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OVERCOMING THE INEQUITY OF ISOLATION:
SMALL GRANTS AND GUIDED
SELF-MOBILISATION FOR MICROENTERPRISE
DEVELOPMENT IN
RURAL PAPUA NEW GUINEA

A thesis presented in partial fulfillment of the requirements for the degree of
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ABSTRACT

Stimulation of an informal sector is seen as a key strategy for poverty alleviation in many parts of the developing world, including Papua New Guinea. The stimulation of microenterprises within this sector aims at enabling the poor towards 'self-help'. The two pillars on which microenterprise stands are empowerment and finance, yet very isolated communities, such as those in the East Sepik Province of Papua New Guinea, often lack access to such enabling forces. In the absence of other financial opportunities, they sometimes apply to donor agencies for small grant funding as a means of accessing seed capital. Yet they are hampered in their efforts by low literacy, poorly developed infrastructure, the absence of organisations supporting microenterprise development, aid agency criteria, and isolation.

Using Papua New Guinea as the field of reference, this paper initially looks at aid and microenterprise development, using literature to develop best practice understandings. These best practice understandings, which concentrate on issues to do with sustainability, appropriateness, viability and empowerment, accompany three tiers of knowledge (formal, common and perceptive) to form a framework. This framework helps assessors deliberate upon key topics in a way that incorporates praxis when making decisions concerning funding

I then propose a workbook-style application form, that: 1) feeds appropriate information from the community back to the funder for use in the framework; 2) can be completed by people with very low literacy; and 3) leads a community through participatory exercises at both the village and household/clan levels, enabling them to analyse, plan and act in the ways *they* choose to and value.

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Enough shovels of earth – a mountain
Enough pails of water – a river

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PART ONE

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND AND AIMS

The serenity of the small village on the banks of the Sepik River, Papua New Guinea, is broken by the hefty beating of a split-log *garamut* drum. The coded rhythm proclaims a gathering: ‘Stop what you’re doing’, it signals. ‘Come if you can.’ Over the next half hour, people drift in to the gathering place from all corners of the village. Under an open-walled shelter a smokey fire burns in the dirt floor, despite the 32° C heat. Four elderly men sit close to the embers on squat, carved stools, poking at a black scorpion as it scurries under a burning log. Around the open sides, twenty-or-so men have hauled themselves onto waist-high platforms and are waiting for the talk to begin. A few women outside the shelter lean in towards the meeting. Several more sit outside on the grass, some breastfeeding and cradling small children. Many more naked toddlers and young children play in the grass, a few with their skin discoloured from yaws and bellies noticeably extended through malnutrition and parasites.

A man around his late forties rises and addresses the group in Papua New Guinean pidgin. It is not the group’s mother tongue, but he uses it for the benefit of the development ‘outsiders’ present. His plea is simple. He wants the visitors to help them, to provide funding to set up income opportunities so that the village can go on to help itself: to pipe-in drinkable water, set up its own first aid post, rebuild the school house and educate the children. A murmur of consensus from the gathered crowd follows. But one plucky old woman, obviously tired of a scene she has witnessed many times before, voices a challenge to the ‘outsiders’ present: ‘We are sick of talk, talk and more talk. This time, we want something to happen.’¹

¹ This scene describes an occasion experienced by myself and three other independent advisors, in a visit to communities in the Hunstein Range area, East Sepik Province, Papua New Guinea in May 2001. Our role was to assess tourism potential for villages in the Sepik Community Land Care Project area – a project administered by the World Wide Fund for Nature.

Meanwhile, at a global level, donor nations debate ways to achieve the United Nations Millennium Development Goals (MDGs) aimed at halving world poverty by 2015. There are eight goals as outlined in Box 1.1, forming the 'frame of action' for development organisations (Wolfensohn, 2002a). These goals are commonly accepted as the ones against which development progress will be measured. 189 countries ratified the MDGs which emerged from the Millennium General Assembly in New York in September 2000, and were reaffirmed at the United Nations World Summit on Sustainable Development in 2002 (Johannesburg Summit, 2002). The significance the MDGs hold - or should hold - for aid agencies is made clear by World Bank President James D. Wolfensohn in his 2002 Annual Meetings Address:

Together, we have set 2015 as the deadline for our results. We must now, together, move beyond words and set deadlines for our actions. We have said we are mutually accountable. It is time to implement. It is time to deliver. If the goals of 2015 are to be achieved each of us must act now (Wolfensohn, 2002b:w²).

While Wolfensohn and the old lady from the Sepik both agree on the urgent need for activity, deciding upon the course of action is not so clear. Notes White of the MDGs: '...they are mostly outcome-oriented with little effort made to build a consensus around an underlying logic model of how the targets might be achieved' (White, 2002:w.).

Increasing income opportunities for the rural poor is seen as one way to achieve these goals (CIDA, 2002). This strategy includes assisting individuals and groups into small, sustainable microenterprise ventures, with the goal that they become self-reliant and capable of fulfilling all their basic needs through their own endeavours. As will be argued, this is the approach this thesis supports.

