditions and situation by their own efforts.

One component of an exposure programme is awareness creation; another is the question of development policy. As far as possible the participants should apply the experience and insights gained during visits to the self-help projects to concrete situations in their own fields of activity. This would gradually prepare the ground for new approaches in terms of a qualitatively different development policy, one giving priority to overcoming mass poverty by actively involving the poor themselves.

The purpose of the evaluation seminar in Bonn half a year after the Indian trip was to facilitate an exchange of impressions and experiences gained in India, and to establish whether participants had been able to apply their experience in practice. Furthermore, it was hoped the exchange would produce ideas for future exposure programmes and perhaps make a small contribution to the formulation of new development concepts based on the self-help approach. Thus, the participants were expected to provide preliminary answers to three questions. The following is an attempt to provide a structured evaluation of the discussion.

1. WHAT ARE THE PARTICIPANTS' LASTING EXPERIENCE AND INSIGHTS?

1.1.

All participants thought the intensive confrontation with poverty on the spot extremely valuable; the previously abstract concepts 'poverty', 'development' and 'self-help' have acquired content and differentiation. It was learnt that the immaterial dimension of development is particularly important, whereas the financial and technical aspects rather receded into the background. It was recognized that the mobilization of the poor, the creation of self-confidence and of new perspectives are the essential prerequisites for any strategy against mass poverty - in a nutshell: development is for people.

These new experiences and insights have led the participants to reflect about their own position and to qualify western models of development. Any attempt to impose foreign development policies from above runs counter to the concept of self-help.

1.2.

The self-help approach is a suitable means of overcoming mass poverty. It offers concrete starting points for action at local and regional levels (village, town, region). The concept of self-help was also the basis of similar approaches in Europe, e.g. the cooperative movement.

There is an enormous range of opinions on what constitutes self-help, what self-help projects achieve and what form they should take. However, there is one common element: development must start from below and progress upwards. The self-help approach should on principle not be understood as a global strategy, for it would then run the dangers of being overtaxed and commercialized.

1.3.

It was possible to remove the general uncertainty about the sense and to provide arguments in favour of development aid: there are meaningful possibilities of aid which also benefit the poor.

2. HAVE THE PARTICIPANTS BEEN ABLE TO INCORPORATE THEIR EXPERIENCE INTO THEIR OWN FIELDS OF ACTIVITY?

2.1.

Several articles have been published in well-known German weeklies and journals. It was the authors' intention to acquaint a large readership with the self-help approach.

2.2.

At the level of official development aid the experience gained during the trip is being incorporated into a project on financial cooperation between the German Bank for Reconstruction and the Indian NABARD Bank. This project, based on a government agreement, is designed to open banking facilities to the poor ('banking for the poor').

2.3.

Having recognized the benefits of dialogue the participants are applying it in their everyday work. The experience gained about Indian self-help projects provides concrete examples in discussions, which illustrate otherwise rather abstract arguments.

2.4.

At the 1986 assembly of German Catholics in Aachen there will be a forum and workshops on the topic 'Self-help against Poverty'. It is expected that a large number of people will attend.

2.5.

In general, all participants have used numerous formal and informal discussions to influence their partners with the aim of preparing the ground for a poverty-oriented development policy.

3. WHAT ARE THE CONCLUSIONS DRAWN FOR FUTURE EXPOSURE PROGRAMMES AND FOR DEVELOPMENT POLICY?

3.1.

The generally positive results of the Indian trip justify further exposure programmes. However, the first experience shows that some changes, both in form and content, would be beneficial. It would have been preferable for the German and Indian participants to have shared the same accommodation in New Delhi. The reflection seminar should be used to reflect on concrete experiences and not to discuss new topics; indeed, some participants thought the discussion at times unwarrantedly abstract. However, if the subject is to be properly treated it is impossible to ignore questions of the political order. Better preparation by the German participants, in so far as this is feasible in such a varied group, would also be desirable. On several occasions the Indian participants expressed the wish for more information about the German participants and their work in the Federal Republic. This would have the advantage of ensuring that both German and Indian expectations did not diverge too greatly.

It must be stated that exposure programmes should play a greater role in church work.

3.2.

The dialogue with the Indian Social Institute must continue.

3.3.

The role of foreign experts must be reassessed. Their usefulness on the spot in self-help projects is at best minimal as foreigners seldom have the necessary knowledge about the region, language, etc. Yet precisely this intensive cooperation with the native population is imperative for the success of each and every self-help project.

The role of the government of the recipient country cannot be neglected as bilateral development aid cannot be provided without the cooperation of the government.

3.4.

It must also be realized that despite promising successes the self-help approach is not a universal remedy for the problems of the Third World. Hence, there is little sense in demanding global application within the framework of official bilateral development aid. Overtaxing the approach in this way could result in rapid disillusionment.

HUMAN RIGHTS AND POVERTY

Jaime L. Cardinal Sin
Archbishop of Manila

Preliminary remark: This text is an extract from Cardinal Sin's lecture in the series on "Peace, Security, Conflict Solution and Social Change", delivered at the University of the United Nations in Philadelphia, USA, on 21.5.1985. Cardinal Sin made a strong plea for democracy and in particular for human rights. He rejected all authoritarian types of state and technocratic models of development as benefitting only the rich and powerful, while depriving the majority of the population of elementary rights and the poor of a better future. What are needed are not one-sided technocratic solutions but solutions which consciously place man, humanitas, at the centre of the fight against poverty. Non-government organizations could play a crucial role as a creative and necessary counter-movement of the people, one which has not yet become moribund, like the state development bureaucracies. The search for such a development strategy presumes a great degree of mutual understanding and cooperation between the peoples of the industrialized and the developing countries. As an example of such cooperation Cardinal Sin cited the "Exposure Programme India" of the German Commission Justitia et Pax.

EXAMPLES OF INTERNATIONAL COOPERATION

"The rhetoric on human rights and poverty continues to flood the halls of international meetings while leaving unchanged the grim reality that threatens human existence. It is therefore instructive to be able to cite country efforts at mobilizing its officials and citizens in the fight against poverty.

"In 1979, the churches of the Federal Republic of Germany started a series of meetings with the country's political parties, labor unions, farmers' associations, business executives and university people. The objective of these meetings, which culminated in a nation-wide consultation held in Bonn-Bad Godesberg in January 1979, was to influence Germany's decision-makers towards more effective development policies and to motivate its citizens to enter into partnership with third world NGOs which promote self-reliant and participatory projects for the poor.

"In continuity with these efforts, the German Ministry for Economic Cooperation established a special section whose task was to im-

prove the economic instruments of development cooperation. This assignment arose from a study which discovered that the nation's development banks were not reaching the target groups among the poor. It was realized, therefore, that there was need for new financing schemes which could be brought about by first studying the on-going financial arrangements which NGOs utilize to service the small farmers, fishermen and artisans.

"Consequently, two groups of German parliamentarians, social scientists, journalists, representatives of farmer and labor associations, students, development aid administrators and church-related support agencies, went to Thailand in December 1984 and to India in March 1985 in order to gain personal experience of the poverty problem. They lived in the villages, ate the food of the poor, saw the effects of malnourishment on the children and came away edified by the quiet courage and ready hospitality of the poor.

"I believe that the United Nations University should also explore its possible contribution in exposing political leaders and members of the international academic and scientific community to the realities of poverty. By supporting such people-to-people exchanges, the university can extend its catalytic influence towards yet another vital area, that of helping decision-makers fathom better the forces that prevent the poor from achieving an adequate living standard.

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