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An account of the dialectic approach developed by DFID NRSP project R7839.
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Acknowledgement

This report was prepared by the former project leader of project R7839, in response to reviewers' comments of project materials submitted as part of the project's final reporting procedure. DFID NRSP required substantial revisions by the project. A concern raised by the reviewers was that it was not clear that the dialectic approach represented an innovation as claimed by the project.

The former project team felt strongly that the dialectic approach for community development in fact represents an innovation. Indeed they point to the tremendous interest in the approach amongst the potential users, and their own adoption and further adaptation of the approach.

I was left with the task of presenting the innovation. I discussed this challenge with both MS Ashok and Sunil Chaudhary. With their guidance, drawing on the materials previously provided by former team members and referring to the wider literature, I produced this report.

I would encourage a reader to contact the individuals involved for information, and to explore further the reports cited, which contain a richness of experience that cannot be reproduced in this report.

This report could not have been produced without the outstanding efforts of the former CIRRUS project team. I take full responsibility for any errors and omissions.

Contents

1.	Introduction.....	1
2.	The Dialectic Approach	5
3.	Testing of the approach.....	11
3.1.	Costs of community level facilitation.....	11
3.2.	Sensitivity of the facilitation process to the skill of the individual leading the process	12
3.3.	Empowerment and livelihood impact.....	12
3.5.	Strategies to achieve sustainability of the “dialectic approach”	14
4.	Findings.....	16
4.2	Effectiveness of the facilitation methods.....	17
4.3	Empowerment	19
4.4.	Effectiveness as an entry point for PTD.....	25
4.5	Linking to Micro-finance organisations	27
4.5	Strategies to achieve sustainability of the “dialectic approach”	27
5.	Conclusions.....	29

1. Introduction

This research was undertaken in areas of the eastern Indo-Gangetic plains characterised as having high bio-physical agricultural potential but low productivity. The areas of eastern Uttar Pradesh and northern Bihar, from Lucknow District to the eastern border of Bihar State, roughly 81 30 E to 88 00 W and from 24 20 to 27 30 N are seen as having abundant solar and hydrological resources with fertile soils, but nevertheless average yields of the main rice and wheat crops are low and its people are poor. Indeed Eastern India generally has lagged in agricultural production and well-being of the population behind north-western India for more than 150 years.

Several hypotheses have been advanced to account for the low levels of agricultural production; environmental, sociological and economic, and institutional. For some it is the wild flooding and slow drainage, low insolation in the Kharif, and lack of controlled irrigation in the winter that accounts for this situation. Others argue that the obstacles lie mainly in the lack of roads and communications infrastructure, the poverty of its people and poor local governance. Yet others diagnose deeper reasons for this underdevelopment in the agrarian structure of small and fragmented holdings with prevalence of share-cropping, exploitive traders, and poor development of credit markets and persistence of usurious money lending. Irrigation is important for high productivity in this environment, but a weak state is associated with poor and unresponsive management of the large irrigation schemes that have been built in the region over the past 150 and more years.

In recent years a number of innovative approaches to agricultural and rural development have emerged drawing on the modernisationist¹ and top-down approaches typical of the original green revolution. Some of these have developed within the official agricultural research community, while others have been developed within non-governmental organizations (NGOs) each with their strengths and weaknesses.

Farming Systems Research (FSR), Training and Visit (T&V) systems of agricultural extension, On-Farm Water Management (OFWM), with its associated institutions of Water Users Associations (WUA) and Command Area Development Agencies (CADA), were dominant approaches in the 1970s through the 1990s.

The search for ways to induce adoption of new agricultural technologies by the poor, and also the not so poor in backward and disadvantaged areas such as our domain, were often based on assumptions that either the technologies did not suit the target populations, or that the methods of contact and communication were biased against success. These diagnoses helped spawn new approaches which included Farmer Field Schools and participatory technology development (PTD), micro-finance and rural livelihoods initiatives.

¹ The modernisationist perspective is reflected in beliefs that agricultural productivity growth, as in the green revolution, was to be achieved through concentration on full time farmers, but would be generally good for the poor – would trickle down them – and that there was no need for a differentiated analysis of the needs of different strata of local society, for example the larger and smaller landholders, the landless, women, and so on.

This study sought to develop a sustainable approach that would support institutional innovations that would enable strategies to address the livelihood needs to emerge at a community level in a non-deterministic manner, whilst encouraging the evaluation and adoption of technologies identified as being of potential value in the project area.

An extensive literature in (farmer) participatory research and analysis (PRA) and exists. Without exception, both PRA and PTD involve an initial phase of problem diagnosis or prioritisation. This phase represents a process of the matching of needs of the beneficiaries, as identified by the methods used in problem diagnosis and consultation, with the interest of the external agents.

Gaunt et al. (2002) highlight that resource availability and costs often constrain the PTD process as one attempts to scale up from a research level experience. Many have sought ways to reduce the costs, by substituting scientists with alternative professionals, typically ‘trainers’ or intermediaries who are schooled in the process and methods developed by the scientists. However, these authors are not aware of an example where external support is not required to support such processes.

Further, the presumption of an external agent as part of the research or technology adoption process is in contradiction with the concepts of empowerment as articulated in the development literature. Whilst the concept of empowerment is recognised as ‘fuzzy’ by Kabeer (1999), Alsop and Heinsohn (2005) define empowerment as “enhancing an individual’s or group’s capacity to make choices and transform those choices into desired actions and outcomes”. The recognition that choice, or rather lack of choice, is an important dimension of poverty (Annex A) was important in defining the approach developed.

Recognising that the prioritisation phase of PLA and PTD research actually constrained ‘choice’ to the domain interest of the external agent we sought to develop an approach that would empower those with whom the project would engage. Participatory technology development activities were envisaged as one of the many possible outcomes of this empowerment.

Provision of support for the formation of community based organisations often referred to as Self Help Groups (SHG) was identified as offering a way to enable the poor to participate and to take initiatives independently of external institutions. SHG and Micro-finance initiatives are at least two decades old in India. Substantial work has been done to develop and experiment with different concepts and approaches to deliver financial services to the poor, thanks mainly to the initiatives of the NGOs (NABARD, 1999).

SHGs often do not include the poorest of the poor. Adolph (2003) has given the following reasons for this exclusion:

- a. *Social factors* (the poorest are often those who are socially marginalised because of caste affiliation and those who are most sceptical of the potential benefits of collective action).
- b. *Economic factors* (the poorest often do not have the financial resources to contribute to the savings and pay membership fees; they are often the ones who migrate during the lean season, thus making group membership difficult)

- c. *Intrinsic biases of the implementing organisations* (as the poorest of the poor are the most difficult to reach and motivate, implementing agencies tend to leave them out, preferring to focus on the next wealth category)

In contrast, some of the SHGs promoted as part of poverty alleviation programmes, such as the World Bank-funded District Poverty Initiative Programme (DPIP) target the poor. In Andhra Pradesh, the project used a three-fold system of targeting the poor; Namely, *geographic targeting* (selection of poorest districts, and within these the poorest mandals), *group targeting* (through formation of group-based activities for the poor) and *self targeting* (through a focus on small, technologically manageable investments that are attractive primarily to the poor organising themselves into common interest groups).

