

INCOME GENERATION ACTIVITIES FOR WOMEN IN DEVELOPING AREAS:

A MICRO-PLANNING MODEL

by

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ABSTRACT

Income Generation Activities (IGA) for women in developing areas involves more than creating work. This study focuses on how work needs to be organised for development, and then proposes a process to facilitate doing it.

The question of 'how the work process is organised' means how it is expected to contribute to women's development in situations where economic structures can be exploitive and the 'public goods' of health / education / and welfare are not provided.

Three critical problems for women's IGA are set out: reproduction of subsistence -- failure to generate or retain surplus for investing to increase productivity; design-to-scale -- failure to design programmes capable of attacking the scale of the problem of women's work-related poverty; and gender -- failure to place women in control of work and the design of the work process.

For the second question of the study -- a process to facilitate women's organising work for their development -- a Micro-planning model is proposed. This proposed process for IGA group organisation is an extension of the micro-planning model developed by Nabeel Hamdi and Reinhard Goethert at MIT (Design and Housing). Micro-planning was developed for participatory planning of urban upgrading. It involves identifying convergences of interests of all participants to produce a priority action plan all can agree upon.

The proposed IGA Micro-planning model addresses the three concerns above (reproduction of subsistence, design-to-scale, and gender) through facilitating women's collective identification of: group economic strength; low productivity and loss of surplus; potential new markets for goods and services; mutual advantage from collective investment; and opportunities for in-kind exchange.

Thesis supervisor: Reinhard Goethert
Title: Principle Research Associate

To Bill Cousins and Shrimp Goethert

- with thanks -

Acknowledgements

After long absences, Emerson used to ask his friends; "Has anything become clear ?" During this study quite a few things became clear for me ... with a little help from my friends.

Nabeel Hamdi made possible my participation in the Micro-planning exercise in Thailand that opened my eyes to its IGA potential.

Kamburugamuwa Coir Producers Organisation showed me what development is all about.

My thesis advisor, Reinhard Goethert, sent me to UNICEF and to Sri Lanka to clarify the problem and the context.

My reader, Arthur Row, contributed the clarity of long experience in the field.

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1. INTRODUCTION

Income Generation Activities (IGA) are difficult to plan. First, social scientists and programme administrators are expected to compete with the private sector in product development / manufacture / and marketing. This is patently not their territory; they are not entrepreneurs, they are social scientists and there is a difference. Prudent banks in Boston do not fund a sociologists' attempts at manufacture, or dairying, or schemes of vertical integration. How much less should they be expected to succeed where work organisation and markets are either completely foreign or part of a sub-culture that may as well be.

Given that this is the case, how can we define their tasks and find a method of working that both acknowledges the need for business skills and makes the most of the skills they have ? Secondly, there is a need to define what we expect from work in a development situation. How is it supposed to support women's development -- where more than income is at issue ? When income distribution is so un-equal that home markets do not exist; when the public goods (health, education, welfare) that underlie development are not provided; and when work is specifically organised to provide only subsistence to those working. If the inputs for development -- investments in training and productivity -- don't exist, how can workers develop beyond subsistence level ? What would it require to organise the work process around the goal of benefiting the

women working ?

Thirdly, what are IGA ? Do we concentrate only on new employment or does existing employment offer opportunities for improving women's lives ? Is it, in fact, necessary to transform existing employment ? Should we define IGA as a series of interventions at different stages of work and/or worker development ?

Fourthly, Can we synthesise an approach that takes all these concerns into account and operates under the constraints of limited staff and budget ?

This study grew out of a summer at UNICEF in which the above problems presented themselves. They are not just UNICEF's problems, but any agency's which is working for development. IGA is recognised as a very major concern, but it is harder to know where to begin than with most problems. If you are planning health care, it's fairly straight forward that you start with a doctor. But when the problem is employment, who do you call ? Entrepreneurs are hard to define, and not readily available.

My interest in the problem stems from having had a foot in both camps -- before I studied economics or planning, I was a small manufacture in the 'informal sector'. I produced clothing in Ireland in the early sixties. This was at a time when you rented un-heated tenement buildings in the city (with toilets out back); got re-cycled equipment; bought cheap odd-lots of cloth; and used home-workers who were paid by the piece. Operations were strictly outside the regulatory net --

including taxation.

At that time, 25% of Dublin's industry was clothing manufacture. I had the opportunity of comparing different types of operations within the trade, as to why they sank or swam and what relative advantages they had. Most importantly, I saw that work can be organised in many different ways -- with many different consequences for the women working.

The above experience made me treat this study as a syn-thesis rather than thesis. (Thesis is Greek for position, synthesis is com-position.) The employment problem is a composition of interacting sub-problems which have to be dealt with simultaneously. For example, as in many other situations, form follows function. The form of ownership, the form of organisation of the work process, the form of the product -- all vary according to what their function is. In the terms of what we are studying here, 'function' means for whose benefit they are organised. It is difficult-to-impossible to obtain a function from a form that was not intended to produce it. Likewise, it is difficult to benefit working women in situations designed to exploit them. For this reason, it is necessary to look at how we define IGA, and what we expect from them in developing areas.

A definition of IGA as a composite follows in the next section of this study. What we expect (and need) from the work situation is discussed in the section 'IGA and Development'. (Reasons for these expectations, in the broader economic setting, are covered in an appendix on economic development

strategies and their consequences.) A sub-section of 'IGA and Development' -- 'What went right' -- is a case illustration of development by a woman's group that I visited in Sri Lanka and found particularly impressive. Since we are defining IGA as a composite of development processes, no one case will illustrate all of them. The Sri Lankan example -- which came from a UNDP programme called Change Agents -- pertains particularly to the problem of remuneration. But it also exemplifies very well the main issues of work organisation and programme strategy which are central to our discussion. (The illustration is presented in a short, analytic form, but chronological notes on the group's activities are included in an appendix.)

The final question for this study was: is there an affordable approach that addresses our composite concerns ?

Up to this point we have considered how work needs to be organised for development; now we must find a process for doing it.

The key to this question lies in the word 'upgrading'. I had the good fortune to study under Reinhard Goethert and Nabeel Hamdi (MIT Design and Housing) who have developed a model for incremental, participatory planning called Micro-planning (Goethert and Hamdi, 1987). Micro-planning is a framework for upgrading that deals with 'what's already there' in the physical and social sense, by bringing together all participants involved to find a convergence of interests for improving it. This model is used for site-level planning, and

sets up the most basic, decentralised grassroots units of participation, which is what our study centres on. After seeing the Micro-planning model in action (Chaing Mai, Thailand, 1987) and participating in the workshop, it seemed to provide the missing piece -- the process to enable women to do their own planning and implementation for Income Generation Activities.

The last two sections of the study examine how Micro-planning's assumptions and advantages fit to IGA's assumptions and needs; and propose a series of generic workshop models for IGA Micro-planning. Finally, we can use the case example from Sri Lanka for a concrete illustration of micro-planning use.

2. IGA : A SIX POINT WORKING MODEL

The question of what IGA should incorporate refers to our target population. While we think initially of UN-employed women, many 'unemployed' women in developing areas are actually doing some sort of work in the 'informal sector'. Statistics show us that the majority of these working women in developing areas are 'working poor', i.e. their work does not preserve them and their families from living in poverty. They represent large proportions of the adult work force, as we will consider in greater detail (and with numbers) in the next section. It is obvious that these women are part of our concern, just as it is obvious that we cannot replace all this inadequate employment. A more useful approach would be to consider how, as a part of IGA, this kind of work can be upgraded. In the next section, we will examine the main upgrading question: is it the work itself, that is causing the poverty, or the way it is organised? Here, let's look at the question considered in the introduction: should we define IGA as a series of interventions at different stages of work and/or worker development?

A great many participants in the informal sector can be described as UNDER-employed. This refers to: hours worked; and labour hour productivity. I.e. less than full-time work (due to insufficient work, casual hiring without tenure, inability of women to work full hours because of child care); or less than full productivity (due to: lack of health,

nutrition, tools, training, credit, organisation of work process, or marketing).

The final segment of the problem, UNDER-remuneration, covers the lack of market power to obtain a price for labour or products that includes enough surplus to invest in increasing productivity. Even in the formal sector, women's work is 'marginalised' by exclusion from tenure and benefits, and lack of representation and ability to bargain collectively (exclusion from the labour elite).

If we accept the need for upgrading existing work as well as increasing work, Income Generation Activities are aimed at three problems:

UN-employment

UNDER-employment

UNDER-remuneration

Combining these three targets defines IGA as a process made up of six discrete steps:

1. Removal of barriers to full participation in existing employment.
2. Productive remuneration for labour or products.
3. Increasing productivity in existing employment.
4. Increasing equity in productive assets.
5. New sources of employment.
6. Income-in-kind employment.

TYPE of IGA	INCREASE IN	EXAMPLES
Removal of Barriers	Hours worked	<ul style="list-style-type: none"> . Provision of daycare . Improved home labour technology . Siting work places near workers
Improvement of Productivity	Output per hour	<ul style="list-style-type: none"> . Training / literacy . Credit . Surplus investment for upgrading
New Employment	Jobs	<ul style="list-style-type: none"> . Co-ops . Links to national planning . Sheltered / domestic / basic needs markets
Productive remuneration	income above subsistence	<ul style="list-style-type: none"> . collective dealing in market situations
Acquisition of Productive Assets	<ul style="list-style-type: none"> . Equitable return on labour hours . Reinvestment of surplus in community 	<ul style="list-style-type: none"> . Coop worker ownership . Micro-loan programmes for small business . Financing rental space for female heads of household
In-kind Benefits	Goods, services, & political participation	<ul style="list-style-type: none"> . Urban gardening . Mutual-help projects . Self-help projects

Having built a generic model of activities that cover our target population, our study revolves around two things: the way those activities need to be organised to benefit working women; and a method for doing it that is practical at grassroots level.

3. IGA AND DEVELOPMENT

What should we expect from women's work in developing areas ?

How is it supposed to support women's development ?

IGA is an integral part of development. As such, it has to reflect a larger development strategy -- economic and social goals -- and be related to them. If it does not relate to those strategies, it can possibly work against them, in the manner of short term solutions obscuring long term goals.

Income generation seems so straight forward a problem that 'why' we are working on it needs no thought. But development is more than just grabbing the first solution; as Chairman Mao remarked; "You can't get anything good on the cheap." There is a difference between employment that reproduces the social problems that cause mass poverty; and employment that incorporates institutions that mitigate the causes of poverty. What is it that's necessary, in terms of critical mass, to push people over the poverty threshold with the assurance of their not slipping back ?

Development is analogous to 'growing up'. It means you can take care of yourself, as a group or a community. It means being autonomous (Pantin, 1984, p.7); with the power and the ability to make your own decisions and act in your own interests. Not merely to plan, but to implement. Development means independence. How do women get that way ?

3.1 INSIGHTS AND ECONOMICS

Most writers over the past two decades have emphasised the role of social institutions as an intrinsic part of development -- determining the forms economic gains will take and who receives them, and preserving or exploiting gains among different social groups.

Lisa Peattie describes economic development as a "complex process of societal transformation" including "non-material outputs" such as an egalitarian society. In the same chapter she quotes Nobel Laureate Kenneth Boulding, that development is "...the nature, extent, quality and complexity of the total capital stock, including in this the state of human bodies and minds...". She adds Mahbub Ul Haq's observations on policy that "...a high growth rate has been, and is, no guarantee against worsening poverty....We also went wrong in assuming that income distribution policies could be divorced from growth policies and could be added later to obtain whatever distribution we desired." (1981, pp.32-50). There is an implication for women in developing areas that the best insurance of investment in bodies and minds is one that is tied to the work process and can be guaranteed through the control of those whose interest is at stake -- the women working.

Herrick and Kindleberger emphasise changes in composition of economic output (what is produced, for whom) and the "technical and institutional arrangements by which output is produced and distributed." (Herrick and Kindleberger, 1983, p.21)

"Only structural changes -- changes in the composition of output and in the distribution of income -- seem capable of producing changes on the needed scale....an evolution of attitudes, value systems, orientation towards work and saving, and incorporation of women and ethnic minorities in a fuller life....the overall improvement in the human condition of the impoverished majority. Central to the goals of development is the incorporation into productive and...satisfying activities of the people who want to participate...these productive activities serve more than one function: they generate personal income..., they provide centers around which human dignity and self-esteem are sometimes measured, and they allow people to work on behalf of institutions larger than themselves if they choose to do so." (Herrick and Kindleberger, 1983, pp.249,185,49)

The emphasis goes beyond merely creating work. It involves creating an economic structure in which work becomes a source of development for people. This is a concept which applies equally to the organisation of the economy and the organisation of a single work process.

There is, so far, a major facet of development which has gone unmentioned (although it is implied) -- the active or passive role of the participants and the role of the planner. Most community development theorists would describe development as necessarily a process conducted by participants trying to achieve mastery of their situation as opposed to a product that can be brought to them from outside. The emphasis is on an internal process -- internal to the community or group, and internal to its individual members. George Kent speaks of gaining power through action, and its maturation into autonomy.