² Page numbers for quotes obtained from website sources were not always available. Where this is the case, instead of citing page numbers I have used the letter 'w' (website). The Bibliography at the end of this thesis provides details that should track directly to the document concerned.

Box 1.1 United Nations Millennium Development Goals

Goal 1: Eradicate extreme poverty and hunger

- Reduce by half the proportion of people living on less than US\$1 a day.
- Reduce by half the proportion of people who suffer from hunger.

Goal 2: Achieve universal primary education

- Ensure that all boys and girls complete a full course of primary schooling.

Goal 3: Promote gender equality and empower women

- Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.

Goal 4: Reduce child mortality

- Reduce by two-thirds the mortality rate among children under five.

Goal 5: Improve maternal health

- Reduce by three-quarters the maternal mortality ratio.

Goal 6: Combat HIV/AIDS, malaria and other diseases

- Halt and begin to reverse the spread of HIV/AIDS.
- Halt and begin to reverse the incidence of malaria and other major diseases.

Goal 7: Ensure environmental sustainability

- Integrate the principles of sustainable development into country policies and programmes; reverse the loss of environmental resources.
- Reduce by half the proportion of people without sustainable access to safe drinking water.
- Achieve significant improvement in the lives of at least 100 million slum dwellers, by 2020.

Goal 8: Develop a global partnership for development

- Develop further an open trade and financial system that is rule-based, predictable and non-discriminatory. This includes a commitment to good governance, development and poverty reduction – nationally and internationally. ▸ Address the least developed countries' special needs. This includes tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction. ▸ Address the special needs of landlocked and small island developing states. ▸ Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term. ▸ In cooperation with the developing countries, develop decent and productive work for youth. ▸ In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries. ▸ In cooperation with the private sector, make available the benefits of new technologies – especially information and communications technologies.

By the year 2015 all 189 United Nations Member States have pledged to meet the above goals.

Source United Nations (2002:w.)

As the literature review and fieldwork (Chapters Three to Seven) will go on to identify, there are two main impediments preventing poor people from establishing microenterprise ventures: i) their lack of access to resources including land, market knowledge, contacts, infrastructure and support, often resulting in a sense of disillusionment and disempowerment; and ii) access to the financial reserves needed to bring about change.

The first barrier is overcome by the concept of empowerment. Empowerment is when people, 'especially the weaker and poorer, are enabled not just to express and analyse their reality, but to plan and to act' (Chambers, 1997: 156). It is seen as an important and desirable outcome of the interaction between development agencies and the communities they serve, and one of the reasons given for the usual insistence on direct contact, particularly at planning and implementation stages, between aid agencies or their partner organisations and the villagers enacting 'projects'. In some countries, however, there are simply not enough non-governmental organisations (NGOs) or aid agencies to provide the human resources necessary to lend this kind of direct assistance to help empower the poorest. The repercussions of this are that communities that are not easily reachable and that are less able to assert their needs (either on their own or through an NGO advocating on their behalf) may be overlooked in preference to groups closer to urban centres and with more confidence and knowledge of how to manipulate the aid process. Groups with such a profile may also be able to win the development agency greater kudos because efforts are 'seen' by government, the media and the public. Chambers (1983: 13-23) alerts us to similar 'biases' prevalent in what he calls 'rural development tourism', as experienced in the context of the attention projects receive from government ministries, aid agencies, academic researchers, civic delegation and other urban-based groups with an interest or stake in rural development (Turner and Hulme, 1997: 96). Box 1.2 adapts Chambers' typology and speculates these biases as they relate to aid agencies determining how and where to place their support for development projects.

How to reach and help empower communities where aid agencies do not have a physical presence or representative link is the first issue this thesis seeks to address.

Box 1.2 Speculating the influence of Chambers' 'six biases of rural poverty' on the determination of aid assistance for isolated communities

Spatial biases

Involvement is restricted to accessible places, with considerations as to cost, time and staff safety. Places are chosen where visibility/kudos is likely to be high.

Project biases

The preference is for projects that are risk-free, promote the profile of the aid agency, and do not jeopardise, but enhance opportunities for future funding.

Person biases

Direct contact is restricted to the educated, elite, healthy, and empowered. Partner organisations are those that have already proven themselves.

Dry season bias

Personnel are protected from situations 'at their worst.'

Diplomatic biases

Caution not to offend 'the powers that be.'

Professional biases

Professional specialisations and blueprint approaches complicate the ability to respond to development holistically and adaptively.

Source Modified from Chambers, 1983: 10-25 and 1997: 85.

With respect to the second obstacle, grant financing for community development, applied for from a contestable fund administered by a bilateral aid agency, foreign diplomatic post, or private fund is sometimes pursued by NGOs or community groups as a means of accessing start-up or improvement capital for economic ventures. This is especially the case where microfinance and banking schemes do not exist. Grants are normally applied for by a community group or NGO, who do so by completing and submitting a formalised application form provided by a potential small grant funder. First-hand assessment usually then follows, with the aid agency sending a trusted representative to verify the application and supplement it with further research and their own recommendations (Julian, 2002: pers. comm.). For very isolated, poorly educated communities who find it difficult accessing and completing applications, and who do not

have access to the support of a reputable NGO, first hand assessment would, almost always, be considered a 'must' (*ibid.*).