Further Adolph (2003) observes that efforts may be made to overcome this bias, e.g. through participatory wealth ranking at the community level or by using indices to identify the poorest. But mere inclusion of the poor alone need not ensure that the poor are benefited.

However it should be recognised that the terms SHG and livelihood activities have a specific administrative definition in India. Self help groups for example often specifically target women. The term “livelihoods” is often taken to refer to provision of income generation opportunities for the landless.

Beyond the facilitation of common interest groups a key issue identified as important was to establish micro-finance institutions (MFIs). We see MFIs as “those which provide thrift, credit and other financial services and products of very small amounts” mainly to the poor in rural, semi-urban or urban areas for enabling them to raise their income level and improve living standards” (NABARD, 1999).

Institutions such as NGOs, federation of SHGs, Mutually Aided Co-operative Societies (MACS), state and national co-operatives and Non-Banking Financial Companies (NBFCs) which provide specified financial services targeted to the poor, may be classified as MFIs.

Banks which provide micro-finance along with their other usual banking services are termed as micro-finance service providers (NABARD, 1999). Apart from these, several state governments through its various programmes (poverty alleviation, employment generation) and agencies (such as Rashtriya Mahila Kosh, District Rural Development Agencies, Panchayat Raj Institutions) are promoting formation of SHGs and providing revolving funds.

India is fast emerging as one of the largest micro-finance markets in the world, especially with the growth of women’s saving and credit groups (SHGs) which are set to reach 17 million women by 2008 at the latest (Fisher and Sriram, 2002). According to NABARD, loanable funds by 2008 may be in the range of Rs.20,000 M (£250 M) at current prices, which may be provided by banks and Development Financial Institutions.

Table 1. Disparities among states in Credit Linking SHG,s with Banks & provision of Credit

States	No of SHG's	Cumulative Disbursement (Rs M)
Andhra Pradesh	281,000	9,754
Tamil Nadu	98,410	4,255
Uttar Pradesh	53,696	875
Maharastra	28,065	698
Orissa	42,272	510
Bihar	8,161	121
Rajasthan	22,742	463
Madhya Pradesh	15,271	307
North Eastern Region	4,069	60

Source: Patel 2004

Whilst anticipating that capital would be available within the market NABARD (1999) predicted that the funds required for the capacity building of NGOs, SHG federations and SHGs would have to be provided by external agencies at social cost. The estimated fund requirement for the capacity building of NGOs, MFIs and micro-finance providers up to 2008 were estimated to be about Rs.3000 M (£37.5 M).

It can be seen that the challenge in India is to develop more effective and cost-efficient ways to enable these institutions to engage with an existing financial market.

From the above consideration it can be seen that the objective of this research was to develop an approach that would:

1. Empower the poor and socially disadvantaged
2. Be sufficiently cost effective so as not to require investment at social cost to be scaled up
3. Enable adoption and adaptation of technologies for improved agricultural production.

2. The Dialectic Approach

The approach conceptualised by the project was termed the ‘dialectic approach’ (Ashok, 2004). The approach is summarised and contrasted against a typical process research approach in table 1.

The key features of the *dialectic approach* are:

- ✚ Self-examination by communities as well as the external facilitator.
- ✚ Reference to external experiences and information.
- ✚ Review of available resources, capacities and opportunities.
- ✚ Challenging and repeated re-examination of assumptions held by stakeholders.
- ✚ Facilitation of the emergence and stabilisation of micro-organisations.
- ✚ Starts with and focuses on the poor and socially disadvantaged, without excluding others.
- ✚ No incentives or inputs are offered or provided.

Thus with respect to the terms used in the introduction the dialectic approach does not use either *group targeting* or *self targeting*. The contrasts that we see between the dialectic approach and the typical process of a PRA or PTD exercise are provided in table 1.

The *dialectic approach* was supported by a number of products:

- ✚ A simple method developed by the project to profile the economic and social characteristic of a village and identify local ‘volunteers’ as agents for the project
- ✚ A simple information management system..
- ✚ Customised exercises and tools developed by the project and used to support the activities of field staff (CPSL, 2004)

Table 1. Comparison of dialectic approach and process approaches to micro-organisation development

<i>Features of 'Dialectic' approach</i>	<i>Features of 'Process' approaches</i>
Driven by stakeholders (beneficiaries and social entrepreneurs at field level)	Driven by an external agenda (government, donor, NGO), even though may be participatory in form
Unspectacular entry, unspectacular ways of working	Attention and expectations generated by initial visits. May be an inauguration, involving community leaders and elites
Engage with poorest community people	Even where there is some success in engaging with poor people, involvement of elites rarely avoided,
No problem identification using a PLA or problem-census approach; instead, the needs of the group are allowed to emerge from <i>within</i> small groups vja a dialectic process in which members explore many aspects of their livelihood	Formal problem identification exercise may precede group formation and prematurely set agenda for groups
Time-period for agency intervention is limited (e.g. 12-24 months) and communicated to beneficiaries at the beginning	Intervention lasts 'as long as needed' or up to limit of funding; may extend to years
No incentives in cash or kind; no subsidies except input of volunteers in facilitation and support by agency staff: initial resource for group mobilisation comes from small savings by group members	Subsidisation of inputs common (posing risk of 'elite capture')
Intervention takes the form of facilitation only, not direction: groups themselves determine what development activities they engage in to enhance members' livelihoods	Purpose to which microfinance loans or subsidies are put is determined by the project; possibly drawing on an initial 'problem identification exercise.
No imposition of external milestones or targets	(see above)
No attempt by the agency to promote a particular (income-generating) activity, or to 'steer' the group to determine how group funds are used.	(see above)
Access to microfinance loans is dependent on establishment of a viable group with a saving / lending discipline (typically over 4 months)	Micro-credit may be made available to beneficiaries at an early stage
Loans are 'untied' i.e. use of funds entirely determined by individual borrower, not by lender; loans not necessarily used for income-generating activities; may be to meet consumption, health or social needs.	Micro-credit may be tied to project-determined activities (see above)
Community and local volunteers used as facilitators (as an aspect of 'unspectacular entry'). Visiting agency staff act in support of volunteers only	Visiting agency staff play the main role of facilitator
Facilitators meet & interact with people at times and places decided by them, not by facilitators	Times of meetings determined by programme of visiting agency staff
Not highly dependent on literacy or level of education; simple accounting and record-keeping mean these process could be transparent and accountable	Literacy may be favoured by record-keeping requirements
Facilitators keep record of group meetings/interactions and facilitate keeping of groups' records of their savings and loan accounts. Agency stores electronically records of groups and their activities	Complex record keeping may be required, posing problems of retrieval etc.
Volunteers work for their SHGs as brokers of information and of access to services from a range of providers (commercial, public-sector, NGO)	Services offered may be limited to those within the agency's own programme
Volunteers themselves form support groups to exchange information and ideas; these (and income gained from brokerage activities) enable them to form and facilitate new SHGs without agency support, leading to a self sustaining / up-scalable process	Agency withdrawal may mean end to the group formation process
Low-cost; increasingly self-funding after establishment and consolidation stages	'Handout-seeking' may remain a feature of micro-organisations, even in mature phase

Profiling of villages

The profiling method draws upon the principles of relative poverty ranking. The project process used for identifying the poor is very similar but not the same as well-being ranked or wealth ranking in participatory process.