"People may have all their physical needs fulfilled, but if that is worked out for them by others, they remain underdeveloped....In order for development to liberate people from the causes and substance of their poverty, it must involve a process over which they have control....the role of the professional planner should perhaps be understood as...bringing tools and facilitating the work of people planning for themselves....true development means the alleviation of powerlessness." (1981, pp.313-326)

Galbraith also wrote at length on the theme of "powerlessness" which he calls "accommodation to poverty". He describes acceptance as the only rational alternative to

"living in hopeless conflict with it....Nor is such acceptance a sign of weakness of character. Rather it is a profoundly rational response. Given the formidable hold of the equilibrium of poverty within which they live, accommodation is the optimal solution." (1979, pp.62-64)

Galbraith's psycho-economic model of poverty provides a major insight for development -- exposure of the risk, for those at subsistence level, in taking part in development programmes, and the need to build in alleviation of that risk.

If development is summed up from our readings above, it is:

People acquiring control over their lives in an egalitarian society that devotes resources to universal satisfaction of basic needs and universally beneficial growth; and expands human capacity for improvement.

What kind of economic structures does this imply ?

There are vastly different consequences accruing on both a macro and a micro level according to the economic structure that is developed. For those who are unfamiliar with the main

economic strategies, there is a brief, jargon-less appendix on economic strategies and their development consequences.

The stress of our writers above is on creating an economic structure that does two things:

1. provides an even income distribution to provide the markets needed for driving development (if 60 - 80% of the population is too impoverished to provide markets for goods and services, they cannot be produced)
2. provides even distribution of investment in productivity -- particularly in 'human resources' -- in order to create and maintain even income distribution and development

It is usually assumed that the forces for shaping economic structure come from the public sector. That income distribution can be evened to the extent desired by redistributive policies; and that investment in human resources is done through providing 'public goods' such as education, health care, water and sanitation, etc. For poor women in the countries of the developing world, this is not the case; development planning needs to target a new source of these development inputs if there is to be any development. For IGA planners this implies work as a source of those public goods supplied selectively or not supplied at all.

It also provides a criterion of good and bad work -- does it produce surplus (the value over and above what it costs to subsist) to invest in upgrading the productivity and life of those working ?

Surplus can be accumulated in two ways. It can be captured at the end of a chain of production -- in which case no surplus is removed along the way and all workers, small producers, and suppliers receive only subsistence remuneration for their inputs. On the other end of the spectrum, it can be evenly distributed along the production chain to all who supply inputs to the process -- labour, finance, materials, and goods.

If there is no capture or creation of surplus along the chain, there is no means of investing in those persons or production processes to increase their productivity. They maintain and replicate their subsistence condition. This is borne out by studies of the informal sector and its relation to the formal sector. What Caroline Moser has referred to as "...a continuum of productive activities, with complex linkages and dependent relationships..." (1978, p.1041).

Initially, people enter the informal sector because of two main factors:

1. they have low qualifications for formal sector work (lack of investment in human resources -- education or on-the-job training (Mazumdar, 1976, p.675).
2. The formal sector is marginalising labour in two ways:
 - a. excluding a greater part of its labour from contractual status (hiring only casual or part-time labour excluded from benefits and training) (see page 27; Heyzer, 1981, pp.4-5)
 - b. farming out operations to the informal sector where

wages are below minimum and benefits non-existent
(Moser, 1978, p.1060)

The following points from studies of the informal sector support the contention that lack of surplus capture and creation is reproducing subsistence:

- a. a major outlet of the informal sector is the formal sector or its marginalised employees (ILO, 1978, p.38; Lankatileke, 1987, interview)
- b. an insignificant percentage of informal firms grow to mid-size (ILO, 1978, p.32)
- c. informal sector participants are increasing in absolute numbers (ILO, 1978, p.32)
- d. the informal sector and the formal sector are characterised by under- and over-capitalisation respectively (Herrick and Kindleberger, 1983, p.215)

This indicates an imbalance in surplus flow between the two sectors. For example, Agency for International Development (AID) figures set the percentage of informal sector activity in Latin America at 40 - 60% of GNP (Aid, 1987, p.7), if there is an investment imbalance of that magnitude -- almost no surplus allocation to an average 50% of the economy, it shouldn't surprise anyone that development does not occur. This is confirmed by economic anthropologists like Lisa Peattie, whose studies show small producers in the informal sector whose surplus creation is so low that their capital formation is subject to liquidation for operating funds at any emergency (Safa, 1982).

The accumulation and investment of surplus is at the core of development problems -- no less of IGA. To summarise our insights and economics conclusions : the only way grassroots groups can produce development is through autonomously tapping the economic surplus presently flowing out of their control and using it to increase productivity to create more surplus which can be retained for development needs.

3.2 WHAT WENT WRONG

3.2.1 Reproduction of subsistence

The numbers of women (and their children) in poverty because of un-employment or under-employment is immense.

Approximately 80 - 90% of working women are in the lowest income groups in the third world. (Gulati, 1984, pp.197-202; Heyzer, 1981, p.3) In Latin America, a Brazilian study showed 86% of female heads of household were confined to the informal sector. (Heyzer, 1981, p.3) If over one half of the families in Latin American cities are female-headed (Tinker, 1976, p.33) the target group comprises 43% of urban families. In India, census figures from 1961 show the population of working women below the poverty line is 21.3% of the adult population (Swaminathan, 1985, pp.8-14). Throughout the underdeveloped world, most people in poverty are working, but the most their work seems to do is to reproduce their labour power -- for the next day and the next year. There are rarely enough proceeds from work to pull them over the threshold of merely

subsisting. Their children reproduce that subsistence, and there are rarely enough proceeds for them to escape. Much of the work being performed now could supply women both subsistence and surplus. It is not presently organised for that purpose. When work processes are set up, it has to be clear who is to benefit, and what benefits are priority. Resources for development come from the work process. After repaying the cost of materials and the subsistence cost of labour, the remaining surplus is what fuels development and growth. It is possible for the work process to be so poorly organised that no surplus is produced. It is also possible to organise the work process in such a way that the surplus does not accrue to those who are working to produce it.

Therefore, we have to ask two questions about the reproduction of subsistence: is surplus being created; and where is the surplus going ?

In the summer of 1987, I spoke to the project manager (Sri Lanka) for the Canadian Non-government Organisation (NGO), Plenty, about his employment generation activities. I was particularly interested in the cottage industry of coir spinning; and asked him why, in one of their project centres, they were funding several spinning wheels. What was the reason for that choice? He replied that it was a request from the women using the centre. I asked about the expected daily wage, and the outlet for finished rope. His reply was standard; about twenty rupees per day and selling to the local merchant. I asked further if he had considered whether the

present model spinning wheel could be modified to produce a uniform quality (higher grade rope fetches several rupees more per length). Or if there were a way to avoid the merchant and sell directly to an exporter. He showed interest in both ideas, but neither one had entered his appraisal of the project's merits.

3.2.2 Design-to-scale

In contexts where 15% of the work force; or 43% of the city's families are the target for women's IGA programmes, it is self-evident that programmes designed for central funding and centralised administration are not economically possible. The only programme design that can realistically be considered is one of decentralised units that generate funding out of their own process and are self-administering. Each unit must replicate those two conditions independently of every other unit. There is no use beginning pilot programmes that fail to meet this criteria. Unless there is design-to-scale, programmes can not successfully 'go-to-scale'. This involves not only process, but time-frame, and indicators for evaluation. If development is from within, it cannot be 'programmed' in the sense of outside agendas; if it is a process, the best indicators may not be 'products'.

3.2.3 Gender

The development question is not simply the basic issues for developing countries, but the special needs of women in that

setting and how current approaches have failed in the light of those special needs. Women, in many cases, lack title to the land they work, are not legal economic entities outside the family, or the marriage (or are not considered to be working at all), and are pushed out of markets when development does occur. In these situations the following considerations become an essential part of the planning process.

Counter-productive Development:

Development projects can un-knowingly exacerbate these problems. In Africa, when cash cropping increases, the women who do all the farming after men clear the land, have the double burden of farming the household's own food crops, and the cash crop as well. In the case of feeder roads being made for access to harvests, women lose control over the sale of this produce. Formerly, the trek to market was left to the women; when the dealer comes to the fields with a truck, the man pockets the proceeds of the sale. Many Asian women work in family businesses without acknowledgement of their contribution because it is culturally unacceptable to the male head of household to admit his wife is working. Finally, women who do independent work in small trading/service find the male network restricts them to the lower levels (by income). Processes such as laundry, which were women's province when labour-intensive, are appropriated by men as mechanisation begins to change the process and make it more productive. (Scott, 1979, pp.11-13; Bardouille, 1984, p.175)

Double Burdens:

For women, there is a special problem of combining working (productive labour) and family care (reproductive labour); and the double burden when women are heads of household (Moser, 1985, p.3). In the third world, women have not only a double burden of productive and reproductive labour, they also work longer hours than men in the former.

In South America a study of urban married women in squatter areas showed that with additional hours of outside work, there was no lessening of hours spent in home labour. 85% indicated help from their spouse as absent or rare in child care, food preparation, or washing; 100% indicated no help in carrying food or water (Girling, Youssef, Hetler, 1983, table 17).

Women are constrained by these circumstances (among others) to working at subsistence level in the informal sector, where they can combine child care with work through proximity to their homes and staggered or fewer working hours. Female heads of household are often forced to keep female children out of school to take care of younger children or to help in earning income -- thus perpetuating the situation of lack of education and low productivity (Swaminathan, 1985, pp.8-10; Gulati, 1984, pp.204,206).

In rural areas the burdens are similar. In Africa, women do 70% of the agricultural work, 50% of the work of animal husbandry, 100% of commercial food processing, in addition to child care and work in the home. In South India, they do 75%

of the agricultural work, in addition to reproductive labour. In Zaire, one unit of women's production was matched by .3 units from men (Fagley, 1976, p. ; McDowell and Hazard, 1976, p64). In Nepal, women work 1.4 hours for every one hour of male labour (UNICEF, 1984, p.8)

Women's participation in work which increases social standing -- for example self-managed cooperatives rather than casual labour -- may ameliorate work load discrimination in two ways: increase in respect from outside the home and increase in self-confidence cause the women themselves to demand a more equitable arrangement and relieves social pressure on men to preserve the traditional imbalance.

Integration in the economic mainstream

Women are still considered supplementary breadwinners in most development planning. "Globally, de facto female-headed households -- where women are the primary income earners -- have been estimated at 30% of all households. In some Latin American cities and parts of Africa, the figure reaches 50%. Associated with this trend...is the apparent distribution of female-headed households among the poorest households." (The Working Group "Gender and Housing", 1985, p.4)

These increasing numbers of women are working in the third world to insure their families' survival -- but women's labour is still viewed differently: less tenured, lower paid. There is still "women's work"; women still have problems with credit and contacts as small traders and producers. This implies

that IGA for women should concentrate on breaking down gender barriers by developing non-traditional fields for women's enterprise, and paying particular attention to management by women. The trend of dissemination of new technology to men has also pushed women out of areas that could have become more productive.

General control of their own destinies comes through economic control over their lives. "A sense of meaningful participation in the economic mainstream is desirable socially and politically, quite apart from its economic merits." (Herrick and Kindleberger, 1983, p.138).

Income Distribution : the Gender Gap:

Reduction of income differences between genders depends on women being in control of productive assets; becoming capable managers; completing the same education as men; having access to credit; and controlling markets in such a way that middlemen (or women) do not reap the return to women's labour. It also requires the de-marginalisation of women's work. An ILO study of low-income women workers in the textile and electronics industries in Japan stated: "The male labour force is considered nuclear and the female labour force marginal; thus it can be hired and fired as needed, rather than permanently employed...Part time employment has increased significantly....(8.9% of women's jobs in 1960 to 17.2% in 1978, non-agricultural production)". In fact, the female labour force in that situation is anything but marginal in its

contribution to production -- it is cited as comprising 62.3% and 43.1% of the textile and electronic industrial labour force respectively at the time of the study (Hara, 1984, p.190).

A follow-up on this through a study in *The Economist* shows the trend of part-time employment of women is a steady increase from 1979 through 1986 (2.75 million to 3.5 million) whereas the number of men employed part-time went from 1 to 1.5 million. "One trend that is emerging...is the replacement of retiring full-time sales staff with part-timers, especially those women who were once employed...employing them is cheaper than taking on a full-timer...women are all but excluded from the system of lifetime employment." (*The Economist*, 1987, p.77) As the ILO study demonstrates, accumulation of surplus cannot occur on the scale desired by owners of assets with universal extension of wages and benefits gained by the labour movement. Rather than absorb labour, they marginalise it by structuring production so that a large percent of the labour force is contractually excluded from ever being 'regularised'. Because the dynamic of the situation is worsening, there is no hope of amelioration by eventual absorption of all labour into the formal sector. (Beinefeld, 1981, pp.8-12; Heyzer, 1981, pp.4-5)

Summarising what went wrong, we can say that IGA planning for women must put women in control -- of organising the work process, and of ownership of assets. Development needs design-to-scale to produce decentralised, grassroots women's

groups that can control their own surplus for their own agendas. This autonomy does not imply a diminished role for agencies, but rather a different one, which we will look at.