However, often the sums of money being asked for are very small. The costs in relation to the size of the grant being requested might immediately cause agencies to cull-out even very promising projects. For one person to travel from the capital of one Pacific country to an outer island scheme in the same country costs, on average, NZ\$755 (airfare and per diem) (MFAT, 1998). Yet the average funding requested at the micro-level is approximately NZ\$1,200 (*ibid.*). In isolated areas of Papua New Guinea, a three-day assignment to visit a rural project (with only one day spent in the village) might cost upwards of NZ\$1500 (Knight, 2002: pers. comm.). Accountability concerns exacerbated by capacity limitations and distance, as well as pervasive power structures and cultural perceptions inherent in Melanesian society (Schoeffel, 1997; Kavanamur, 2002) mean that isolated rural communities present to aid agencies as 'a problem'. This is enhanced by the increased insistence on participation³ as a criteria for funding, and the widespread acceptance that it is unethical to distribute money without also offering follow-through support (Whyte, 2002: pers. comm.). This means personal contact is fundamental to the disbursement of small grant funding, making the bias against isolated, 'loner'⁴ communities even more pronounced.

Given this, one aim of this thesis is to provide an alternative to personally assessing grant applications for small sums of money in communities where first-hand assessments may prove out of the question. This requires a system whereby aid agencies operating at a remove⁵ can be cognizant of who they are working with and clear of stakeholder⁶

³ Participation is defined by New Zealand's Voluntary Agency Support Scheme (1999) as the active involvement of key stakeholders in the project, particularly the intended beneficiaries, both men and women. VASS, which distributes New Zealand government funds to NGOs for projects they support in developing countries, lists participation as a criteria for funding. For further discussion, see 4.4.2.

⁴ By 'loner' communities, I mean groups or villages unsupported – mainly through isolation – by government, NGO, Church or other agencies working towards community development.

⁵ Operating 'at a remove' is where aid agencies oversee projects from centralized headquarters based some distance, and possibly in another country, from the project. This differs from a decentralized or devolved model, where the agency opens a local field office in the project area, or the 'partner organisation' or 'international partner' model (VASS, 1999), where aid agencies support or work through in-country civil society organisations.

rationale and capacity with regard to the proposed project. Funders also need to feel confident that the projects they support will be sustainable and not impact negatively on a community or the environment.

Therefore, the aims of this thesis are two-fold:

1. To develop a means of enabling 'loner' communities to 'express and analyse their reality' and 'to plan and to act' (Chambers, 1997:156), so they can be empowered to 'lead the kind of lives they value and have reason to value' (Sen, 1993).
2. Where such goals include establishing or developing sustainable microenterprises to generate income for self-help, to develop a mechanism which allows donors operating at a remove to confidently assess those projects and communities for the small grant funding they may require.

As will be discussed, it is recognised that using aid money for grants for profit motivated development is considered less desirable than, for example, supporting infrastructural or broad-based community development. However, as will be made clear, this less desirable aid expenditure is still pursued, and in the absence of effective alternatives, is one of the few options available. The initial objective of the thesis is to improve the existing small grant process and through this, identify ways of improving development practice generally.

⁶ A 'stakeholder' is a person or group with an interest or 'stake' in the project.

1.2 THESIS STRUCTURE

1.2.1 Overview

The introduction to this chapter (Chapter One) has already touched upon the motivations of this thesis: the call to *act now* at both a local and global level, and the biases holding back action which includes the disinclination to support loner communities. Chapter Two expands on experiences and research which helped instruct the thesis topic, and provides the context to understanding my interest in Papua New Guinea. These two chapters form Part One of the thesis (see Figure 1.1).

In Part Two, I look at aid in Papua New Guinea and discuss how aid agencies might be able to support informal sector development. I consider the issues leading discussions on sustainable microenterprise development at the grassroots level, and use literature reviews and in-the-field research to develop 'best practice' understandings.

In Part Three, I take these best practice ideas and develop a knowledge framework to guide aid agencies in their information collection and decision-making process. This framework is then used to design a tool for aid agencies to use with loner communities, which will help fulfill the empowerment aims of this thesis, as presented on the previous page.