Project team including volunteers sat in the meeting of group members / villagers in each hamlet or tola. Villagers were asked:

1. How many households are there in their hamlet?
2. How many social groups (caste) there are?
3. How many households in each of the social groups.

Having established this information the discussions moved on to ask:

1. How many households of these social groups are poor?
2. What are the sub-categories of poor or all the poor are same?

The same information was then established for the non-poor.

The process was repeated at 2 or 3 places in a hamlet (depending on its size) for the purpose of triangulation of the results.

In this process the project establish five relative categories: Very poor, poor, on line (self Sufficient) Surplus, wealthy. 'Poor people', for present purposes, are those that communities classify as poor by their own standards.

The process of group mobilisation

A key aspect of group mobilisation was that it focused on withdrawal within approximately a year of support for the facilitation (at project cost of SHG facilitation). The approach anticipated that groups may require ongoing services and support and it was anticipated that this service would be provided by local professionals whose capacity and capabilities the project would encourage. These individuals, referred to as volunteers were engaged in the following way.

- Rapport Building and identification of volunteers: In the initial stage of the project core team members visit in the villages and participated in day to day activity of the villagers.
- Identification of village volunteers: when core team members participated in their day to day activities villagers started asking who the core team members was/is and what is the purpose of his/their visit in the villages. When the concept of self help group was introduced to the community, they used question (example given in Box-2) to stimulate discussion.
- After this introduction some people avoided future meetings with the core team but others were waiting for their next visit. Those persons waiting for next meeting, asking constructive questions, having learning attitude and practiced such questions with community were identified as village Volunteers.

Box-2: Examples of Questions used to stimulate discussion of the purpose of SHG.

1. Community members will typically ask what benefit they are going to get from joining a SHG. Instead of answering the question a counter question is asked. For example
What are the activities in which you are presently involved in?
2. Answers such as farming, dairy, study, services, horticulture or some joking answers like reproduction are typical. The facilitator then picks an example asks a follow up question, such as:
What they do you first do in case of growing a crop?
3. Ploughing is an obvious answer. A follow up question could be; What happens next after ploughing? Answers are likely to include sowing, weeding, harvesting, threshing and possibly storing. If the 1st answer is not mentioned as it is practiced then the discussion should be facilitated in such a way that answer comes in correct sequence. For example, if one asks what is the 1st activity that is being done in case of farming. Answer may come that it is sowing, which is not correct because preparation of land is required before sowing takes place in the field. So in such cases facilitation is required for getting the answer in correct sequences. After reaching the answer the next question should be asked how much time it takes from ploughing to storing grains in the houses. The answer is about three to six months. The discussion can then explore whether there is any guarantee that crops will be harvested when the land is ploughed? Participants typically answer at least there is expectation that there would be some crops.
4. Facilitators then explore the basis of this expectation. Harvesting a crop can be expected after ploughing, sowing some seeds etc. Participants then say that their labour is an important factor in determining the production of the crops. The facilitator indicates that a SHG is just like a crop whose ploughing starts from the weekly / fortnightly meeting.

The typical timeframe and sequence of events of SHG formation is summarised below (Table 2).

Table 2. Summary of the development process for both SHGs and volunteers and typical timeframe, describing the role of CIRRS staff and volunteers.

<i>Stage of group development</i>	<i>Role of CIRRS workers + volunteers</i>
Group establishment (Months 1-5/6)	<ul style="list-style-type: none"> ✚ Entry to village by CIRRS; volunteers identified & recruited. ✚ Volunteers interact with poor people to form SHGs. ✚ Regular time and place for weekly group meetings established. ✚ Volunteers facilitate group meetings where members identify needs and how these can be met. ✚ Volunteers record group meetings and savings/loan accounts; feed back data to CIRRS. ✚ CIRRS workers make weekly visits to village, to attend group meetings.
Group consolidation (Months 5/6- 12/13)	<ul style="list-style-type: none"> ✚ Volunteers facilitate group meetings. ✚ Volunteers collect repayments of CIRRS loan and make loans to other groups from the fund they hold (i.e. manage revolving fund). ✚ Volunteers may also broker contact with service providers or suppliers; or may themselves offer supplies (seed etc). ✚ Volunteers form their own SHGs for mutual support & exchange of information.
Group maturity/ sustainability (Months 13 onwards)	<ul style="list-style-type: none"> ✚ In order to establish relationships with an external MFI (& to open a bank account), volunteers register their SHGs as NGO/CBO ✚ Volunteers facilitate group meetings and manage MFI loan as a revolving fund ✚ CIRRS workers stop making regular visits, once group reaches maturity, No payment to volunteers after 48 meetings. Volunteers depend for income on: <ul style="list-style-type: none"> ✚ Managing revolving loan funds ✚ Information & service brokering activities ✚ Income from above sources provides incentive to volunteers to facilitate the formation of new SHGs; demand for new groups comes from non-group members observing the activity of groups. ✚ Volunteers extend activities as brokers of supplies and information and serve mature groups according to groups' demand

Information system

The project tested a simple information system. The information system used by the CIRRS team was based on Microsoft Access database structures previously developed by one of the CIRRS team in the mid 1990s to address a need observed in experience with several other projects. The structure of the database is the intellectual property of CIRRS Management Services (P) Ltd. (Bangalore, India).

The database consists of a simple record of group meetings, savings and loans (including loan purposes) which is maintained by volunteers and then (after basic logical and arithmetical checks) transferred to an electronic database. SHGs then have for their own

internal use all necessary data while the external agency has the same data for research and analytical purposes.

Volunteers and CIRRU team members were able to verify information recorded through surprise visits to cross-check information.

Analysis of the data of group membership, loans and activities clearly established that they were used to provide supporting evidence to reinforce observations from field visits and accounts from various team members during team discussions. As the wider project team began to engage with the emerging opportunity that the dialectic approach offered, and the scale at which the large number of groups required them to operate, analysis of patterns in loan use emerged as a way to prioritise and target communication products.