3.3 WHAT WENT RIGHT: THE CHANGE AGENTS PROGRAMME, SRI LANKA

In the summer of 1987, I worked for an agency of the Sri Lankan government -- the National Building Research Organisation (NBRO). I went to Sri Lanka to look at the context for my IGA Micro-planning model. The purpose was to look at one or more types of small industries and the lives of women working in them; and also to find, if possible, development situations that illustrated my contentions regarding surplus / local agenda control / design-to-scale. Rather than go through NGO's and be subject to their interpretations, I asked NBRO staff working on a national survey of housing whether they had visited villages where there were women's groups undertaking change and development. I was very fortunate in hearing about two villages which had participated in something called the Change Agents Programme. With two colleagues from the National Housing Development Authority (NHDA), and the collaboration of a fellow researcher from MIT Design and Housing, Jinnah Mohammed, I spent several days interviewing members of the organisations formed in the villages of Kamburugamuwa and Jayavijiagama in the Weligama division of Matara District. (Jinnah and I also extensively photographed the work process and setting.) This was by no means a case history, only an example illustration.

Kamburugamuwa is located on the coast, four hour's drive south of Colombo. The area is a coconut growing region, and women work at spinning coir fibre (from the husks) into rope. Over an eight year period, this organisation of women coir-spinners painstakingly created their own development programme -- federated with that of similar organisations in 15 adjacent villages. There were almost no outside inputs. In accordance with the Change Agents Programme design, they developed their own organisation and their own funds. There was never outside support. The process was slow, but consolidated. I came away with the feeling that I had learned 'what development was all about'. Where I had had three theories in my mind, I now had a concrete image of a programme.

After the last of three visits to Kamburugamuwa, I talked to Mr. K.P.G.M. Perera, Director of the Rural Development Training and Research Institute, (Ministry of Plan Implementation); and had several long conversations with an NHDA Micro-planning workshop facilitator, Gamini di Elwis, on the problems of using Change Agents strategies in an urban setting.

3.3.1 Change Agents Programme

With few exceptions, societies practice selective disinvestment in the lowest income group, i.e. failure to allocate sufficient surplus to bring the productivity of that group above subsistence). This can be a costly failure.

Okun's Law provides a multiplier for the effect of

unemployment on GNP: for each percentage point of unemployment, GNP loss totals 2.5 percentage points. In developed countries, the percentage of population in this category may be quite low; in developing countries it is usually a majority of the population.

Change Agents Programme was initiated in 1977 by UNDP and United Nations Asia Pacific Development Institute (Bangkok). The purpose of the Change Agents Programme is to counter the above mentioned dis-investment process (surplus drain) by grassroots mobilisation of surplus for investment in human and physical resources. Principally, mobilisation of funds is envisioned as recapture of surplus along the production chain (creation of additional surplus is included but funds for improvement come from the initial recapture of what exists). The target group for this programme is the small producer in a village -- farmer, coir spinner, tea planter, rubber grower, potter.

Recapture of surplus along the production chain depends on two programme strategies:

1. Formation of cohesive groups with sufficient mutual interest to confront established socio-economic patterns and production relationships.
2. Uncoupling small producers from their present relationship with the formal sector by either changing the nature of their relations or by by-passing it as a purchaser, middleman, or source of inputs. This is done by developing collective investment and group ownership of

raw material supplies and processing, and commercial outlets.

In designing this programme for the rural poor, two groups were targeted: small producers and casual labourers. In the case of small producers there is a much wider base for recapturing surplus (i.e. materials and services used in production; marketing, storage and transport; and finance). Labourers, on the other hand, have access to their surplus only through their hourly wage. The substitutability of unskilled labour in combination with the pressure of unemployment and under-employment makes it difficult to use the threat of withdrawing labour.

Producer groups can usually work at changing one aspect of their relations (e.g. purchase of raw materials) without income being cut off. With labourers, the risk factor is greater -- to recapture surplus by withholding labour, they have to give up income. For this reason the Change Agents Programme has basically succeeded with small producers.

Change Agents in Sri Lanka was started in 1978; it is implemented by the Ministry of Plan Implementation, Rural Training and Development Division. The programme produces 'trainers' who take up residence in a central village with easy access to five or six surrounding villages. The 'trainers' familiarise themselves with the socio-economic structure and relations of the area, and discuss problems with the lowest income residents. 'Trainers' then begin to convene meetings of low-income groups in which possible alternative

economic solutions to their poverty are explored. The emphasis is in getting the people affected to take charge. One of the most useful tools for creating awareness of the group's real economic potential is to have them conduct an economic survey; to document the spending of each family in the area, and analysis the total cash flows in the area for food, raw materials, and finished goods. This makes apparent what surplus is being produced and where it is going. The 'trainers' then encourage formation of 'producer groups' to begin to find ways of changing the balance of surplus accumulation (Perera, 1986, pp.1-14).

The following case illustration of the programme comes from the village of Kamburugamuwa in the Weligama division of Matara district. This group formed under the programme, decided to become completely independent, and continued the programme themselves without inputs from, or connection to, the Ministry of Plan Implementation.

3.3.2 Kamburugamuwa

The village consists of about one thousand families; about 380 produce coir rope and 200 of those belong to the organisation. Houses are of wattle and daub with thatch roofing (which is not particularly water or wind proof); and newer houses of cement plastered mud brick with corrugated iron sheet roof; some houses have sanitary latrines, water is supplied by wells. This is a coconut growing region. Most houses are built in the groves; the land owners allow this in return for

the tenants protecting the harvest and collecting the nuts, in addition to a small rent. Trades are practised according to caste; most of the men are casual labourers. Women work at spinning coir -- the fibre obtained from coconut husks. The husks are soaked in pits to loosen the fibre (six months in sea water; 12 months in fresh water). After soaking, they are hand-threshed: the fibre mass pulled off the shell and pounded apart with a wooden stick. The coir becomes a loose, fluffy mass which is dried and pulled apart into spinable bundles. Three people then work to spin two lengths of rope: one turning the hand-powered spinning wheel, and one on each of two spindles spinning out a rope. The women's usual daily work schedule is as follows:

early morning: thresh beside pits -- 75-100 quarter husks
noon: return home and spread fibre to dry
pull apart fibre mass into spinable bundles
mid-afternoon: begin spinning -- work into evening

These are communal activities. Threshing takes place by the soak pits with children taking part in fetching and carrying and watching smaller brothers and sisters. Drying and pulling apart the fibre mass is done either in the yard outside the house, or if the group has a hand-turned separation drum for pulling fibre apart -- in a group with women taking turns turning the drum and feeding in the fibre. Spinning is done outdoors, usually in the road outside the house, because spun

lengths are about 20 metres. A spinning wheel costs 500 rupees from the local carpenter. One household produces about 12 kilos of rope per week. Rope is sold at different prices for different grades; on average, 12 kilos brings in 180 Rs. So the income is about 60 Rs. per week per person. Daily house-hold food expenses for a family of six (two adults and four children) are approximately 50 Rs.:

rice:	22.5	Rs
vegetables:	10	Rs
fish:	8	Rs
condiments		
sugar & tea	8	Rs

The organisation began as a group of seven people. (Although the coir-spinners are women, participation tends to be by household.) They were initially forced to confront a system in which a network of dealers selling husks / buying rope / and selling provisions colluded to overcharge on sales and under-weigh rope being bought. An elaborate credit scheme existed whereby dealer 'A' gave husks on credit, dealer 'B' bought rope after deducting 'A's credit for husks, and dealer 'C' sold provisions for the credit slip that 'B' gave for finished rope. No money entered the spinners' hands; they did not know what 'A' was charging for husks, and their daily production earned 3.20 Rs. (22.4 Rs. for seven day's work). The first step was to find an outlet for rope -- selling directly to an exporter. At the beginning their sales to such a company not only met with intense opposition from the

dealers, (see Appendix 2) it required quality improvement and an independent system of bulk collections (weighing and accounting) and shipment.

After attaining an equitable price, the organisation concentrated on starting its own soak-pits to both insure supply, and obtain a wholesale price.

Organisational structure is pyramidal and creates solidarity by being based on small groups that meet weekly. Each village has one or more small groups of 7 - 10 households. Once a month, the village meets as a whole; there is also a central action committee that conducts the weekly weighing and accounting for rope shipments. Kamburugamuwa is one of 15 adjacent villages in which the Change Agents Programme was started. The fifteen villages have federated for many of their development activities. The federation has two central bodies: the executive and the working committees (the working committee has three sub-committees that take care of the area's financial, banking, and welfare projects).

All meetings have funds, derived from dues ranging from 25 cents (US\$.01) to one rupee (US\$.04). From these small funds grew the initial buying power for wholesale purchases of rice, cook-pots, husks. When one of the smaller husk dealers was willing to sell out his ten soak pits, the organisation at Kamburugamuwa borrowed the 4,000 Rs. from the funds of the other villages in the federation. Through these small funds, and the financial transactions for rope shipments, which over the past eight years have become thousands of rupees, the

members of the federation have learned money management. They have obtained small loans from the IRD (Integrated Rural Development), and are now interested in finding loan funds for larger development projects. The Kamburugamuwa organisation has started a revolving loan fund for building and improvement of members' houses.

3.3.3 How It Went Right

The development by the Coir Producers Organisation was based on the establishment of a group that was collectively capable of doing what singly it could not do -- breaking down the standing relationships of production and exchange, and replacing them with new relations between their producer group and the buyers and suppliers with whom they decided to deal. The principal result of this re-ordering was to recapture the surplus from their production that had previously flowed out of their control. Having once obtained that surplus, they could begin to upgrade all the things that affected their productivity. Even after recapturing the surplus they had formerly lost, the individual increments were so small that any major investment had to be collective. Cooperation was determined by what were obviously collective projects and collective investments. In the first category there were: marketing (weighing, accounting, hiring a lorry for delivery); finance (prepayment for rope at weighing; loans to group members for husks to fill a soak-pit); bulk buying (husks, food staples, building materials). Collective investment

ranged from buying two hand-powered separation drums (@ 1,500 Rs.) for separating fibre after threshing, to buying out a merchant's ten soak-pits (@ 400Rs.). (This was possible through a 4,000 Rs. loan from the funds of the other villages in the federation.) There was also a centre built (a two-room concrete building for meetings and storage); and drainage ditches. In the future, such additional equipment as mechanised threshers would be possible, as well as looms for making coir matting. There is no reason why spinning could not be mechanised if more 'processed' products as matting were the main product.

3.3.4 Why it went right

Success in the face of rural poverty was based on recognition of two primary factors by the designers of the Change Agents Programme: first, that surplus was the key to improvement, and second, that breaking psychological dependency through building 'awareness' of group strength was the only way of recapturing that surplus. In addition, there was no agenda imposed on the group, and their managerial ability grew due to their maintaining control of the development process.

How does this case exemplify 'what went right' and what is its relationship to the model of IGA that we are setting out to build ?

1. This programme fulfills the design-to-scale criteria.
2. In connection with the issue of subsistence, the surplus redistribution and the investment it makes possible is a

powerful first step toward grassroots development. Even if nothing could be done to create new work -- only improvement of incomes and productivity in current work -- there would be a major change in the quality of life. Demand from more disposable income would itself create new work if the 80% of working women in poverty could earn fair remuneration.

3. Eventually, this sort of programme pulling development energy and surplus back to areas from where it was drained will create intermediary financial institutions which can link to public sector institutions while maintaining local autonomous agendas.

4. The programme provides concrete identification of areas of mutual interest where collective action is demonstrated to be to everyone's benefit. This answers the alleged conflict between collective and entrepreneurial activity.

5. The programme begins with a monetised entry point. There are two obvious goals in the Change Agents' use of wholesale rice purchase. First, it offers a concrete, instant, monetary gain for all participants, with no barriers. Secondly, it serves to demonstrate the strength of collective investment and cooperative planning with a positive example, and lays a foundation for understanding the full implications of the economic survey. This could also be organisation of in-kind benefits, such as cooperative child-care rotating from house to house, or cooperative leasing of a market stall.

The Change Agents Programme, as it stands, has been limited to rural producer groups. But it is built on basic generic

principles that can extend to other groups and urban contexts by applying some of the principles on which Nabeel Hamdi and Reinhard Goethert have developed their Micro-planning model.

4. KEY ISSUES FOR IGA

4.1 MONETISED ENTRY POINT

Describing reasons for propensity to save, Herrick and Kindleberger list: " The perceived existence of incentives and opportunities for social advance through economic betterment." (Herrick and Kindleberger, 1983, p.179). This may be applied to any development activities. There has to be a perceived incentive. This means a quick, guaranteed, positive outcome that improves life. It means something that can be measured. It means something without built-in risk barriers.

Galbraith also mentions the perception of escape; "And, as the possibility of escape increases, the logic and rationality of accommodation declines." (The Nature of Mass Poverty, 1979, p.64)

Lipsey and Steiner discuss the problem of perceived incentives:

"There is lively current debate on how much to make of the significance of differing cultural attitudes. Some believe that traditional and cultural considerations dominate peasant societies to the exclusion of economic responses....(but) People who seem irretrievably lethargic and unenterprising when held down by lack of incentives will show amazing bursts of energy when given sufficient self-interest in economic activity." (1981, p.829-30).