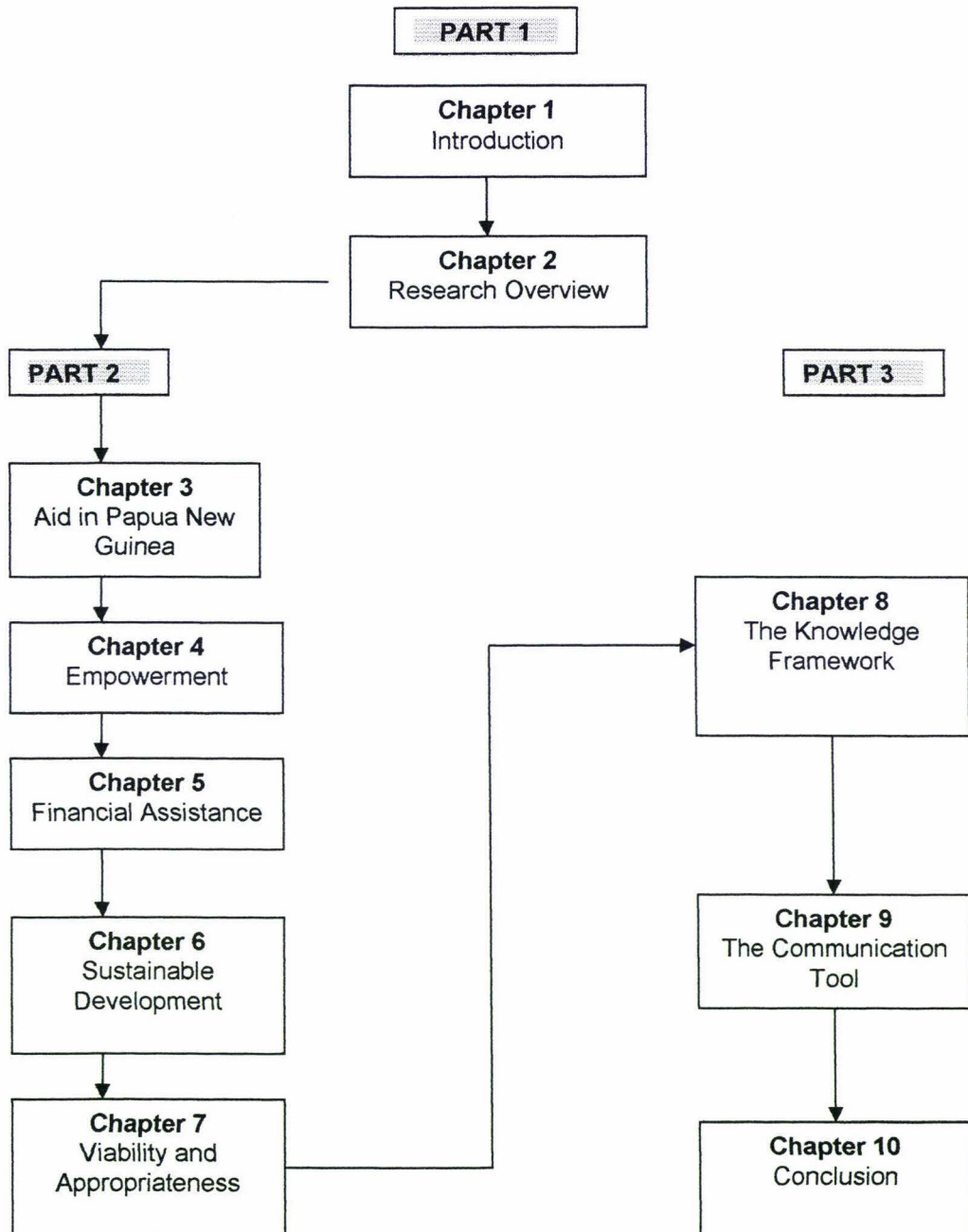
Parts Two and Three are further explained in a chapter-by-chapter breakdown, as follows.

1.2.2 Part Two

Part Two begins with Chapter Three, which discusses the concept of aid, and its historical role and implications in relation to Papua New Guinea. Support for microenterprise development through the informal sector is seen as the key to alleviating poverty in that country, and the reasons for this are explained. This chapter establishes the understanding that encouraging broad-based 'self-help' is an appropriate strategy for Papua New Guinea, and proposes how aid can be channeled for this purpose.

Chapter Four discusses empowerment. Empowerment includes social, psychological, political and economic dimensions and is a prerequisite of communitarian-style

Figure 1.1 Thesis flow diagram



development. This chapter includes discussions on power, and how participation and social capital are fundamental to allowing communities to effectively express, analyse, plan and pursue livelihood enhancement. A model linking community participation with household livelihoods is considered for use within Papua New Guinea.

Chapter Five explains the various financing options for microenterprise development. One method – small grant funding – is selected as a path warranting further investigation for its outreach potential. Microgrants are also less likely to lead to microdebt; and may be a more culturally appropriate way of supporting Pacific peoples, an issue this chapter queries. Grant aid then becomes the focus of the rest of this thesis.

Chapter Six looks at sustainable development. Aid agencies and recipient communities need a clear understanding of this term (for instance, what emphasis is placed on ‘sustainable’, and what emphasis is placed on ‘development’) and what it means to them in their collaborative associations, and in the context of ‘improving’ livelihoods.

Chapter Seven addresses viability and appropriateness. It firstly examines the various ‘shapes’ of microenterprises determined by the type of activity and stakeholder involvement. It then considers the various elements that need to be contemplated before an enterprise idea is rendered viable or feasible. However, projects that may be ‘do-able’ may not necessarily be ‘right’ or ‘fitting’ for a particular community. The issues that might help define appropriateness are examined in the remainder of this chapter.

Part Two is then summarised to establish needs and best practice guidelines with regard to microenterprise development. These issues are considered with particular reference to loner communities, enabled to participate in microenterprise development through the assistance of grant aid.