3. Testing of the approach

Geographic targeting was used, as defined above, to situate the project in an area where i) poverty is endemic, ii) where there was not extensive previous experience of working with SHGs and iii) opportunities were identified for improvements in agricultural production.

The states of Bihar and UP have very few SHGs and the communities in the research locations in the districts of Patna in Bihar and Maharajganj in Eastern Uttar Pradesh did not have any prior experience with SHGs. ICAR's research indicated significant opportunities for improvements in agricultural production in these area.

The dialectic approach was tested in three locations. Two of those locations or clusters were in the Patna District of Bihar as described briefly above and in Annex A: Section 1 In this report we:

1. Assess the costs for community level facilitation
2. Examine the sensitivity of the facilitation process to the management factors
3. Identify how the approach leads to empowerment and livelihood impact
4. Examine its effectiveness as an entry point for PTD
5. Consider strategies for scaling up

3.1. Costs of community level facilitation

As described above a key innovation being tested by the project was to engage local agents, who volunteered their services, in place of professional externally recruited development professionals and to build training support into the management of these agents.

A key element of scalability of the approach was judged to be the cost. The costs assessed include:

- ✚ Professionals time involved in this activity.
- ✚ Costs involved for paying salary/honorarium to project agents (called volunteers).
- ✚ Overheads related to the organisation (NGO, MFI) for promotion of SHGs.
- ✚ Costs incurred for travel, data base management and stationary.
- ✚ Costs involved in capacity building of the staff and volunteers, animators, SHG members, etc.

Having established the costs for the project, we then sought to compare these data with those which are available in the public domain for other programmes and to examine whether it is possible to meet these costs through a service model/s rather than as an externally-funded social cost.

3.2. Sensitivity of the facilitation process to the skill of the individual leading the process

A key innovation proposed by the project was the use of an approach to facilitation whereby an externally recruited development professional engages local agents (called volunteers on the basis that they have volunteered their services) to facilitate community level development as described in detail.

Key factors that will determine both costs and the potential to scale up are i) the sensitivity of the process to the level of experience of the development professional, ii) the number of villages an individual can support and the duration over which support is required and iii) the level of face to face support required by professionals who are based in the field. To gather preliminary data on these factors we tested the dialectic approach at a number of locations.

The dialectic approach concentrates initially on encouraging the mobilisation of resources within a group through rotation of funds. As groups develop confidence, their capacity to use and demand for credit exceeds the funds available. Recognising that responding to this demand for credit was important to testing the process, CIRRUS made a loan to its field team, which was used as a rotating fund. The total value of the loan was RS 50,000 (£625).

The clusters were not initiated simultaneously, Patna cluster 1 (RPC-V) was developed first by the leader of the field team (with approximately 18 years previous experience). The originally defined cluster comprised 20 villages, but due to requests from villagers this was extended to 25.

The second cluster at Patna (Patna 2) covered a larger number of villages (42). The leader of the Patna 2 had a similar level of professional experience as the leader at Patna 1 but was only allowed to devote a small proportion of their time (20%) to supervise the facilitation process.

At Maharjganj cluster 3 (M-UP) the leader had significantly less development experience. In this instance the individual was only required to work in 5 villages, but again due to local demand this was extended to 8. It should also be noted that Maharajganj is some hundreds of km from Patna, therefore this individual had much less opportunity for direct interaction and support from colleagues in Patna.

The criteria used to assess the effectiveness of the facilitation were:

1. Numbers of groups formed and their composition.
2. Time required for groups to reached maturity (defined by their entry into micro-finance arrangements) .
3. Time to withdrawal of support to MOs by volunteers.

3.3. Empowerment and livelihood impact

The dialectic approach sees empowerment as the ‘entry point’ for PTD as well as any other activity an MO may choose to pursue. Therefore it is necessary to elaborate on what empowerment looks like.

Alsop and Heinsohn (2005) provide a framework for understanding and measuring empowerment reproduced below. They considered that a person or group is empowered if they possess the capacity to make effective choices; an important dimension of this was the ability to translate their choices into desired actions and outcomes. They further consider that the capacity to make effective choice is primarily influenced by two sets of factors: agency and opportunity. Agency was defined as an actor's ability to make meaningful choices; that is that the actor is able to envisage options and make a choice. Opportunity structure is defined as the formal and informal contexts within which actors operate.

DOMAIN		CONTRIBUTORY FACTOR	LEVEL ⁴		
	Sub-domain		Macro	Intermediary	Local
State	Justice	Agency (A) ¹	Degree of Empowerment (DOE) ³		
		Opportunity Structure (OS) ²			
	Politics	A			
		OS			
	Service Delivery	A			
		OS			
Market	Credit	A			
		OS			
	Labor	A			
		OS			
	Goods	A			
		OS			
Society	Family	A			
		OS			
	Community	A			
		OS			
¹ Agency: measured through endowment of psychosocial, informational, organisational, material, financial and human assets. ² Opportunity Structure: measured through presence and operation of formal and informal rules ³ Degree of Empowerment: measured through presence of choice, use of choice , effectiveness of choice ⁴ Level; defined as an administrative boundary, corresponds to the distance of administrative boundaries from the individual or group <ul style="list-style-type: none"> ◆ The <i>local</i> level comprises the immediate vicinity of a person's everyday life. ◆ The <i>intermediary</i> level comprises a vicinity which is familiar but which is not encroached upon on an everyday basis (this is a level between the local and national level) ◆ The <i>macro</i> level will comprise a vicinity which is furthest away from an individual, such as the state or national level 					

This framework provides a useful context for analysis of the dialectic approach. In particular it is useful as it provides a way of analysing how people are able to access and influence those Policies, Institutions and Processes that are recognised as important to determining livelihood outcomes. We use the framework to identify those qualitative and quantitative measures of empowerment. The design of the study is such that comparison with a control group is not undertaken, however the framework developed would enable

such an analysis to be undertaken ex-post. In examining the level of empowerment we do not disaggregate data by location but rather indicate what empowerment looks like.

Thus, we use this framework to rationalise data obtained from a number of sources, including i) the project micro finance database, ii) observations and examples provided by volunteers and iii) findings from a most significant change exercise undertaken by CIRRUS staff²

3.4. Effectiveness as an entry point for PTD

The hypothesis that was tested in this work was that the individuals empowered through the dialectic approach would engage in PTD activities for agriculture if they saw this as offering possible opportunities for them. This was important because a typical criticism by NRM scientists of development workers is that they are weak in research and technology. Annex B viii in this volume and Annex A: section 7 explores the institutional aspects of the relationships between researchers and development professionals further in the context of this project further.