Speaking of self-help development of housing, an AID evaluation of the Tarqui Project in Quito, Ecuador, states;

"During the start-up period, the risks are great that participants will lose interest because there are no tangible results to their efforts. For instance, if a project does not include funds for the implementation of ~~40~~ specific services within a

short period of time, the efforts toward organisation building need to be greater." (Miller, Castillo, Moran, 1985, p.10).

Most women have double work hours, their participation has an opportunity cost -- they could be doing something else that would be of benefit:

"Because it is taken for granted, there is little understanding of the fact that within low income households women have virtually no leisure time. Yet, self-help development schemes...are usually premised on the active, physical, extensive participation of women without recognition of the real limitations and constraints on women contributing further unpaid labour." (Working Group "Gender and Housing", 1985, p.4).

Understanding the situation in this way, makes a monetised (or in-kind payment) entry point essential. This means an opportunity for buying or selling present raw materials or production at a better price; receiving cash payment for labour-intensive upgrading, infrastructure, or services; buying food staples at wholesale price.

There is a related problem of risk connected with entry point activities -- which involves those most needing development activities and least able to participate. First is the risk of being totally without subsistence if a new crop or a new product fails; second, the inability to implement change at subsistence level without interim support, even for a week.

"These risks have varied effects in different economic activities and among different income groups. They explain in a purely economic way behavior that is sometimes branded irrational by superficial onlookers....Failure of the innovation on the peasant's farm may leave its owner starving....Persons with more wealth (including access to credit) can afford the failure of innovation without the personal tragedy that may accompany it for the poor." (Herrick and

Kindleberger, 1983, p.235).

One interview I made in Sri Lanka in the village of Kapuwatte, Midigama division, illustrates the problem of vulnerability -- the risk of losing subsistence in the attempt to put into practice even the smallest change.

The head of household is a widow, 38 years old. Her husband was a casual labourer; he died four years ago. She has nine children, seven of which are at home. The oldest girl is out of school, the rest attend. Each day, she and the children spin enough coir rope to cover their daily provisions -- fifty rupees worth of food. Their schedule is as follows:

- morning: rise at 5:00 a.m.
- . three oldest children spin 10 lengths of rope
 - . mother makes breakfast of tea and bread
 - . children go to school
 - . mother takes the 10 lengths, with those finished the previous evening, to sell to buy the day's provisions
 - . mother and daughter go to soak pits, buy husks, and hand thresh about 188 quarter husks
- noon:
- . make main meal for children
 - . return to thresh
- late afternoon:
- . bring fibre home to dry and pull apart into spinable bundles
 - . children spin 10 lengths
- evening:
- . dinner
 - . children and mother spin 20 lengths
 - . sleep at 10 or 11:00 p.m.

The balance of earnings and expenditures is so fragile that half a day's work missed means a missed meal. The widow sells to a private dealer even though there is a co-operative that offers a higher price -- the dealer pays spot cash; the co-

operative pays after the shipment is made, usually one week later. In order to gain the price advantage of two or three rupees a kilo, she would have to have a week's financing. There is also the possibility of producing a higher grade rope (more uniformly twisted -- the same number of twists per centimetre), but this involves taking time to practice the technique -- and there is no time unless it were financed. Children and old people cannot produce as uniform a quality of rope because they are not strong enough to maintain a constant speed while hand-turning the spinning wheel. This might be remedied by some sort of governing device that would keep the spindles turning at constant speed once the wheel was turned. The improvement would have to be cheap and made from materials the local carpenter had access to. It would also have to be possible to add to the present wheel.

4.2 MARKETING

Choice of product, price, design -- all these are things by which private enterprises rise or fall. They are best left to those who have practical experience of selling, producing, and the local market. With due respect for the exceptions, most programme planners are social scientists who do not have the small entrepreneur's mind set. The main fault of projects is choosing a product and trying to find a market. The entrepreneur finds a market and then puts together a product. One way of circumventing this very tangible problem is by using local knowledge / local expertise in doing this

planning. This requires a process specifically designed for autonomous local planning which we will consider in the last section.

Another possible marketing solution is to use the export marketing advisor most central governments employ, but this is an often slow process, and should not be relied on for start-ups. It is better to begin with markets that need no outside experts and connections -- not only because of the time lags, but because of financing requirements for working capital to carry the production unit over the time between shipment and receipt of payment.

4.3 COLLECTIVE INVESTMENT

The Change Agents Programme description has the following to say about its relation to the co-operative model:

"It is also often said that [it] hardly represents an innovation, but is largely based on the conventional co-operative principles...but the innovative aspects are in the attention it pays to motivation, realization and awareness-creation and self-education. Unlike any co-operative organized from above geared to some specific action, the producer groups are very informal organisations which can be geared to the fulfillment of any of their needs." (Perera, 1986, p.12)

In Sri Lanka, and many countries in Africa and Latin America, co-operatives are accused of serving the vested interests of the well-off in village economic structures. In the case of Sri Lanka, this had to do with political patronage. Co-ops were formed by government acts (e.g. as credit societies on recommendation by the Agricultural Banks Committee of 1909; under a Co-operatives Department founded in 1930; for

distribution of rationed foodstuffs from 1942 - 45). Before 1942, these co-operatives served less than 10% of the small farmers; in the 1951 Survey of Consumer Finance they accounted for only about 7.4% of rural debt. (Marga Institute, 1974, pp. 16 - 19)

The criticism of vested interests seems to have more to do with the issue of control than of people's willingness to use collective models for purchase or marketing. The main point is that foundation of producer groups comes from the participants themselves, and control is retained by depending on their own funding until they have enough confidence and experience to deal with outside agencies while still retaining autonomy. The emphasis on equal power and social sanctions prevents co-op functions like credit from being exploited by those who have no intention of paying and are economically powerful enough to be outside the other members' control.

4.5 TECHNOLOGY CHOICE

"Ideally, methods of production would be adopted only after extensive consultation with the people most directly affected by them, and they would be chosen from a wide range of alternatives after consideration of the consequences for the social and natural environment." (National Science Foundation, 1980, quoted: Kindleberger, 1983, p.237)

Choosing the technology that fits the requirements of the producer organisation means, first, deciding what the requirements are in concrete terms -- the balance of monetary

and non-monetary benefits, and second, the size of the market and the price and quality range of the goods or services produced. "Besides the productive use of labour and a reliance on local (rather than imported) materials, an Appropriate Technology would likely be small-scale, would feature easy maintenance and local skills, and would produce 'appropriate goods', in this case, wage goods..." National Science Foundation, 1980, quoted in Herrick and Kindleberger, 1983, p.237)

Besides taking local materials into account -- the process has to be based on the local skills available, and the amount of financing available for initial investment and working-capital.

It can be useful to trace the historical stages of progressive capitalisation/mechanisation in a process, in order to find a stage close to the particular circumstances for which a process needs to be worked out.

4.6 SOCIAL PROCESS

What type of programme and process does our economic model demand?

1. How democratic and participatory ?

The model we are following postulates collective investment of surplus and equalisation of income distribution. These two factors require maximum participation.

If we accept that decision-making, comprehension, and

control are the evidence of development, it is important to prevent their devolving to a new elite. The goal is to lift the general level rather than that of a few. For process, this implies a non-hierarchical, consensus form of decision-making; and an organisation of the work process and remuneration that preserves that process.

2. What type of entry point ?

Entry point refers to two situations: the original formation of a producer group, and subsequent involvement of agencies --governmental and NGO -- whose aide may be requested, or who wish to offer assistance.

The original entry point needs to be set within a framework providing analysis of the socio-economic structure. Without awareness of a common goal, which can be achieved only through participatory strategies, there will be insufficient motivation for beginning and maintaining collective activities.

The entry point for agency cooperation needs a process through which the group initially formed and planning the development can negotiate funding and other assistance with the agency. It is this need that can be filled by the Micro-planning process, as well as some of the planning activities of the group itself.

3. How collective can problem-solving be made; is the limit determined by culture or situation ?

The Change Agents Programme demonstrates a high degree of success in collective action in a culture that is divided

by both caste and religion. Cultural dis-trusts are often built up over economic causes. This involves minority positions and access to resources. The same processes can work to reverse those positions. If an economic survey shows potential for gain through collective action that is obviously not possible any other way, and the first activity (such as wholesale buying) reinforces that position by demonstrating its success -- social divisions can be overcome.

Another reinforcement for overcoming social division is the experience of working together.

One of the benefits of the Change Agents Programme that was mentioned several times in interviews in Kamburugamuwa, was the effect of belonging to small groups. The weekly meetings and discussion of problems built a feeling of trust and community. One woman said that the ability to discuss problems (such as not being able to afford to serve tea when the meeting was at their house) developed trust; and attending and hosting meetings had tended to curtail problems and improve cooperation between spouses.

The point for collective process is that the main factor is its success in answering the most pressing need.

5. THE MICRO-PLANNING MODEL

"It is an approach to planning and design less designed to tell what to do, but rather to describe how to find out what to do, and then, how to generate alternatives for going about doing it....result-oriented, locally enacted and deal[ing] in the first place with sites rather than urban districts or national strategies." (Goethert and Hamdi, 1987, p.11)

The `point` of the micro-planning procedure is getting together all interest groups having to do with the upgrading process on the site. This means local users, local landlords, municipal authorities, technical boards (water, sanitation, etc.), NGO's, and PVO's. It is then up to all participants, through working as a team, to develop a plan which coordinates their various interests. This sort of face-to-face negotiation can be immensely fruitful if the process is structured in a way that maximises identification of converging interests.

The micro-planning procedure works around answering three questions on a site:

What's wrong ?

What could be done to fix it ?

How can we go about it ?

It evolved out of a number of needs, most of which are problems of participation:

- . Devolving decision-making and implementation power to site level

- . Decentralisation that enables 'going-to-scale'.
- . Participatory decision-making through articulating the problem according to local perception.
- . Using 'ground-floor' expertise of the people who know the site best.
- . Maximising return on budgets and user satisfaction by prioritising according to local demands.
- . Allows incremental planning "an approach which is largely problem-driven and where each action in turn identifies subsequent actions, building the programme as one proceeds, rather than as preemptive or prepackaged."
(Goethert and Hamdi, 1987, p.5)
- . Circumvents bureaucracy and stereotyped misunderstandings.
- . Adaptable to different cultures and societies.

Micro-planning identifies areas of action which create the procedure:

1. Problem identification - generate list and prioritise
2. Generation of alternative strategies - feasible strategies for each problem and the trade-offs involved
3. Programme agreement -- prioritising according to budget / administrative resources / technical feasibility / conflicting interests - final list of actions all participants can agree upon (and lists of each group's priority actions not agreed upon by other participants)
4. Implementation plan - action plan with time sequence and responsibilities of all participants
5. Evaluation feedback

It is interesting that three of five steps -- the majority of the 'action' -- revolves around defining and agreeing on what has to be done. (What's wrong.) The problem defines the solution. In many cases, the technical or municipal authorities limit perception of the problem to fit the solutions they are able to provide. The solution defines the problem. By bringing together the providers of these solutions with the users -- who may feel such solutions are not addressing the actual problems, the crux of the matter is brought to the table. Users are made aware of the constraints facing providers; providers are made aware that there are practical alternative solutions requiring changes in their delivery strategies, but creating more satisfactory results. The ensuing understanding can result in a shift of responsibility for who does what and a change in what is provided. If users have a better concept of what is causing their problem -- responsibility for defining solutions can in a large part devolve to their side. This may in turn create solutions that require their also taking on some of the implementation and maintenance. There is a two-fold solution in this devolution of responsibility: quick, do-able answers to the physical problems; and answers to the social problems of devolving power of action. (And as much as this speaks to social empowerment, it poses a counter-threat of dis-empowerment / loss of power to local government, which may create resistances.) (Goethert and Hamdi, 1987, pp.10-25)

What are Micro-planning's underlying assumptions, and how do

they match our development strategy ?

The main assumption is that the role of the planner is to facilitate people's planning for themselves and implementing those plans effectively. It is assumed that people using the plans are the most effective planners in the following ways:

1. cost effective: the choice of standards is usually more realistic and based on what passes locally at the income level of the site. Priorities are ranked by user importance -- which is useful for incremental planning. Responsibility devolves to users for some of the implementation, administration, and maintenance.
2. expert knowledge of the area: what works -- both form and function. Knowledge of what resources are available that would not be apparent to an outsider, and willingness to contribute the resources of time, energy, and ideas due to involvement and sharing of control.
3. awareness of the need for interim planning -- problems that may arise and need to be planned for as the implementation process goes from 'A' to 'B'.
4. decentralisation of responsibility: more flexible, responsive process; more rapid response.
5. use of the natural processes: the existing networks for getting things done. An ad hoc approach of using what works.

In summary:

This is a flexible way for an agency to enter a problem,

without a pre-determined agenda. The actual problems will be delineated by the people who feel them and in the order of their priority. This is not to say that the agency cannot have input, or try to inform those priorities by introducing new information, but not by over-riding people's own development efforts.