1.2.3 Part Three

Given that small grant application forms are the current means by which donor agencies elicit the information needed to make decisions regarding the projects they support,

Chapter Eight reviews current application forms from small-scale donors in Papua New Guinea. This exercise reveals if, and how, the best practice issues identified in Part One are presently accounted for in communication between funders and applicants.

Following this review, I suggest a framework that initiates a collaborative information gathering process, necessitating both donor and applicant involvement. This process acknowledges ‘best practice’ and actively seeks information from different tiers of knowledge to guide decision-making.

In Chapter Nine, this framework is then used to direct an application form or, more specifically, a participatory communication tool, which fulfills the aims of this thesis: to empower communities, while also eliciting the information required for sound donor judgement. The communications tool takes particular account of loner communities with poor literacy. Some examples of exercises that might be included in the communication tool are provided, while recognizing the need for further fieldwork to generate and design appropriate content, and to determine whether the concept will actually work in practice.

Chapter Ten summarises the thesis findings and presents recommendations relating to appropriate levels of support for microenterprise development in Papua New Guinea, and the uptake by aid agencies of the information framework and communication tool.

1.3 SUMMARY

This thesis endeavours to put theory to practical use. The thesis structure is necessarily progressive addressing, first of all, ‘what do we want to achieve?’, before establishing, ‘what needs to be done in order to achieve this?’, and from there, formulating one possible plan of action.

It is my hope that the ideas described in the document, if not the knowledge framework and communication tool directly, might find their way into other areas of agency practice to improve empowerment outreach and stimulate self-help

strategies, particularly in relation to Papua New Guinea. As Frierson once noted: 'when knowledge about cultural settings or social conditions is communicated via social research to policymakers, and when it is linked to innovation, there is the possibility of changing things for the better' (Frierson in Einsiedel, in Jacobson and Servaes (eds), 1999:304). This thesis is offered as one contribution to ongoing attempts to improve development practice in ways that respect the different realities of the world's poorest.⁷

⁷ As touched on throughout this thesis, 'poverty' is a shorthand term encapsulating many definitions and viewpoints. In terms of Papua New Guinea, communities with little or no cash may have better life quality than those with higher incomes, but living outside the village. The issue is, if these communities wish to benefit from such things as education and better health, they need cash, or equivalent in-kind support, to attain them. The 'poor' or 'poorest', in the context of this thesis, refer to those who are unable to send their children to school, do not have access to clean drinking water, and may not be able to access medical attention or other critical services, because of their inability to pay.