Whilst evidence from the microfinance database can be used to indicate what individuals were using loans for this does not in itself indicate engagement in PTD, rather the priority and use to which individuals put this untied source of credit.

Given the non-deterministic approach used, the emergence of agricultural strategies and experimentation can be used as evidence of the effectiveness of the approach in stimulating PTD activities.

This analysis is valid because the dialectic approach conceptually had no targets or requirements for agricultural experimentation. This was explicit in the contract with the implementing development partner. However, the project did develop a strategy for raising awareness of certain potential opportunities and technologies. Thus it is possible to examine the PTD outcomes relative to the technologies promoted.

3.5. Strategies to achieve sustainability of the “dialectic approach”

The project team members sought to explore ways to establish linkages to sources of credit. Beyond establishing linkages the project sought to explore arrangements to establish a private sector model/s for delivery of services for community development. An important element of this strategy related to the costs of group facilitation is outlined above. But beyond this two models emerged in the course of the project, both of which have subsequently been taken forward by former project partners.

The first model involves developing a management and implementation system that can be supported on the margins available on micro-finance.

The second is a model that presumes that both end users and other intermediary organisations will pay for their services and that this will generate sufficient income support the further promotion of the “dialectic approach”.

² **Khan, K. 2004.** *Impact of self help groups* Cirrus Pvt Ltd 12 pp

Within the project it is not possible to test these models, however we will describe how they have been taken forward and discuss some of the relative strengths and weakness of each.

4. Findings

4.1 Costs of group formation

We present the costs of group formation in two ways. The first is simply to divide the number of groups formed by the budget allocated to the organisation responsible for implementing the community development activities.

This gives a cost for group formation of RS 10,500 (£140) per group. This figure is in fact high when compared to the assessment made by the task force on Supportive Policy and Regulatory Framework for Micro-Finance the cost of promotion and nurturing of groups has been reported by various NGOs, MFIs and Micro-finance providers to range widely from as low as Rs 300³ to over Rs 5000 per group (Table 3.) depending upon the type of client base, the number of groups already formed in an area and the promoting agency.

Table 3. Typical costs for nurturing and promoting SHGs⁴

Type of organisation	Nature of support of assistance	Amount 2000/1 RS (M)	Coverage	Cost per SHG* (RS)
NGOs	Grant assistance for meeting the additional costs of promoting and nurturing new SHGs, stationary and other infrastructure support to SHGs, limited staff or mobility support and sharing administrative expenses incurred	67.0	54000 SHGs (364 NGOs)	1241
Rashtriya Mahila Kosh (RMK)	Department of Women and Child Development, Government of India has been partnering with about 700 NGOs in the country for the promotion of micro-finance to poor women.	N/A	700 NGOs	4300
RRBs	Operating through their own staff	13.5	18000 SHGs (52 RRBs)	750
Farmers Clubs	Form SHGs through farmer's (VVV) clubs	6.0	5650 SHGs (565 VVV Clubs)	1062
Individual volunteers	Support to voluntary initiatives of socially committed rural individuals in organising the rural poor into SHGs	1.7	1250 SHGs (125 individual rural volunteers)	1360

*These costs exclude the cost of professional time and overhead costs of organisations. Source: NABARD and Micro-Finance 2001-2002; 10 years of SHG Bank Linkage (1992-2002)

³ Forming and sustaining groups at Rs 300 seems to be a gross underestimation. How these figures are arrived at is not mentioned in the report.

⁴ Modified from data collected and presented in Annex B xi

However, the project costs include significant costs associated with management and research that mean that the comparison is not necessarily appropriate. Post project the mechanism for forming and nurturing SHGs operates as Rs 2-3,000 per group (provided 100 groups taken as a unit and in situations proximate to the head office of the lead organisation). Costs are also context specific. Factors such as geographic location in terms of the extent to which the locations are far or near from site office, literacy levels, prior good or bad experience with respect to SHG formation in the region, all affects costs considerably as many of these factors decide how long and intensive the support has to be continued. For example CPSL estimate that when operating in a new remote location costs rise to RS 5000 per group.

Thus the cost of facilitating the dialectic approach is at least comparable to costs of other programmes. However in real terms the cost of the dialectic approach may be expected to be lower than other programmes. This is because the costing includes all staff costs and the resources required for capacity building and promotion for the dialectic approach are internalised. The examples in table 3 only consider the operational costs related to forming groups and do not include the cost of time of professionals working in the organisations promoting these initiatives.

The cost of organising capacity development programmes for SHG promotion by NABARD only include the operational costs for the training programmes (ie, refreshments, stationary, travel, and cost of hiring faculty if any) and exclude all other costs related to staff time and overheads.

A key point to note however is the presumption that the costs of capacity building requirement for the personnel of NGOs, MFIs and micro-finance providers, estimated to be around Rs.300 crore over the next decade (NABARD, 1999) are generally regarded as a cost to society, i.e. a cost that will need to be borne by Government, or others.

4.2 Effectiveness of the facilitation methods

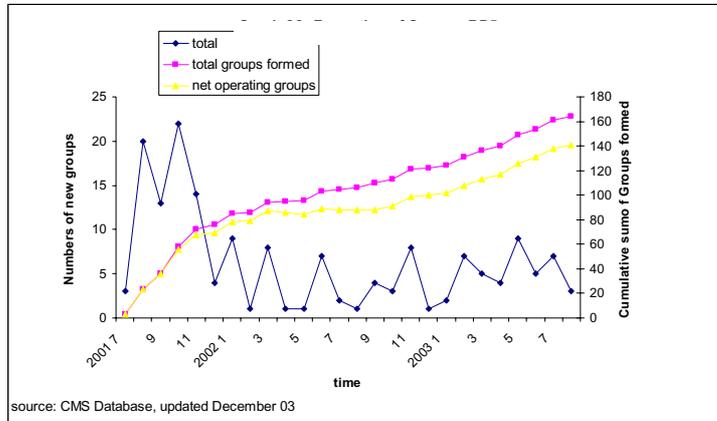
The numbers of groups formed in each cluster and the number of operating groups are summarised (Fig 1. a-c). As described above we tested the group facilitation process in three locations. In May, 2001 project started in all twenty villages of the first cluster area called RPC-5. An additional 5 villages outside the command area were also included in this cluster in response to requests from inhabitants of these villages.

Whilst support to individual groups was withdrawn after a period of approx 12 months support for the formation of groups was provided until April 2003. After withdrawal of support it can be seen that group formation continued. This reflects the fact that the volunteers initially hired by the project had formed a local NGO SLPS and continued to be active in the cluster area.