"The natural method of development planning among ordinary people is dialogue. Planning at the community level thus necessarily entails a group of people arriving at their own analysis of the situation, including a confrontation with the conflicts they have among themselves and with others." (Kent, 1981, p.313)

6. STRUCTURAL FRAMEWORK FOR AN IGA MICRO-PLANNING MODEL

Up to this point we have considered how work needs to be organised for women's development. Now we come to the final question: what is the process to facilitate their doing it? This part of the study is very much limited to 'proposal' status. The only way to find out how IGA Micro-planning could work is to go out and try to make it work in a real world situation. What I have been able to do, is to participate in a real Micro-planning workshop (slum upgrading in Chiang Mai, Thailand); and look at a real context (Sri Lanka) with Micro-planning in mind. This exploration gives every indication that Micro-planning would provide what we are looking for -- a process to facilitate women's organising or re-organising work for their own benefit.

In fact, the use of Micro-planning for upgrading projects in Sri Lanka touched briefly on IGA. The upgrading process, which was supported by UNICEF, was not confined to physical planning -- it involved provision of urban basic services such as health, education, recreation, welfare. In most of the community plans drawn up, employment is mentioned on the priority problems list. Taking two examples of Community Action Plans, it is possible to see what approach was used, and why a framework specific to IGA is necessary.

SUMITHRARAMA MAWATHA SLUM UPGRADING PROJECT

Unemployment is number four in a list of seventeen priority problems. The strategy decided upon was assistance for self-

employment. The final action plan listed identification of skills and a credit scheme. There is no frame of reference for exploring the work situation, or creation of new work.

JANATHA PLACE UPGRADING PROJECT

Unemployment is number eight in a list of nineteen priority problems. The suggested strategy was training. The action plan listed vocational training by an NHDA-supplied mason and carpenter, and provision of tool-kits. For girls, there was to be training for industrial machining. The construction skills training programme was already established by the NHDA (as part of the Million Houses Programme) for providing semi-skilled workers. The plan creates a liaison with existing training schemes but does not consider any new strategies. This approach, with its individual basis, neglects the greatest (and perhaps the only) strength poor people have -- collective action. (National Housing Development Authority, 1986, mimeos of Community Action Plans)

Having defined IGA as six types of interventions we need an organising process equally suited to all six. A process that encompasses:

1. identifying a converging interest strong enough to be the basis for group formation
2. creating an initial consensus agenda
3. forming an organisational structure for implementation
4. creating a framework for planning within the group and between the group and outsiders

Secondly, is the process sufficiently generic that it can be

taught to those acting as facilitators without their having business skills; and does it leave room for those facilitators to inject their own experience as it grows ?

The point of the IGA Micro-planning workshop is to organise participant's thinking to arrive at a consensus decision on the next step of their development plan. They must recognise and define the problem; clarify their goals; generate a short-list of alternative solutions; work out the trade-offs among those alternatives; and decide the best single plan of action. This refers to all the participants connected to the outcome. Some of them may have opposing interests -- in which case the process includes the negotiations that delineate what is mutual interest, what is non-negotiable, and what can be traded in mutual compromise.

The role of the business advisor is to develop a framework of questions for each workshop that will enable people who know the situation to apply their knowledge in identifying such things as markets, skills, productivity improvement, sources of credit, etc. Participants can be the women working or wanting to work, agency representatives, technical advisors, local government, etc. Workshops can be held for a group in a village or community; a group of representatives from different groups; a group of future facilitators of workshops; and groups representing agency and/or government programmes. Feedback and experience of designers and facilitators should make it possible to create frameworks more and more generic to type of group, product sector, or location. This becomes

almost like franchising -- where a successful formula is repeated for many units.

There are questions that arise in regard to using the Micro-planning model. First, will use in a gender-biased or hostile situation or setting nullify its effectiveness for women ?

The IGA Micro-planning process is based on concreteness of facts and numbers. This can have two positive consequences in a setting where there is un-even power or conflict of interests. First, if women negotiating have concrete facts they are more able to present a case for their demands and be comfortable in doing so. Second, factual statements provide a basis for concrete, neutral negotiation from both sides. Third, concrete facts often make it possible for all sides to see how their interests converge.

The example of the coir producer's organisation demonstrates that a setting of good-will is not a requisite for introducing change through a process which was very like that of Micro-planning (formation of interest group and implementation of independent agenda).

A second relevant question is: can Micro-planning be used in groups that are already established ? Micro-planning is intended to address situations of uneven power and to facilitate finding convergences of interests. But in cases of `refusal to play, or `unspoken agreements' which mask power structures, convergence of interests cannot take place because the dominant group will not come to the table; or there will be no admission to having separate interests.

IGA Micro-planning is structured to be an on-going process over a long time frame. It specifically allows for the need to build up group solidarity and experience by starting off with recapture of surplus in current production and/or creation of surplus through wholesale buying of staples or materials (as in the Change Agents Programme), or provision of in-kind service such as day-care. It would defeat the purpose of the structure if an agency were to enter a situation and attempt to begin with loans and sophisticated costing and productivity exercises. This is a framework to facilitate development through planning -- by the women who want to change their situation, as well as planning for development. The process of planning itself is a developing experience, and has to proceed by stages.

Basically, there are four workshop elements that can be used repeatedly as needed:

1. analysis of surplus potential
2. deciding targets
3. productivity analysis
4. strategic plan

These elements for planning deal with the following:

6.1. ANALYSIS OF SURPLUS POTENTIAL

Loss of surplus stems not only from non-capture, but also non-creation. Therefore, the two areas analysis focuses on are surplus distribution in the economic structure; and

productivity within any type of production.

Is surplus lost to the community for any of the following reasons:

1. is surplus flowing out -- through imports / use of non-appropriate technology or energy ?
2. is surplus not being captured due to present economic structure ? (chains of production, buying, selling)
3. is surplus not created -- due to low productivity / sale of unprocessed commodities ?
4. is surplus not growing from lack of collective strength in investment ?

6.2. DECIDING TARGETS

The group has to be concrete in its goals and aware of the trade-offs they necessitate. What income increases are desired, and what does that require in changes in the work process ? What use does the group wish to make of the incremental surplus they are targeting ? How can surplus be used for development ?

1. how much increase in income -- in absolute and percentage terms ?
2. what non-monetary benefits are necessary -- training, work safety and health conditions ?
3. what group investment is necessary for immediate plans ?
4. what special needs exist -- the weakest producers (old and children), children unable to attend school ?

6.3. PRODUCTIVITY ANALYSIS

What is the potential productivity of the process, as compared to its present level ? How can the process be re-organised to increase productivity given the skills and resources available?

This has to take into consideration and balance the trade-offs between monetary and non-monetary benefits. For example, cross-training may save more time than specialisation -- but the fact of its maintaining egalitarian relations in production and the implications for income distribution is a consideration of equal importance. There have to be a number of conscious decisions about life-style before process changes are discussed. For example, should work be done in a central facility, as opposed to individual houses ? What changes would that impose (or what problems would it alleviate for child-care, meals, work hours) ? The process needs to be looked at from the standpoint of uniform income distribution. Is there a sub-group unable to produce at the rate of the other group members ? Why, what handicaps might have to be planned for: low productivity due to lack of health, strength (age-related), skill, amount of house-hold labour (or low productivity in house-hold work), responsibility for children or old people ? Lastly, the process should be looked at from the point of view of children's education. Are there children working and unable to attend school ? Are there children unable to attend because of taking care of younger children ? (Can this be even partially alleviated ?)

Production process can be looked at for bottle-necks, major costs, and largest potential gains in time in:

- 1 buying / transport / storage of materials
- 2 financing
- 3 product type or design
- 4 process: equipment / division of work / skill
- 5 selling
- 6 storage / transport of finished goods
- 7 accounting and management

6.4. STRATEGIC PLAN

After deciding on the target, and reviewing the production process to determine what the actual resources are for reaching targets, the group has to arrive at a plan for changing or diversifying its production by stages. After initially regaining lost surplus, they have to take stock of what income level can be guaranteed with the present production system. Is there enough surplus to:

1. invest in increasing productivity -- human skills and physical equipment ?
2. maintain the desired level of health, education, and welfare?
3. supply housing / consumer goods at the level desired -- at least to maximise health ?
4. allow enough time for collective management activity and the desired level of time for family activities.

If the answer is no -- to being able to supply these

goals, then the next step is to analyse the possibility of increasing surplus. Two possibilities exist. First to decide whether their present production is potentially able to supply the required surplus and what initial investment would be necessary to increase productivity. Second, to decide what other types of production alone or in combination would have that potential ?

6.5 APPLICATION

The trick of using information from the above categories is not particularly complicated -- it is 'costing backwards'. Begin with the goal -- a price for a product, or an income level -- and work back step by step.

For example, we can sell widgets in the market for 50 cents a piece. We want 25 cents surplus, so what kind of a widget can we make for 25 cents to sell at 50 cents ? Only after identifying the price in our market, and the mark-up, do we start to design the product. After designing a good 25 cent widget for which materials cost 10 cents and labour costs 11 cents and overheads are about 12% (4 cents), we have to guarantee two more things. Can we get enough of the materials at the above price, and can the labour cost be kept standard ? The process of designing must allow feedback from design of product to the process of making it and back. For example, the trade-off between using more material and less labour or visa-versa must balance out to the cost and quality required. These are the variables in our decision-making process.

Let us use skirts for an example. The rule is that we start from a known market, not a product. That means knowing there is a market for approximately 2,000 skirts at the price of \$10; (if the price were higher, the quantity we could sell would be less; if the price were below \$10 -- the quantity would go up).

The workshop format would be as follows:

MARKET	=	2,000		
PRICE	=	\$10		
WAGE	=	---		
MATERIAL	=	---		
OVERHEADS	=	---		
SURPLUS	=	---	---	% = INCOME
			---	% = BENEFITS
				& INVESTMENT

The purpose of the exercise is to fill in the unknown quantities one by one -- starting with those that are desired to be at a certain level, in this case, wages and surplus. Of course, we want to keep wages and surplus as high as possible, but the cost of material will have a relation to the final quality demanded for the skirt's price -- \$10. From the price and the particular market, we know roughly what the style is, which determines the quantity of material used.

There may be trade-offs between using more material and less labour (a few large pieces usually leave more waste in a cutting layout than a lot of small pieces -- but the smaller pieces require more labour time to put together). But let's say the cost of material is fixed to begin with, and fill in the blank. Overheads will represent selling costs such as shipping, packing, accounting, re-payments for equipment, energy, etc. Now there is the unit price for labour. It is

more practical to pay by piece, so there is no dispute among those working about how much work is being done. This is fixed by what a trained worker can produce. Until others get up to speed, the surplus finances their training. They lose on the piece-work which is based on an hourly output, but they receive the surplus. (Piece work is a compromise in that women are paid by skill and strength -- which differentiates among workers. But 'income' from surplus division is equal among all workers.) When all the blanks are filled except surplus, we can see what it will be. It is up to the women to decide if the surplus and the wage are sufficient, or if the product could be modified to make them sufficient.

On the next decision level there are the following questions:

NUMBER NEEDING EMPLOYMENT	_____
INCOME GOAL	_____
PRODUCTION REQUIRED	_____
MARKET DEMAND	_____
INVESTMENT NEEDED	_____
TRAINING NEEDED	_____
MATERIALS AVAILABLE	_____
BREAK-EVEN POINT	_____
OUTSIDE ASSISTANCE	_____

Through this type of exercise, a group learns very quickly the technique of planning for new production and product modification from the standpoint of what the production will support and how well.

In the example case of Kamburugamuwa we can do strategic plans

for several stages. The beginning stage illustrates how a workshop might have been used when the coir spinners were as yet unorganised. The worksheets -- which are filled in by the groups working -- would list the following underlined headings. The facilitator would present three generic strategies: costs; price; productivity. After working out the objective and target, the group must generate all possible alternative objectives for strategy -- elaborating on the generic categories. Each strategy in turn generates one or more actions for carrying it out. The final list of actions should be in the order of the most immediate and obtainable through medium and long term.

<u>OBJECTIVE</u>	<u>TARGET</u>	<u>STRATEGIES</u>	<u>ACTIONS</u>
% increase in income	Rupees per week	decrease costs increase: quality grade \ lengths per day / price	bulk purchase improve wheel seperation drum direct sales

<u>RESPONSIBILITY</u>	<u>PLAN</u>
all households	form producer group to buy and sell in bulk
producer group	form committees for undertaking the functions designated in the plan
executive committee	technical advice / aide from: Sarvodaya ITDG (Intermediate Technology Development group)
working committee	apply for loan from IRD (Integrated Rural Development)

After the objectives of this plan have been partly or wholly achieved the group will want to plan new strategies for new targets. If it is the case that spinning rope will never increase incomes to the level ultimately sought, they should review the possibilities of the next step in processing. In this case, the actions would include: mechanised threshing; and hand looms for weaving rope into mats. The cost of the former would be ten thousand rupees for two threshing wheels on a motor drive; hand looms cost about 4,000 Rs. each.