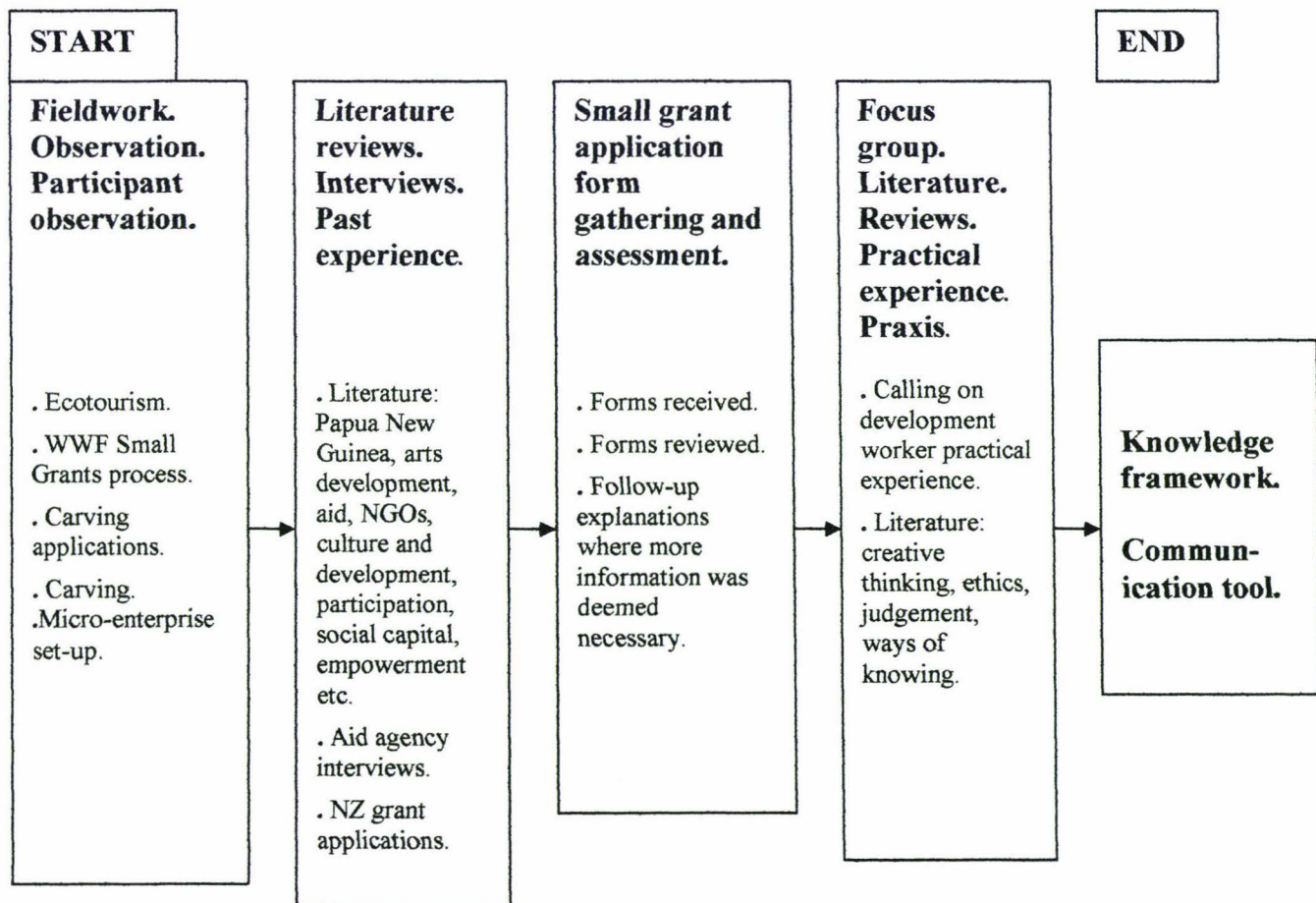
CHAPTER TWO

RESEARCH OVERVIEW

2.1 INTRODUCTION

The subject of this thesis was prompted by my experiences in the East Sepik Province (ESP) of Papua New Guinea between January and November 2001. Consequently, the ESP provides the fieldwork and case studies, and Papua New Guinea is the main country of reference. This chapter starts by describing the various research techniques and experiences that gave rise to the thesis topic. I then explain how this topic developed upon my return to New Zealand, leading to an extensive literature review, interviews with aid agency personnel and an appraisal of small grant funding application forms. The research stages are summarized in Figure 2.1, below.

Figure 2.1 Thesis methodology flow-diagram



2.2 METHODOLOGY

2.2.1 Background

In January 2001 I moved to Wewak, the provincial capital of the East Sepik Province (ESP), Papua New Guinea. I was there accompanying my partner, who was on a year-long contract with the World Wide Fund for Nature (WWF) working on their Sepik Community Land Care Project in the mid-upper reaches of the Sepik River (Figure 2.2). I also did some voluntary work for WWF.

The East Sepik Province has a population of around 340,000 (PNG NSO, 2000). Most live rurally, in villages of between 50 to 1000 inhabitants made up of clan groupings from the same *tok ples* (language group). *Tok ples* identity is strong and recommendations are that development programmes should be designed specific to each *tok ples* culture (Chatterton and Waliawi, 1995). But the fact that the Sepik basin is one of the most linguistically diverse places in the world, containing over 300 language groups (WWF, 2002a), makes it a particularly difficult region for development workers to grasp and deal with culturally.

My interest in grants and their use in microenterprise development was initially sparked by my involvement in a WWF-commissioned ecotourism report (involving three *tok ples* groups) and carving initiatives (with representatives from two *tok ples*'s). I have some practical experience in South Pacific tourism and am a founding trustee of the Tautai Contemporary Pacific Arts Trust in New Zealand, credentials which helped secure my involvement in these activities.

These roles gave me insight into both assessor and applicant functions in the small grant procedure whilst in Papua New Guinea.

2.2.2 In-the-field research

In my ecotourism role, I acted as 'assessor'. This experience came about through my inclusion in a four-member team – the Tourism Advisory Group (TAG) – commissioned