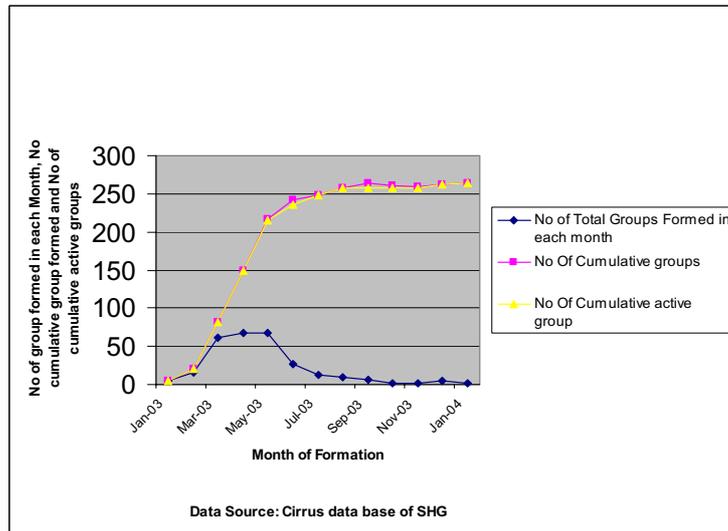
In the second cluster, where the process was lead by a different individual than cluster 1 (devoting 20% of their time to this task), the rate of group formation exceeded that experienced in cluster 1. This is not perhaps surprising as by this time the method for facilitation had been fully developed. The close proximity of this cluster to the field office of the project meant that communication was not an issue. Once project support for formation was withdrawn although groups continued to meet and function, group formation did not continue, perhaps reflecting the fact that volunteers had not yet taken

Fig. 1. Patterns of groups formation at project clusters

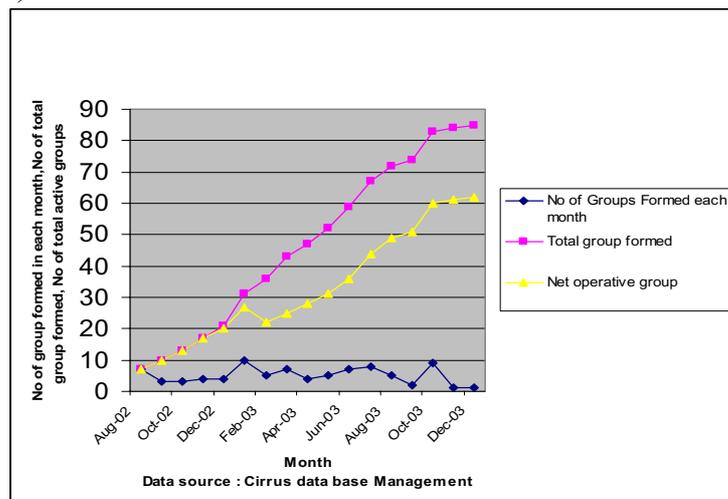
a) RPC-V



b) Patna 2



c) M-UP



on the role.

In the third cluster at Maharajanj the project initiated the process of group formation in five villages and reached nearly eight villages. This cluster was isolated from the main project field office, and the individual leading this process had much less experience than at clusters 1 & 2. This individual in fact had only 3 months experience in the main field office.

Initial progress in group formation was slower than experienced at the first two clusters. Internal assessment of the reasons suggested that a manual or guidelines were needed as resource to support the individual. After these were prepared and made available there was a marked increase in the rate of group formation (month 4 – Feb 2003).

The total no of groups formed is more than eighty over a period of less than 1 year very similar to the levels achieved in cluster 1. Given that in cluster 3 the project worked in only 8 villages compared to 25 villages in cluster 1 it can be seen that the numbers of groups formed per village was greater. Analysis of the reasons for this was the larger size of villages in this area rather than other socio-economic factors. The numbers of groups that decided not to continue to meet was higher than in other project locations. Follow up activities reported elsewhere (Annex A, section 7) indicate that a key factor was that the project did not establish a link to external sources of credit.

Comparing across these clusters we conclude that the process of group formation is influenced by the experience of the leader, but that with adequate support the process can be supported by relatively inexperienced individuals

4.3 Empowerment

As described above we have applied the framework of Alsop and Heinsohn to examine empowerment. From this analysis it becomes clear that most of the outcomes are informal. The excerpt below is taken from the original contribution by the CIRRU team leader (Annex A: Appendix 2) to the final project report of these projects, provides some context for this observation.

..... “Large, powerful and well-endowed external agencies (including democratically elected governments) are often blind or insensitive to much detail that is relevant at the individual or local-community level. Unimaginative application of legal, political, economic, social and moral principles and doctrines leads to rigid uniformity in policies and programmes, and to limited choices for individuals, exacerbating rather than relieving poverty. External regulation and control of key institutions, inputs and resources relevant to poverty reduction stifles local initiative. The individual is powerless in the face of large external institutions and is usually overwhelmed by them.

Institutional arrangements that enable individuals to confront and deal with large and powerful external entities, to explore, develop and experiment with new options are therefore fundamental to any poverty reduction strategy.....”

Table 4. Analysis of the characteristics of empowerment achieved through the implementation of the dialectic approach

DOMAIN	CONTRIBUTORY FACTOR		DEGREE OF EMPOWERMENT (DOE)		
	Sub-domain		Macro	Intermediary	
State	Justice	<p>Agency</p> <ul style="list-style-type: none"> + Membership of community based groups <p>Opportunity Structure</p> <ul style="list-style-type: none"> + Perceived levels of respect by which members of one social group are treated by another + Perceived levels of opportunity relative to other groups + Perceived improvement in 		<p>Extent to which relationships between higher caste and lower caste are reported to have changed</p>	<p>Local</p> <p>Ability to resolve local issues within community</p>
	Politics	<p>Agency</p> <ul style="list-style-type: none"> + Extent of awareness of candidates who ran for local election + Individual report that their <p>Opportunity Structure</p> <ul style="list-style-type: none"> + Perceived level of security relative to other social groups + Perceived ability to make 			<p>Respondents voted in last local elections</p> <p>Extent to which non-land owning, poor and socially disadvantaged were involved in discussion regarding canal management with WUA</p>
	Service Delivery	<p>Agency</p> <ul style="list-style-type: none"> + Awareness of technologies and services available + Access to state provided services <p>Opportunity Structure</p> <ul style="list-style-type: none"> + Perceived relevance of services offered to needs of poor and socially disadvantaged 	<p>State level canal managers consult with communities on issues related to canal management.</p> <p>Communities are able to present issues related to water management to</p>	<p>Extent to which individuals are able to engage with scientists on matters of interest to them.</p>	<p>Poor and socially disadvantaged are able to make PID choices informed by ideas being promoted by Gov't agencies.</p> <p>Women report ability to access services</p>