7. CONCLUSION

The development process is an educational one. If women are not active participants in planning and execution, their development can be impeded by one more dependency situation. Learning to do it for yourself is what development is all about -- the reason we can tie our shoes, write our own cheques, and do planning. The planner's role is to initiate, not to control, and to facilitate, not to direct. Finding a way to do this is not an easy process. Any generic model, such as Micro-planning has to be applied with judgement. It doesn't help if the planner knows how, it helps when the planner passes on knowing how. Any participatory framework for planning is designed with that priority. The IGA Micro-planning model proposed here was designed to teach analytical, entrepreneurial thinking, as much as to act as a planning exercise.

APPENDIX 1

ECONOMIC STRATEGIES

The economic world is divided into several major camps on the subject of the development process. It would be useful for our own later conclusions to take three main objectives that all schools of thought consider central to development (income, growth, and technology), and examine the issues and strategies around each.

To simplify, we can look at the main opposing views: neo-classical and progressive. Neo-classicists hold that free market adjustments -- the automatic response of supply keeping up to demand for goods, capital, or labour -- will allow the necessary adjustments in the structuring (who gets what) of the economy. It has been remarked in answer, that the neo-classical model does not hold, because there are no 'free markets'. There are markets in which supplying power is monopolised -- by a DeBeers or an OPEC, and there are markets in which buying is monopolised -- such as for copper, or bananas, or (pre-OPEC) -- oil. A nice example of this was aired in a discussion on National Public Radio (July 1985): in 1984, commodities worth US\$ 2.5 billion in final sales left Africa; 12% of that dollar figure returned and from 2-4% trickled down to the actual producers. Essentially markets are arenas of uneven power and control, rather than equilibria of supply and demand. But as labour organising and consumer groups demonstrate, socio-political organisations and structures can rearrange those balances by creating new power

groups. The progressive position emphasises that to be permanent, economic gains for any group have to be grounded in social and political power, evidenced in equity and control of their economic destiny. Control of assets rests in ownership, therefore, it is necessary to consciously determine what forms of ownership and management are necessary for economic development by any particular group.

As we began to discuss, all economic schools of thought examine development through three basic points:

national income

growth

technology

Looking at economic theory should answer, and maybe anticipate, 'consequence' questions -- "does it matter if...?" Does the form of ownership, or the work process, or the type of product really make that much difference in getting people out of poverty; is a job a job; is any kind of work better than none ?

1 Increased national income vs distribution of income

"It is a truism that poverty will be eliminated much more rapidly if any given rate of economic growth is accompanied by a declining concentration of incomes." (Dudley Seers, 1969, quoted in Galbraith, 1979, p.73) Compare two countries: one has a broad-based market because the differential in spending power (income) between the lowest income level and the highest is less than five; the second has an income differential of

44, and the 40% of the population who have the lowest incomes receive only 9.9% of the nation's total income.

The second country may end up with 80 to 90% of the population having very little to spend on goods or to put into savings so that investment can be made in productive assets. As Herrick and Kindleberger put it: "Growth in incomes leads to growth in effective demand (buying power) and hence in the size of markets. Some economic historians describe the process of development as one of increasing market-size." (Herrick and Kindleberger, 1983, p.245) The more uniformly well-off all members of the society become, the greater the aggregate purchasing power to stimulate growth and investment. The neo-classical school takes a passive approach to income-distribution. Growth in the present (unchanged) structure of the economy is expected to trickle down through all income levels. The progressives point out that if, for example, growth is promoted in an urban or modern sector, there can be no trickle-down to a rural or traditional sector if there is a disjoint between the two "...in developing countries capital-intensive industries frequently function as enclaves with few local linkages...". (Richardson, 1978, p.27) Or, if the control of assets is such that one sector has complete power to dictate price in its exchanges with the other, as in the case of the formal sector being supplied by sub-contractors in the 'informal sector'.

One of the standard neo-classical texts -- Lipsey and Steiner, Economics, sixth ed. -- confirms this disjoint with the

observation that "...the poverty problem is no longer rooted in low average productivity but in the fact that particular groups have been left behind in the general rise of living standards." (1981, p.399) Even our neo-classical textbook relates poverty to representation in the productive system. "A large part of the problem of poverty is due to the pricing of the labour services that people have to offer....(labour) pricing and hence the distribution of income is a by product of the market allocation system....as a result of the market's valuing the particular abilities that an individual does have at such a low price that, even in good health and with full-time employment, the income that can be earned leaves that person below the poverty line." (Lipsey and Steiner, 1981, pp.401,407) Only when the market for labour puts intrinsic value on an economically stable distribution of incomes and maintenance of a certain basic standard of living, will the market pay labour accordingly. Progressives hold that that kind of market valuation is most likely to occur when the buyers of labour have the same interests as the sellers -- when assets of production are the collective investment of the people working in them. Lipsey and Steiner quote Nobel Laureate Arthur Lewis: "The case for economic growth is that it gives man greater control over his environment, and consequently increases his freedom." (1981,p.819) "Choice of planning options is in part a question of the nature of the society that will be created once development has occurred." (Lipsey and Steiner, 1981, p.835) It could be re-phrased that

development cannot occur under some planning options -- one being income distribution policy that does not aim at creating the broad-based markets that fuel development. Social equity and economic efficiency are often represented as an 'either / or' choice. In fact, the efficiency referred to is efficiency of one sector or another which benefits a small percentage of the population whose economic interests are represented. For society as a whole, social equity represents the highest economic efficiency for long-term development.

2 Growth: expanding productive capacity through investment in human and physical capital.

If capacity is fully used, investment in both physical equipment and human skills is necessary to create growth. Investment is the plough-back of the economic surplus (the value created after subsistence is satisfied) that does not go toward increased consumption. "...until an economy can produce more than its subsistence requirements, changes in the composition of its output, signifying development, are unlikely." (Herrick and Kindleberger, 1983, p.21) How much of the surplus is invested, and for what purpose, is crucial for development. "It appears necessary that the community's surplus above the mass-consumption level does not flow into the hands of those who will sterilise it by hoarding, luxury consumption or low-productivity investment outlays." (Walter Rostow, 1971, pp.49-50) To this we can add those who send large amounts of money (so-called 'refugee capital') out of

developing countries to invest in the money centres of the developed world.

There are two main questions raised by the topic of growth: how should surplus be accumulated -- by whom, for whose use; and how should surplus be allocated in investment -- to produce what, how?

SURPLUS ACCUMULATION

How should surplus be accumulated and what development results accrue to what modes of accumulation ?

Surplus can be accumulated in two ways. It can be captured at the end of a chain of production -- in which case no surplus is removed along the way and all workers, small producers, and suppliers receive only subsistence remuneration for their inputs. On the other end of the spectrum, it can be evenly distributed along the chain to all who supply inputs to the process -- labour, finance, materials, and goods. (In most instances, the situation is a mixture between the two.)

There is an important development consequence of having surplus accumulated at any point on the production chain. If there is no capture or creation of surplus, there is no means of investing in that person or that production process to increase their productivity. This covers everything from education, to motorising a treadle machine, to computerised data retrieval. The consequences can retard development if only one sector, or region, or income level receives this investment, and others, which are ultimately linked to it, fail to receive investment to keep up.

The way in which accumulation is achieved in turn influences the type of investment which is made. Accumulation at the end of the chain makes possible large capital formation which leads to yet more intensified, centralised accumulation and control -- and greater polarisation of income distribution. (And the greater the differential in incomes, the more the market for goods and services shrinks.) Incremental distribution of surplus all along the chain requires a pooling of investment for major capital outlay, but it allows decentralised control of productive assets that is responsive to a wider interpretation of what type of investments are desirable. It has the possibility of matching local interests to their productive assets, as opposed to control from owners whose interests do not reflect those of the location. And finally, collective investment implies the possibility of democratic representation of interests across class and gender lines.

In neo-classical theory, regressive income distribution is acceptable on the basis that it facilitates savings. Neo-classicists advocate investment (for example, in projects) that increases inequality of income distribution on the assumption that those with higher incomes have a higher propensity to save, and therefore, facilitate accumulation of surplus for investment. Herrick and Kindleberger's critique confirms the generally observed loss of investment through the 'refugee capital' phenomenon. "Redistribution of income (trickle-down form) through project choice emphasising greater

capital intensity and higher savings has so many possibilities for diversion of valuable resources that our skepticism of its wisdom has purely economic justification. If we add the political considerations implied on a regressive redistribution of income, it seems a deficient investment criterion at best." (Herrick and Kindleberger, 1983, p.176)

Neo-classicists have also espoused the model of centralised accumulation through the theory of maximum long-run efficiency (in plant size) where the largest efficient production possible is used, to reduce unit costs of production to a minimum. This assumes acceptance of lowest production cost as the criterion of greatest economic benefit, but without asking the question: benefit to whom? Lowest production cost is based on lowest wages and benefits; least safety regulation; and greatest mechanisation of work -- involving least skill-training and work satisfaction. It also involves 'externalising' the costs of pollution (passing them on to the public) and least control of pollution and waste. Last, but not least, it means centralising control and wealth in a tiny minority who do not comprehend their interests to coincide with those of the majority.

SURPLUS ALLOCATION

The second question related to growth and investment is : how is surplus (investment) allocated ?

The neo-classical answer is that price (the highest bidder) determines allocation of resources -- including investment

surplus. The highest price can be offered where the surplus earns the highest return. Setting one interest rate at which 'bidders' can borrow automatically eliminates projects whose return could not cover the interest payments. This automatically makes 'returns' the sole criteria for the investment that determines the economy's structure -- as opposed to priorities of development or social needs. Unfortunately, the cost/benefit analyses upon which loans to a project are made can reflect returns that occur in industrialised countries but are not possible in developing countries -- due to markets that take up less than plant capacity; unavailability of trained local labour / management; lack of needed infrastructure; etc.

This approach has raised two questions. First, do neo-classical assumptions for developed countries really hold in non-industrialised countries -- does the price mechanism even work? And secondly, if it did, is 'return on investment' the best criteria for allocating surplus ?

"In underdeveloped countries it is sometimes said, the price system does not work. An increase in demand for a given product elicits no response because supply is inelastic....a decrease in price, moreover, does not stimulate increased competition: existing buyers do not buy more and new buyers are not added..." (Herrick and Kindleberger, 1983, p.249)

Galbraith described the failure of the price mechanism in subsistence economies even more succinctly; "Below a certain level, the response to market change becomes a casualty

of...poverty." (1979, p.88) For example, a fall in wages -- the price of labour -- should cause people to withdraw their labour and go elsewhere. In fact, at subsistence, when wages fall (even below the cost of subsistence) a greater labour supply goes on the market. If a poor household in the third world has two wage earners (out of five persons) and wages decrease, the three others (who may be above or below normal working age, or incapacitated in some way) must add their work to bring total household earnings up to survival level. Just as supply fails to follow neo-classical rules, demand in such households is completely inelastic in regard to price change. If their minimum ration of food becomes more expensive, they will not, before starvation, decrease purchases; but if the price goes down, there won't be significant increase in purchases because food is already 80% to 100% of the household budget.

If the price mechanism is in-operative, allocation of investment capital is arbitrary. It may be based on lack of alternatives, politicisation of allocation, alliances and vested interests.

This returns us to the second question -- whether the neo-classical criteria of 'highest return' is sufficient for allocation of surplus for investment. Considering the development of the entire economy as a whole, are 'price mechanism' and 'returns' not arbitrary in many circumstances? Particularly if the initial goal of development is a broad-based foundation of basic infrastructure and markets.

"If a relatively labour-intensive technology can be chosen for all sectors and all projects, this will make for a more unified or integrated economy, with a fair degree of equality of labour productivity in different sectors creating a favourable situation for a reasonable equality of income distribution. If, on the other hand, access to scarce capital or other scarce resources...is liberally given on a privileged basis to a certain sector or group of projects, these sectors or groups of projects will form a modern, of "formal" sector which will be counter balanced by a capital-short or "informal" sector....Such a situation will make for a non-integrated or dualistic structure of the economy with inherent inequalities of income distribution and a likelihood that those outside the modern sector will fail to satisfy their basic needs." (Singer, 1982, p.1) In the case of third world development, formation of a small 'modern' sector had nothing to do with return on investment surplus.

"Large (foreign) corporations...may make decisions about technology which are rational with respect to the enterprise, but which are clearly not optimal for developing countries."
"...it is not an economic or technological choice...but a political choice. The political economy of underdeveloped countries tends to include a small elite which would be harmed by any shift away from this situation." "...a belief in arguments of efficiency and a lack of concern for national needs." (Malecki, 1983, p.109-112) (Technology choice is another aspect of surplus investment we will consider in

detail.)

Progressive economists see allocation of surplus through investment in the same way as income distribution. The more broad-based investment and development are, the more stable the resulting economy. Steady, even growth with the least possible polarisation is preferable to volatile growth that creates polarisation. The type of polarising growth that depends on draining surplus from one area to create investment in another may create more long-term problems than justify the short-term higher return. An example being where food sufficiency in a country has failed due to government's diverting investment from agricultural to urban projects, causing decline in a viable sector.

In planning community development through IGA, the question of where to allocate surplus investment is a prime issue. Where should we look for markets -- export goods or domestic; basic needs ('wage goods') or luxuries? Having decided on the product, which is the appropriate process -- human skill-upgrading or physical equipment? What importance should we place on the people involved owning the production facilities? And what mixture of financing sources -- local, regional, or national?