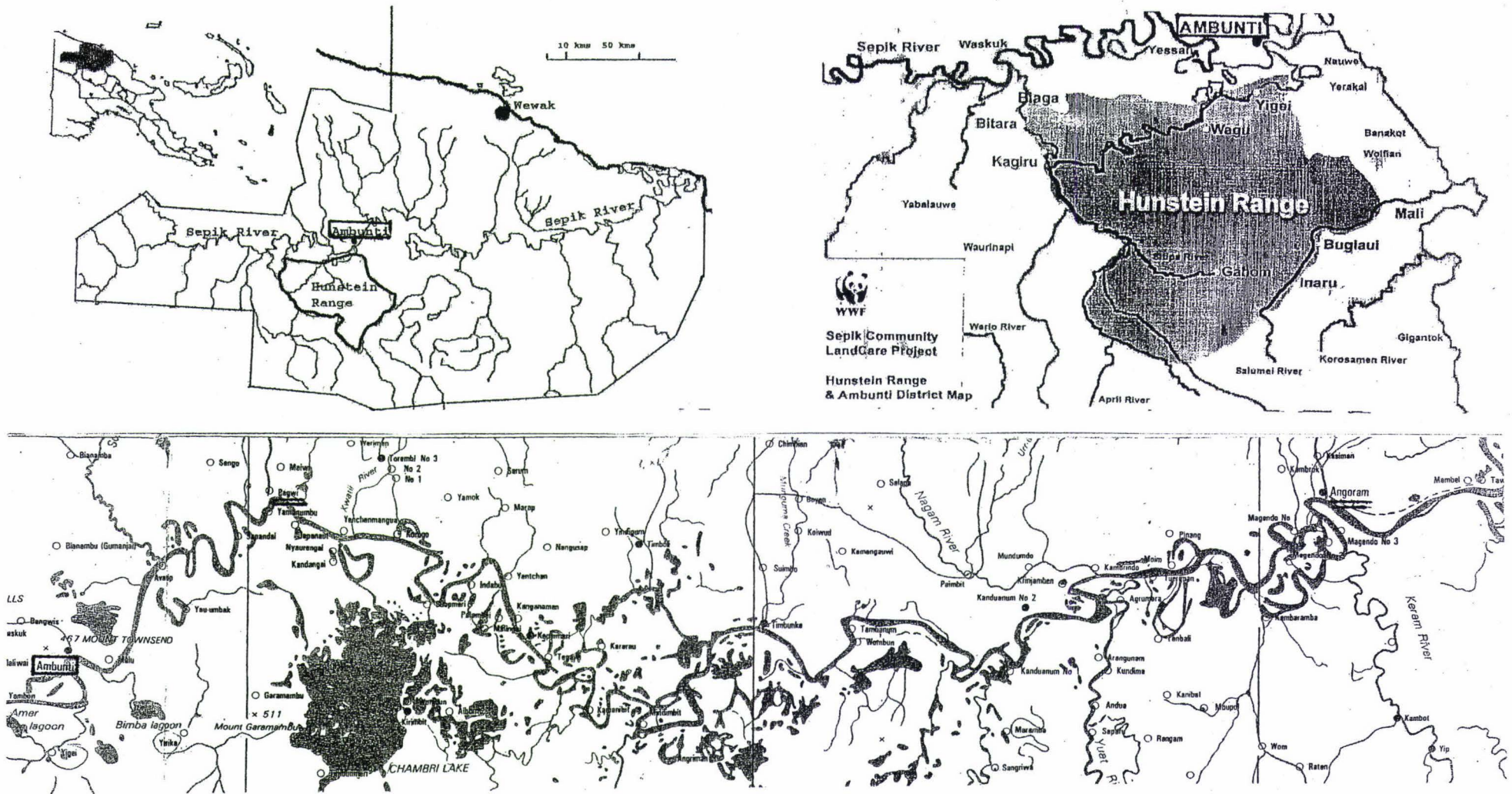


Figure 2.2 Location maps. **Top left map:** the East Sepik Province, with Papua New Guinea inset at left. **Top right:** the World Wide Fund for Nature's Sepik Community Land Care Project Area. **Bottom map,** includes other place names mentioned in the thesis. The scale on the bottom map is 1 cm:6.3 kms. Note river access by road is via Angoram (upper far right), and Pagwi (both underlined). Ambunti is marked on all three maps for orientation.

by the Worldwide Fund for Nature (WWF), to make recommendations concerning ecotourism development in the Hunstein Range.

The Hunstein Range is in WWF's Sepik Community Land Care (SCLC) project area (Figure 2.2), an integrated conservation and development project operating around Ambunti in the mid-upper reaches of the Sepik River. This area falls within what is recognised as one of the most important tracts of forest and wetland biodiversity in the Pacific (WWF, 2001*a* and 2002*a*), yet parts of the area were in danger of being commercially logged on a large-scale. This would also have had disastrous impact on the Ambunti district's 31,000 population (WWF 2002*a*, quoting 1990 census), most of whom live in small riverside or bush-camp villages and practice hunting and gathering, with some swidden agriculture, as their main means of support. My role on the team involved determining whether and how support should be given to ecotourism development.

The Hunstein Range villages, as indeed most other Sepik River communities, have few means of generating the income needed to pay school fees, or to buy necessities such as kerosene, rice, bedding, cooking utensils or clothing. 1990 figures show that only one per cent of the ESP population depended on non-farming incomes (Chatterton and Waliawi, 1995). By 1995, out-migration in the Hunstein Range communities was increasing, as was the adoption of a cash economy. With the fear that youth would out-migrate to towns where they would be lured into *raskol* (criminal) gangs, the non-governmental organisation (NGO), Friends of the Sepik (FOTS), suggested a priority be placed on the establishment of 'small industries that might provide local employment and an incentive for the young men to remain' (*ibid.*:35). FOTS's research and recommendations provided much of the background for WWF's involvement in the Hunstein Range.

Three reports were written as a result of the ecotourism advisory work I helped conduct in the Hunstein Ranges:

- *Wagu Village Ecotourism Development* (Huasi *et al.*, 2001)
- *Report on Ecotourism Development in the Garamumbu Area* (Jennings and Knight, 2001)
- *Eco-tourism development in the World Wide Fund for Nature's Sepik Community Land Care Project Area: What Now?* (Jennings, 2002)

The methodology used to inform these reports involved the TAG visiting five villages in WWF's Sepik Community Land Care project area (one village was visited only by myself and one other TAG member). It is important to note that while I gave theoretical structure to the methodology used and formulated initial question guidelines based on literature reviews, my three indigenous colleagues contributed inestimably to the research process. Their relationship with the communities, manner of approach and intuitive understandings highlighted the inadequacy of a 'foreign' researcher – or even someone from outside the Sepik area – trying to obtain accurate information cross-culturally. McKinney (2000) warns of cross-cultural worldview, which she describes as the 'basic underlying assumptions, whether tacit or overt levels, that people hold about reality' (*ibid.*:197). She also cautions against value and semantic misunderstandings and reminds us of the goal of research, which is '...to understand what people actually do, say and think; to understand the culture from the perspective of an insider of the culture' (McKinney, 2000: 4). Where discussions in this thesis involve the information acquired through TAG research, I have credited the information as 'Huasi *et al.*, 2001'.