DOMAIN		DEGREE OF EMPOWERMENT (DOE)			
	Sub-domain	CONTRIBUTORY FACTOR	Macro	Intermediary	Local
Market	Credit	<p>Agency</p> <ul style="list-style-type: none"> ✚ Levels of savings and proportion of funds revolved ✚ Individual are able to avoid reliance on usurious sources of credit ✚ Numbers of women accessing microfinance credits ✚ Improved measures of well being ✚ Investment in both agricultural capital and agricultural inputs <p>Opportunity Structure</p> <ul style="list-style-type: none"> ✚ Reported levels of improvement of status of low caste members of SHG ✚ Women report control of the use of credit ✚ Women & other disadvantaged report improved access to education and health services 		Local microfinance institutions provide finance grants	<p>Poor and socially disadvantaged including women are able to access credit through group savings funds</p> <p>Women are able to determine the purpose for which micro-credit loans are used.</p>
	Labor	<p>Agency</p> <ul style="list-style-type: none"> ✚ Individuals report that they are able to improve their relationships (e.g. remove themselves from obligations of bonded labour). ✚ Individuals report negotiation of new employment / income 			Improvements in arrangements for their employment or income generation strategies

		<p>generation opportunities in agriculture or other areas.</p> <ul style="list-style-type: none"> + Reduction in seasonal migration for employment <p>Opportunity Structure</p> <p>Reported incidence of bonded labour reduced</p>			
	<p>Goods & services</p>	<p>Agency</p> <ul style="list-style-type: none"> + Individuals report livelihood benefits from improved agricultural production + Numbers of poor and socially disadvantaged that enter in to land leasing arrangements + Numbers of poor and socially disadvantaged that are able to purchase land + Accumulation of property and productive assets <p>Opportunity Structure</p> <ul style="list-style-type: none"> + Reported improvement in livelihood status 		<p>Visit by representatives of agricultural input services to project area</p> <p>Local individuals and groups of individuals become trusted providers of services (such as information and agricultural inputs), microfinance services, and facilitation of formation of SHGs</p>	<p>Respondents report improved access to agricultural inputs..</p> <p>Respondents report fewer instances of provision of sub-quality products</p> <p>Members of SHG</p>

DOMAIN		DEGREE OF EMPOWERMENT (DOE)		
		CONTRIBUTORY FACTOR	Macro	Local
Society	Sub-domain			
	Family	<p>Agency</p> <ul style="list-style-type: none"> ➤ Membership of externally facilitated groups and traditional 'indigenous' organisations ➤ Monthly income <p>Opportunity Structure</p> <ul style="list-style-type: none"> ➤ Reported levels of improvement of status ➤ Reports of improvement in 	Individuals report benefits from membership of externally facilitated groups.	<p>Women seek help from relatives, friends, group members, authorities and others to resolve problems such as violence</p> <p>Families report more harmonious relationships between family members</p> <p>Use of micro-credit by women to meet health needs</p>
	Community	<p>Agency</p> <ul style="list-style-type: none"> ➤ Formation of self help groups ➤ Participation in training <p>Opportunity Structure</p> <ul style="list-style-type: none"> ➤ Perceived levels of economic success of own social group ➤ Perceived levels of opportunity for improvement 	Frequency with which respondents were verbally harassed threatened or abused by i)high caste people, police other groups of people	<p>Representation of poor and socially disadvantaged in self selecting community groups</p> <p>Local un/ underemployed village members form local organisation to facilitate emergence of SHGs</p>

In making this observation we are not arguing that reform and development of formal institutions is not required. Indeed in the context of the rule and institutions that govern how research organisations can engage in such research we signal the nature that such reforms may take (Annex A: section 7). The key finding is that significant progress can be made in situations where the formal arrangements are extremely weak.

As was described above in section 3.3 this analysis draws upon the experience of the project and could be used as the basis of developing a framework for the analysis of impact of the dialectic approach in terms of empowerment. At this stage although the projects have reported many beneficial trajectories it is too soon, and therefore inappropriate, to attempt to further quantify the levels of empowerment. However this framework could provide the basis of a future assessment at clusters RPC-V and Patna 2. It would be inappropriate to use the framework at M-UP because as was discussed above the project only tested certain elements of the dialectic approach and model for PTD at this location.

Given the expectation that the dialectic approach will continue to develop expanding networks, it would however be important to examine how the approach spreads from the original project based experience. This is discussed further below in section 4.5.

4.4. Effectiveness as an entry point for PTD

As described above, given the non-deterministic nature of the dialectic approach, we see the emergence of examples of PTD as an important outcome of the process.

Examples of experimentation undertaken, of which the team are aware, are summarised below (Table 5). From this it can be seen that many examples of experimentation emerged in areas where the project had demonstrated technologies. We only include examples where experimentation occurred beyond project supported demonstrations i.e. we do not report a demonstration itself as PTD (although in many cases there was evidence of experimentation around the demonstrations).

It can also be seen that experimentation emerged in areas that were not originally anticipated by the project. This was particularly important as a number of these in meeting demanded expressed by the landless, socially-disadvantaged and women.

We do not examine how these examples unfold in this annex as these are explored further in Annex B viii and in the technology focused reports in this Annex B. However, this finding indicates that significant PTD outcomes arose from the dialectic approach and that these included individuals and groups of individuals from the project's intended audience.

This analysis inevitably underestimates the true extent of experimentation as it only records those examples in which the project or its agents became directly involved. Examination of loan profiles over time provides strong evidence that as immediate subsistence needs were met individuals shifted investment to agricultural inputs⁵. In some instances this simply reflects an additional source of credit being applied to purchase inputs (but that these would have been purchased anyway). However in others it reflects what are in essence new ventures and experimentation. Our data do not allow us to differentiate this.

⁵ Kumar, R. Mishra, V.K. and Khan, K. 2004. Analysis of the performance of field based technology demonstrations, both in terms of technical performance, reach and suitability to target groups Cirrus Pvt Ltd 13 pp

Chaudhary, S. 2004. An Examination of the self help group process. Cirrus Pvt Ltd 55 pp.
Kumar, R. Mishra, V.K. and Khan, K. 2004. Routes of Participation Cirrus Pvt Ltd 33 pp.

Table 5. Summary of the PTD outcomes.