On the issue of 'wage goods': "labour productivity will be enhanced by emphasising the production of wage goods (goods bought by workers, those earning wages) whose domestic markets are potentially large and whose factor proportions (the ratio of equipment to workers) are flexible. When local

productivity improvement agencies suggest domestic methods and materials as substitutes for more expensive imported technologies, then higher output, higher income, and greater employment can be simultaneously achieved." (Herrick and Kindleberger, 1983, p.216) Wage goods offer the most broadly-based markets, with the greatest linkage to other domestic producers.

The choice of potential markets for IGA is complex: should there be production for domestic consumption or export ? If a country or a community invests its resources it important to look at whether its own needs are being met before diverting resources to satisfaction of outside wants. It is important to look at how volatile the market is for whatever goods are to be produced; we can also consider the consequences on economic structure -- is there an imbalance in market power that will keep prices below use value; is there potential over-dependence on one type of production (lack of diversity if supply dries up or the market falls off); is specialisation in one type of production sowing seeds of resource depletion or ecological disaster ? Are supplies available for expansion; does marketing these goods require outside skills ? What are the consequences in five or ten years time in the light of these issues ? What kinds of jobs are produced; in what numbers; with what kind of linkage to the local economy ? These are questions that effect community level decisions as much as regional and national levels.

The decision to invest resources to produce goods for export

or domestic use involves consideration of return on the invested resources from many aspects besides the monetary advantages. Long term effects on the structure of the economy have to be compared. On a national scale, trade in primary commodities has proved to be an uneven exchange between developing countries and the developed world. The deterioration of terms of trade mentioned before refers to buying imported inputs -- for example fertiliser and tools at a high price (with foreign exchange) and selling an unprocessed commodity with an almost complete drain of surplus value to the final processors of the product in the developed world. (This does not take into consideration the additional effects of monopoly buying in artificially holding down the price.) In 1984 commodities worth US \$ 2.5 Billion in final sales left Africa -- 12% of that dollar figure returned and from 2 - 4% trickled down to the actual producers. (discussion on National Public Radio, July 1985) Dependence on imported inputs means, if prices fall, foreign borrowing and/ or increased export production to try to increase foreign exchange to supply the necessary inputs. This kind of trade relationship sets up a vicious circle. The third world country produces a primary commodity -- no value-added through processing. It sells in the international market where price is controlled to its disadvantage (either buyers are monolithic and function as a cartel or fluctuation of the foreign business cycle cause demand to rise and fall erratically). "Because these developing countries relied only

upon the exports of primary products, the terms of trade fluctuated widely in the short-run and deteriorated in the long-run....According to Todaro, the terms of trade of non-oil producing third world countries continuously deteriorated between 1972 and 1982 to their lowest level in twenty-five years." (Polenske, 1985, pp.11,14)

Export production has been the cause of failure to be self sufficient in basic needs like food. "In some (African) countries food production has declined,...partly because of patterns of agricultural investment which have undermined traditional family food security." i.e.the increasing conversion of food producing land to cash crops. (Unicef,1984, p.3) The two major drawbacks of cash cropping are the instability of market prices and drain of surplus value; and the resulting over-use of marginal land for food production -- aggravating desertification. "In Niger in 1920, farmers were reaping on average 500 kilogrammes of cereal per hectare. By 1978, it was 350 kg. " (p.5) "Food production in the Sahel has been on the decline for years, as investment in cash crops to earn foreign exchange has taken precedence." (p.4)

Ironically, there is often a continuing shortage of foreign exchange for agricultural investment, as "...much of (foreign exchange) is consumed by services in urban areas." (p.31) "In Mali, between 1967 and 1972, while food production floundered during yet another drought, cotton production increased four-fold and peanut production grew by 70%. Cash crop development strategies have run into problems as commodity prices have

dropped on the international markets."(p.4)

This has two effects: either more land is pushed into cash cropping to compensate for falling prices and loss of foreign exchange. Or, as was observed in Tanzania: "...since the onset of acute difficulties for Tanzania's state economy in 1980, many farmers have switched from cash to food crops. What the economic crisis has meant, therefore, is that many villagers in Tanzania today have more to eat. The natural economy, the one in which most Tanzanians operate, is faring better, ironically, because the state economy is depressed." (p.30)

Export manufactured goods, such as clothing or electronics, because they are intended to exploit the wage differential between developed and underdeveloped countries, marginalise work (mainly done by women) to the greatest extent possible -- often making it untenured, without benefits, and without skill training. 'De-skilling' of operators makes labour less specialised and therefore increases substitutability with the result that the large pool of un-employed and under-employed population can keep wages at just above subsistence level.

On the level of the individual firm, there are several potential dangers in choosing to export. Against the possibility of a larger market is the necessity of dealing with an export agent on the home end (which puts an average 15% on the wholesale price) and the possibility of a central buying agency in the country to which goods are sent. It is not uncommon for centralised buyers to build up business with small suppliers until their total output is exclusively going

to that buyer. At that point -- with the producer having taken on debt to expand production -- the buyer can withhold the next order until price is adjusted in the buyer's favour. I have seen this strategy used on small producers -- particularly sub-contractors -- in garment manufacturing. In addition, there may be requirements of more exact quality control/standardisation of the product which can only be done by increased mechanisation. The debt to be taken on for that increase in physical capital may well be too heavy if there is a sudden fluctuation in price or exchange rates, or lower volume of orders. In turn, if orders are larger, operating expenses will require more financing and will be tied up over a longer time in inventories, wages, and expenses.

EXTERNALITIES

"As development has involved a rapid increase in human population, combined with an accelerating use of resources, thinking about development has had to move beyond a concern with increasing the production of material goods to a concern, as yet not clearly reflected in practice, for maintaining a balance between human activities and nature." (Peattie, 1981, p.32)

The socio-environmental issue raises a basic question for development planners: is conservation a trade-off with development and growth? Or does development actually fare better when conservation is part of its agenda? (And can conservation be a legitimate part of its agenda?)

A large issue in connection with conservation is the question of 'negative externalities' -- who bears the costs of pollution and waste. And how do different types of ownership provide monetary incentives to do less wasting and polluting? The different structures of surplus accumulation and investment we looked at are directly connected to incentives and dis-incentives to pollution and waste. Returning to our neo-classical text: "Cost to the producing firm, is the value of the factors of production, used in producing its output." (Lipsey and Steiner, 1981, p.177) The firm's production cost per unit does not reflect the cost to those living with polluted water or those paying taxes for policing water clean-up. Likewise, the firm's unit costs do not cover the country's loss from the drain of scarce foreign exchange due to a choice of foreign technology -- with long term outflows for equipment, materials, management, and parts. 'Negative externalities' are production costs (like polluted water) that are not paid by the producers (except where legislative action forces the issue). They are 'external' to the process; their effects are felt outside the production facility. As centralised accumulation of capital creates larger and larger industry, the consequences of technology choice for pollution and waste become more and more monumental. The possibility of geographical and psychological distance of investors from the consequences of that choice (and from the actual decision-making) grows as ownership of production becomes divorced from those in geographical and

psychological proximity. This makes local investment of surplus a reflection of the real interests and development of an area. When investors and producers are geographically and numerically connected to the negative effects of production they are aware of having to bear the costs, regardless of whether internal or externalised, this creates incentives to both reduce those costs by technology choice, internalise pollution costs, and effectively decrease pollution. Again there is economic rationality in decentralised accumulation and allocation of surplus.

HUMAN CAPITAL

"Most development economists have become convinced that the formation of human capital is important, perhaps even central, to the development effort in poor countries." (Herrick and Kindleberger, 1983, p.193)

The foundation of change and development is change in human awareness and capacity to organise social and economic change. Galbraith advocated the first step for funding development as increasing the general level of education and awareness -- to in turn create a broad-based receptivity to more specialised programmes such as agricultural extension work. (1979, p.73)

The idea of development as a product of human awareness has three implications.

First, that work must be part of the process of development rather than just the product. Work itself must be organised to provide upgrading of human capital through skill-building

in technology, planning, and management.

Second, when surplus from production is allocated for investment there has to be provision of educational programmes for both present and future workers.

Third, IGA have to be embedded within a long-term educational process that builds awareness of the opportunities for change. These arguments are based on several assumptions. First, that existing work is the best organising point around which change and awareness can be created. A majority of our target population are engaged in work that is not organised to fulfill their needs -- but could be. The possibility of real, immediate improvement in income and conditions is one of the strongest organising bonds that can hold an otherwise diverse group together. The second assumption is that the process of development means peoples' gaining economic control of their lives. In order to increase comprehension and mastery, there has to be a logical expansion of experience. Control of the work situation begins with comprehension and mastery of the present conditions and follows through the various stages of increasing complexity as the organisation of work is developed to fill their needs.

The third assumption is that education is not a formal experience. That it is more valid if it springs from a situation where there is a felt need for increased ability to control the situation.

If development begins with people taking control of their lives economically, it follows that development of production

must be within peoples' control from the inception. To be within control it has to stem from the present level of economic experience and be built-upon as participants themselves build up expertise. Between subsistence and industrialisation there are some fairly recognisable stages. The first one has been referred to as "commercialisation" -- an important pre-industrial stage in which marketing infrastructure is developed for financing, organising production for markets, and transporting goods; and the entrepreneurial experience is built up. "A well-developed entrepreneurial class, motivated and trained to organise resources for efficient production, is often missing in underdeveloped countries. This lack may be a heritage of colonialism that gave the local population no opportunity to develop." (Lipsey and Steiner, 1981, p.827) Colonised countries in many cases had this infrastructure destroyed by legislation forbidding trading activities to the colonised population. supports for marketing products. It is important to remember that 'commercialisation' may exist under the control of one class of people (as in a caste system, or where a coloniser has brought in another national group to conduct commerce) but the majority remains undeveloped in this respect.

There is a second obvious stage, involving productivity, which we can call 'small machine-shop'. If 'commercialisation' develops entrepreneurs and infrastructure, the 'small machine-shop' stage concentrates on development of technological

problem solving. Contrary to the label, the technology can be of any sort. The Sri Lankan co-operative (in our case example in a following section) developed an accounting system in response to the need to record each coir spinner's shipments and payments. This was fairly detailed because each shipment was broken down into separate grades of rope and the kilogrammes in each grade recorded. "We didn't need anyone to come and teach us how to do this", one member explained to me, "because we knew we had to invest a way that everyone in the co-op could understand and use." Another example of this stage that comes to mind from Sri Lanka is the fleet of ancient Morris Minors that serve as taxis in the capital, Colombo. While Mrs. Bandaranaike's self-reliance policy was in effect, imports -- including parts -- were unobtainable. To keep the cars running in Colombo, a whole industry of small machine shops developed to make and repair parts. The Morris Minors -- still running -- attest to the effectiveness of that self-reliance policy for development. It might be argued on cost/benefit grounds that this was inefficient. But in the long run, it produces development that is not attainable by any other means. It takes time to produce change; development is a process not a product. The process is one of mastering a series of situations in such a way as to build development from within. Outside agencies cannot delete steps from the process. The role of an agency is to provide inputs that will keep up the momentum of the process without taking control of its direction. Again, we can take an illustration from the

case example. In the Change Agents Programme, the small groups that form in a community start group funds; the general monthly meeting also has a fund and a finance committee. The object of the fund is two-fold -- neither more important than the other. First, to gain experience in financial management -- which will be applicable to all subsequent development activities undertaken; second, to raise the funds to initiate activities. Serving on the finance committee is a duty that revolves through the entire membership. Outside funding from agencies enables this process best by matching funds or providing low-interest loans after the finance committee has established itself and met its initial purpose of learning money management with its own money -- saved a few cents or rupees at a time. Those are the sums that represent economic and psychological reality at the beginning of the programme. As experience grows, so do the sums dealt with, but they represent the achievement of the group -- increased sales; increased productivity; increased control and confidence -- rather than handouts.

TECHNOLOGY CHOICE

The last and perhaps most important topic we need to consider for growth is choice of technology and 'factor mix'. 'Factor mix' is the proportions of labour and equipment used; technology refers to the work process -- how and if tasks are sub-divided, relationship of tasks, type and amount of equipment used. The process can be high or low tech; it is

possible to refer to technology that is strictly a hand-tool process. Confusion over what is 'advanced' springs from "...a belief that increased efficiency and increased capital intensity are identical....[but] there is no strict logical association." (Singer, 1982, p.5) "Factor mix is determined by two things: relative cost and availability (of the two factors:labour and equipment); and the type of goods demanded -- high or low price (which is determined by income distribution)." (Singer, 1983, p.2) Technology choice reflects the choice of factor mix and the intended method of surplus accumulation.

The most important issue to understand is that the amount of mechanisation in a production process is not technologically determined. It is determined by who profits by what process. The more mechanised or technologically complex process may allow greater surplus accumulation at the end of the production chain -- at enormous social cost. It is a mistake to call a process 'advanced' without considering the consequences of who gains and who loses through that process. A work process may concentrate surplus more effectively by doing the following: de-skilling and de-humanising work, marginalising workers in regard to tenure and benefits, and creating negative externalities that include short-term costs of pollution, loss of foreign exchange, shrinking employment, polarisation of income distribution; and long-term costs of local disinvestment by untenured workers and by a company ready to move for higher returns.

The mechanisation of a work process has many possible end points according to whose benefit is sought, and the skills of the work force at the time.

If the investor/owners of a production facility want to extract the greatest surplus from workers' labour, the process can be technologically controlled in the following way.

First, the process is broken down into fragments. A worker repeats one fragment of process all day. This means there is relatively little skill to be learned, and one worker can easily replace another -- which keeps wages low because of the pressure of unemployment, and reduces the investment in employees. The work can be paced by the use of equipment -- for example, the conveyor belt or assembly line. Work on computerised equipment can also be monitored for the operator's speed.

This organisation of work deprives those working of monetary and non-monetary benefits: training and the higher return on skilled labour, benefits and security of tenure, and the satisfaction of meaningful work.

The beginning of mass production was the division of craft work into its composite steps and the assignment of each step to a separate worker. This 'mechanised' the work -- although machinery was not necessarily involved. Rather the work itself became mechanical.

By exercising control of the work process we mean setting the level of output per labour hour. One of the crucial determinants of surplus is predictability of cost, which

depends on control. The most un-predictable cost is that of labour -- as the productivity of a labour hour varies, depending on skill, motivation, and control of the process. "Capital costs over the life of the machine, are predictable, while labour costs in an unsettled political environment are not. Risk averse public and private firms might therefore, choose capital intensive techniques, even when they were initially more expensive." (Herrick and Kindleberger, 1983, p.226)

Apropos of Herrick and Kindleberger's reference to "an unsettled political environment", it is worth noting that a sort of collective amnesia exists in regard to the bitter and often bloody struggles against mechanisation in the history of industrialisation in developed countries. Mechanisation occurred as processes were developed to end control by independent sub-contractors (craftspeople) in a factory, and replace them with less skilled operators. By mechanising in such a way as to sub-divide production processes and de-skill workers, sub-contracting was brought to an end, and surplus which had been divided along the chain of production, was then concentrated at the end of the chain. Out of craftspeople's loss of the battle to retain control of surplus and process came the, again bitterly fought, battle to form labour unions. (Braverman, 1974)

The 'factor mix' (proportions of labour and equipment chosen for the work process) can aid development through increasing employment and equalising income distribution.

"If we want to create more productive employment of labour, then technology has to focus there. Imported technology influenced by the factor prices (the cost of labour as compared to the cost of equipment) and factor proportions (use of labour vs equipment) in the country where it was discovered, is frequently incompatible with full employment in poor countries. Only technology that is labour-intensive as well as productive and that permits a wide variety of factor combinations is consistent with the adaptability and flexibility conducive to rapid development." (Herrick and Kindleberger, 1983, p.230)

"Since regional problems are usually associated with unemployment it is sensible to subsidise the use of the underutilised factor." (Richardson, 1978, p.27) It goes without saying that labour is the most plentiful factor in poor countries, and that our goal is labour-intensive employment. This brings us to the question of what mixture of labour and equipment is optimal, and how is that decided? It is obvious from watching people hewing timber with axes that their labour hours would produce double the output if they were using saws. Equipment contributes enormously to productivity. The amount used depends on the product, the cost, and how the work process is organised. Besides the obvious limit of the number of workers that can use one tool or machine, there is the constraint of how much investment has been made in human capital. Un-skilled workers cannot use computerised lathes without an investment being made for their

training. (And the amount of investment depends on their general level of education -- a previous investment.) The issue is one of applying equipment incrementally, beginning at the present skill level so that workers in the process develop skills and retain control of the process of development as it unfolds. "...appropriate technology must contain a greater element of technical innovation (although possibly based on pre-existing knowledge not currently selected for use in development by the industrialised countries)..." since "technical progress destroys as well as creates knowledge....The experience of countries which have tried to implement a basic-needs strategy (simple wage goods production with small scale de-centralised process) e.g. China, Cuba, Tanzania, suggests that the improvement of simple village technologies is the only feasible approach to...gradual modernisation..." (Singer, 1982, pp.3-5) Which may mean resurrecting "destroyed knowledge" for a process in order to fit the skills and amount of surplus available for initial investment.

Appropriate technology is one in which a balance is reached between generating surplus for growth and increasing the welfare of those working. This means that the amount of mechanisation of a production process has different end points according to whose benefit is sought -- rather than one that is technologically determined.

SUMMARY

The conclusions we draw from considering the economic strategies of different camps will be a value judgement. Alleviation of mass poverty may be the universally accepted goal of development economics; but how much alleviation, by what means, and how much structural redistribution of wealth are by no means agreed. For two reasons, we will use the progressive framework for modeling IGA. First, an acknowledgement that development is socio-economic and neither of the two halves can be considered in isolation (therefore the static, generalised economic models of neo-classicists are misleading). Second, acceptance of the economic argument that the widest and most equal development leads to the greatest development, and the most stable.

In summary, the basic economic questions in development are:

- income : . growth vs distribution
- growth : . how should surplus be accumulated
- . how should surplus be allocated for investment
- . what decides technology choice and 'factor mix'
- . how does ownership affect 'externalities'
- technology: . what allows a balance of monetary / non-monetary benefits to those working and sufficient surplus for investment in increased productivity and growth

APPENDIX 2

CASE EXAMPLE NOTES:

History of the Change Agents Programme in Kamburugamuwa

Pre-1979

The coir industry was in the hands of private dealers. Villagers took husks on credit from dealer 'A' (there were five dealers with a monopoly on husks) and sold rope to dealer 'B'. Dealer 'B' did not pay cash -- dealer 'A's credit (for husks) was deducted, and a credit chit was given for the finished rope. Dealer 'C' accepted these chits for daily provisions. One hundred 'pieces' produced six pounds of rope; for the six finished pounds spinners got a chit worth 9.60 Rs. (three people to a wheel meant a weekly 'wage' of 3.20 Rs.). With this system, spinners did not know what they were being charged for husks.

There was no guarantee of the size of 'pieces'; the dealer instructed the loaders at the pit to break large pieces in two (under the water). It was possible to get such small pieces that the credit for finished rope did not cover the credit for husks -- negative earnings.

Dealer 'B' functioned as a money-lender; many of the spinners were in debt.

1979

Ministry of Rural Development sent a team to look at the coir industry -- interested in the development possibilities in

cottage industries. (At this time the programme was run from this ministry.) The team spent several month's time visiting the village -- avoided the power structure, got to know the spinners, developed peoples' trust. They began a discussion group (originally seven people), because of the dependency on dealers, many were afraid to join.

The group started a secret fund. They put aside lengths of rope over a period of several months, until there was a whole shipment, and sold it to a lorry-driver who collected rope shipments from the dealer. The price they got per six pounds was 12.90 Rs. as compared to 3 Rs. from the dealer. Word got back to the dealer, and the driver was ordered to accept no more rope from spinners. Four months later, the group sold another shipment to a co-op store in a neighboring village. Again, the dealer intervened to cut off further sales.

Another group of seven formed. A dues of 25 cents was initiated for the weekly group discussion to add to the fund. At that time the Rural Development team from the ministry began a Change Agents training programme at the school in a near-by village. Twenty-five people attended discussions for three months; after each session, the participants held the same discussion in their own villages.

The Rural Development team did not intervene in the original group's problem of finding an outside buyer.

AUGUST 1979

A new company -- Coirtex -- started sending lorries through the area. The group arranged a collection with the lorry-

driver at a place outside the village. At this time, the group also found out the dealers were selling to an export company -- Haleys -- in Galle. A group of spinners went to see the manager (using money from the group fund); he refused to talk to women, but agreed to come to the village and meet with the group. Haleys set standards for grade and minimum amount. The manager wanted a better quality of rope; and a system for accounts: each spinner's delivery had to be graded and a record kept of the weight in each grade. The group requested a demonstrator from the small industries department, through the Government Agent of the division, to teach them to produce the necessary quality. Haleys was also requested to teach two people to grade rope. After the quality of output was standardised, the group began selling 80% of their output to Haleys.

This switch in selling brought a concerted opposition from the dealers. The Rural Development team were labeled outside agitators and agents -- villagers were threatened that participation would cause them serious trouble. They held back the supply of husks and enlisted the dealers in neighboring villages to do the same. Access paths to the pits were blocked. The use of the temple/school building for weighing and recording shipments was refused. When weighing started at the public market place, the dealers had the place littered with manure -- this occurred several times.

1980

175 households were selling total output to Haleys. The group

had become sufficiently large that the smaller dealers had to break ranks with the main dealers and sell husks as demanded.

AUGUST 1981

Organisation of producers (which the group had now become) bought out one small dealer: 10 full pits @400 Rs. = 4,000 Rs. Money came from the organisation's fund plus borrowing from the funds of six other villages. (All organisations started a 5% fee at the weekly weighing.) Borrowing was possible for two reasons: the other villages had started groups from the Change Agents Programme; and during the time dealers had withheld husks, spinners from Kamburugamuwa had made contacts with other villages in order to find alternate supplies.

1982

The organisation built a two room concrete building at the public market to use for meetings and storage. This was done through "shramadana" (volunteer labour).

1983

Ministry of Rural Development replaced by Ministry of Plan Implementation as implementors of Change Agents Programme. Kamburugamuwa organisation requested their members be used as trainers, but were refused.

Fifteen of the villages in the programme broke away and set up an independent committee. Villages agreed to pay proportional dues to support this central body's activities. The organisation retained the name of Change Agents. They felt their priority was to shape their own programme -- to be

autonomous and flexible.

1986

The organisation applied for IRD (Integrated Rural Development) loans from the district allocation for aiding self-employment. Two members wanted loans for spinning wheels; others needed working capital for buying husks. They were granted a loan of 10,000 Rs., but this was far below their requested sum.

The organisation feels their lack of contact with outside sources is a limitation on getting assistance -- 5 months ago they requested help in mat-making from the Ministry of Plan Implementation and have heard nothing.

Structure and function of the organisation

The Change Agents (the fifteen villages around Kamburugamuwa) are not a society because they decided to have only collective decisions - no elected officers for making decisions. They have a nominal chairperson and secretary because outside agencies require it for disbursing loans etc., but the positions are absolutely without authority. For this reason they don't call themselves a society - they are an organisation.

At the primary level, there are small groups. These range from 7-10 households. Each group meets weekly, rotating the meetings from house to house. One a month, all small groups in the village meet. For each village there is a central action committee. This is made up of two representatives from

each small group (who change each month). Every week they take care of weighing, recording accounts, and go with the lorry to deliver.

EXECUTIVE COMMITTEE

One representative from each village.

Decisions taken, e.g disbursal of loans from IRD.

WORKING COMMITTEE

Two representatives from each village; meets every 10 days.

Three subcommittees: finance, welfare, banking.

Finance : 3 members; rotate one by one; 6-7 month duty.

Keeps accounts of funds and transactions for rope shipments.

Reports at each working committee meeting. The finance system grew incrementally out of the problems that arose. The priority for an accounting system was that everyone could understand and use it, as the duty of weighing/recording shipments revolves through the whole group. Transactions went from the first 25 cent fund of the initial group to thousands of rupees, but the ability to manage grew with experience.

Welfare : 7 members; rotation time based on group choice.

Emergency and funeral loans; basic purchases like rice and cook-pots at cost.

Banking : (saving and loan) 2 members; rotates on collective decision for periods under one year. Loans are issued on the responsibility of the applicant's small group. Repayments are made at weighing and marked on the member's account book. In an emergency the small group that guaranteed the loan meets the payment out of its fund. The organisation believes in

social not legal sanctions, and has no default problem. Deposits do not earn interest; loans are 5%. Maximum loan amount is 1,000 Rs. average loan is 450 Rs. -- the cost of husks for one soak pit. Rotation time on committees depends on the length of time needed to become experienced in the task -- sufficiently to train others. The purpose of rotation is twofold: to cross-train every member to be capable of every task necessary; and to avoid formation of elites or creation of 'leaders' -- maintaining collective government / decision-making.

Participation:

Working committee members must meet. Anyone absent from a meeting has to visit all the small groups represented on the committee and sign the book of each one. The last group gives the information as to when the next shipment takes place (which is decided in the working committee and relayed to each small group by their representative). The second time absent in a row -- the representative's small group's rope is not accepted at the next weighing.

If there are absentees from the monthly meeting of all small groups in the village, their rope is not accepted for the next two weighings.

Present agenda of the organisation:

Strengthen consumer facilities and welfare by increasing funds. There was a vacuum created by severing dependent relationships with the dealer -- who provided livelihood / loans / advice / contact with the outside world in a feudal

style relationship. There was also a need for banking -- when a trip to the bank to deposit 5 Rs. costs 4 Rs. bus fare. In order to increase the banking fund, the organisation is trying to get other small savers in the area (vegetable growers, tailors, civil servants) to form small groups and join the fund. The immediate objective is to provide housing loans (about 1,000 Rs.) to upgrade the quality of the village housing -- particularly providing permanent roofing to replace thatch.

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