Technology	Characteristics ⁶	Communication strategy	Lead Service provider
Diversification & new avenues for production			
Leasing / purchase of marginal land for production of high value crops	Landless & socially disadvantaged	None	SLPS volunteers provide links as needed
Purchase of second hand tube well for provision of water	Landless & socially disadvantaged	None (advised purchase of new pumps)	SLPS local market
Quality seeds for vegetable production	Landless & socially disadvantaged	None	CPSL / SLPS?
Rice & Wheat based technologies			
Hybrid rice seed	Sharecroppers	Project encouraged evaluation of different seed sources	CPSL / SLPS / input supplier
Contract Seed Growing	Landowners able to command large contiguous areas of land	Training to interested individuals	KVK
Community Nursery	Sharecroppers	Field demonstration	IRCER
Zero-tillage	Land owners, service providers SHG	Field demonstration, video, message for CIRRUUS volunteers	IRCER
Deep tillage	Service providers	Field Demonstration	IRCER & Local manufacturers
Pest and weed management using commercially available products	All	Project encouraged examination of pest and weed management issues	CPSL / SLPS / Input providers
Control of nematodes through solarisation of seedbed and use of nematicide	All	Field demonstration & FFS exercises	IRCER / CABI
Water management			
Timeliness of crop establishment	Landowners and share croppers	Field demonstration & promotion	IRCER
Early rice transplanting	Landowners and share croppers	Field demonstration & promotion	IRCER
Raised bund height	Landowners and share cropper	Field demonstration & promotion	IRCER
Outlet gate	WUA and sharecropper	Field demonstration & promotion	IRCER
Aquaculture	Attractive to landless	Field demonstration	IRCER
Honey Bee Keeping	Landless	None	?
Chick rearing		None	SLPS and RMK Ranchi

⁶ This could be further quantified

4.5 Linking to Micro-finance organisations

It is possible for an SHG/NGO to apply for substantive microfinance loans. For example under the Rashtriya Mahila Kosh (RMK) scheme NGOs and other organisations are given loans at 8% per annum and they can charge an interest maximum up to 12% from the borrowers directly financed by the NGOs or from the SHGs. In addition to this RMK organises a number of workshops, meeting and training programmes for NGOs and partner organisations.

Under the current project the SLPS has taken such a loan and as reported earlier this led to the continued support of the RPC-V cluster. there was no allocation for training and capacity development. The experience of the project has been that the meeting of Cirrus staff once in a week with the volunteers is enough and there is no need for a separate training on SHG matters. Honorarium for the volunteers at the rate of Rs.100 per month per group was provided only for 12 months and the project expected the volunteers to make their service available to the groups on a payment basis. The project also facilitated the volunteers to evolve themselves as service providers and earn revenue. In other words, the project is experimenting with a model that can sustain the expansion and growth of SHGs on a self-sustaining basis.

4.5 Strategies to achieve sustainability of the “dialectic approach”

From very early in the project there were expressions of demand for the services of the project. Both NGOs⁷ and individual requested the project to expand the work in the new areas. This was done to a limited extent in that the RPC-V cluster was expanded to capture an additional 5 villages and the Patna 2 cluster was implemented in an area where, inevitably, some awareness of and demand for the dialectic approach existed. CIRRUS staff were also allowed to take some limited consultancy assignments within the duration of the project and to visit other projects, both being seen as promotion of the dialectic approach and PTD model.

It is instructive to examine how individuals directly involved in the project developed their own strategies to take forward those elements of the dialectic approach that they saw as important.

The director of CIRRUS focused on the need to develop a business model whereby the margins available through on-lending were used to finance the service delivery. In doing this he drew upon some aspect of the dialectic approach.

The key to this model is the development of robust and cost effective systems that can support a very large scale operation. The target scale for this business is considerable requiring an annual turnover of tens of millions Indian rupees (hundred of thousand GB pounds) to be viable.

Crucial to the development of a business that can operate at such a scale has been the further development of the information system⁸ and associated management systems.

⁷ The strategy of promotion of uptake of project finding involved active engagement of such organizations, who were, typically invited to visit the project to experience first hand the dialectic approach.

⁸ The system as used had several limitations. There was no independent validation and audit. There were no security systems. There were no electronic filters and checks for errors and inconsistency. (CIRRUS has now overcome several of these shortcomings in another project that commenced on 26 September 2004.)

This model does not however directly utilise the SHG guidelines and SHG facilitation method developed by the project and places less emphasis on facilitating the emergence of volunteers as intermediaries (SLPSs).

The second model developed by project field staff and local volunteers as described above focuses on developing local hubs for service delivery and represents a set of arrangements to sustain and further expand the model as developed and implemented. The centre for the Promotion of Sustainable Livelihoods (CPSL) was formed by the professional staff formerly employed by the project. This organisation sees itself generating income through a number of sources: I

- ✚ Facilitation of the dialectic approach using grant funds available from MFIs on a not for profit basis as an NGO.
- ✚ Provision of management services (such as microfinance database services, SHG development advice, training and support materials) at cost to existing groups. These may be organisations such as SLPS that emerge as part of the dialectic approach or may be pre-existing organisation.
- ✚ Provision of consultancy services on the basis of demand

It is too early to assess the long term sustainability of either model. At the time of writing this report 2005, both ventures appear to be developing well. Cirrus is already using and further developing the method in five states of India, in a joint venture with Shriram Investments Ltd. and expects to extend this to at least five other states by mid 2007.

CPSL has been appointed DFID PACs programme (<http://www.empowerpoor.org>) has commissioned former the as a Development Resource organization for Bihar. CPSL will introduce the dialectic approach to a further 17 NGOs involved in the PACS programme in more than seven districts and is beginning to derive an income stream from payments for services by groups of volunteers.

In discussion with former team members an important point emerges. Projects often seek to achieve sustainability for project created structures. This often involves an element of restructuring and *substitution* of funding sources. Whilst this may lead to the perpetuation of former project structures, often it is not clear that these are sustainable. With this clarification it is clear that in both of the examples illustrated above we do not see these as representing examples where substitution of funding sources has occurred. In both cases the innovations were driven by the individuals or groups of individuals involved in the venture. The sponsoring project had no formal involvement in their development, beyond encouraging promotion of uptake of the project products and findings. Thus for example neither DFID NRSP nor the former project leader of R7839 had any direct involvement in the awarding of the PACS contract to CPSL.

Looking beyond these organisations and arrangements that can be linked directly to project experiences, another element of our project strategy was to promote the uptake of project products, this is reported more fully in the final report of project R7839 and Annex A: sections 7 & 8. However a notable example in the context of uptake of the dialectic approach was the DFID Rural Livelihoods Project which commenced in 2004 in Madhya Pradesh (http://www.dfidindia.org/states/mp_state.htm) which has drawn on ideas and concepts from R7839 and incorporated these into their draft

guidelines and both ICAR and project partners have taken forward the lessons learnt into ongoing research plans and proposals.

5. Conclusions

From the preceding account and supporting evidence base, it should be clear that the dialectic approach represents an innovation.

The approach offers a way to facilitation and support community development at costs which are significantly lower than the currently used processes. Our experiences suggest that these costs of facilitating the approach could be recovered either directly from clients themselves or using the margin that is available on micro-finance transactions.

Our findings indicate that the approach is powerful, in the sense that it is empowering in situations where the formal institutions of society are outstandingly weak.

An important finding is that when combined with an appropriate strategy for the promotion of agricultural technologies it can stimulate significant PTD outcomes. This thereby offers a potential strategy to strengthen the adoption and adaptation of new agriculturally based opportunities in a non-deterministic manner.

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