The Tourism Advisory Group planned to use participatory rural appraisal (PRA) techniques in conducting research for the WWF assignment. PRA is aimed at allowing villagers to express and analyse their own reality, with the effect of it not only enlightening researchers, but of it having an emancipatory effect (FAO 2003; Chambers 1997 and 2002). Although I formally introduced the concept of PRA to the TAG, I believe they would have adopted elements of this approach naturally had I not been

involved, to the extent that community participation and analysis would have been deemed essential. However, PRA's ethos in supporting women and the most disadvantaged may not have been addressed as consciously were I not there to draw attention to this point. The fact that PRA is a recognised methodology aimed at giving voice to those typically excluded from decision-making gave the concept of deliberately involving women integrity. Without this, women may have been excluded from aspects of analysis and decision-making, as is common in Sepik culture (Strathern, 1987). My three indigenous colleagues were able to devise a culturally appropriate solution as to how to achieve women's involvement in a way that did not impose 'Western ideas and concepts' upon the 'power relations existing between men and women in non-Western societies, that are otherwise, in world terms "egalitarian"' (*ibid.*: ii). The solution planned was for the women of the TAG to meet separately with the women of the village (in addition to the full-scale village meeting), and to informally talk to women during transect walks in their homes and as they did their chores.

PRA also promotes spending extended time in villages, but the TAG met with scheduling difficulties because of weather and access restrictions, which can extend a seven-hour journey to several days. These restrictions included floating islands which clogged up the waterways, and a main highway made impassable during the rainy season (for an indication of what we did encounter, see Plates 1 and 2 at the end of Part One).

Despite only being able to spend at most two days in villages, our intention had been to introduce PRA exercises such as resource mapping, priority listings and small group discussions into village meetings. We had envisaged using visual representations and analysis and had gone in well equipped with butcher's paper and pens. We had also planned focus groups and separate women's meetings (which we did achieve in one village). However, upon arrival in the villages, it soon became apparent that villagers had their own agendas. Papua New Guineans like to sit and *stori* (tell stories) and the participatory exercises planned went by the board as the value of storytelling came to the fore. The villagers' particular fascination was in hearing and passing comment on the stories from 'outside' as told by two of my colleagues – Alois Mateos, who ran his own

adventure tour company and Ivan Huasi, a government tourism representative. This meant we did not 'hand over the stick' (Chambers, 1997: 117) in the way that PRA philosophy traditionally promotes. Chambers explains this as:

...enabling local people to be the analysts, mappers, diagrammers, observers, researchers, historians, planners and actors, presenters of their analysis, and then in turn facilitators: women, men, poor, non-poor, children, parents, schoolteachers, farmers, local specialists
(Chambers, 1997: 117).

This is because we were dealing with many concepts the villagers could not discuss because most had no prior knowledge of what tourism involved. Information, therefore, needed to come from us before discussion could start (see Plate 3). For instance, Alois told the story of a man who had his photo taken by tourists and then demanded money, claiming to be blinded by the flash of the camera. This story and others benefited by being told by a skilful orator, conscious of cultural triggers and humour. Similar reality-based communication is increasingly employed by drama groups to raise awareness and encourage debate about social, behavioural and political issues of importance to communities (Secretariat of the Pacific Community, 1998; Dagnon, 2001). Ideas were then discussed as to how the villagers would have dealt with the situation. As a foreigner and potential tourist, I was asked how I would feel about being asked for money whenever I took someone's photo. The village came up with the idea of a donation box being placed in the village so that tourists would not be asked for money by individual photographic 'subjects', but be encouraged to contribute to a village fund. The PRA mantra of 'use your own best judgement at all times' (Chambers, 1997: 116;158, 197, 208, 216, 222) suggested that what was being shared during these sessions was more important and enlightening than we could have gathered had we forced the use of any pre-ordained PRA tool. Flexibility is crucial to successful participatory research (Crooke, 2002: pers.comm.), as is the ability to listen to what is said – and not said – by, between and to villagers.

Later, I was able to work with villagers and tour guides in participatory mapping exercises. In these exercises we plotted sights of interest to tourists and created maps of the larger area identifying potential tourism linkages. In the village likely to attract the most tourists, a small group of villagers drew up a village map, identifying people of influence and those with specific skills, as well as those with assets of note (such as outboard motors and boats). This proved insightful, but also demonstrated the limitations of paper-based exercises in communities with low literacy. Young people were generally encouraged to draw, alerting me to the reluctance of older people not used to holding a pen or communicating on paper, to give-it-a-go in a group setting (a finding supported by Sanderson, 2002: pers.comm.). Even with literate youth in control of the pen, drawings were executed slowly and people needed much prompting to identify what qualified for the map - for instance, what constituted something of interest to tourists. This highlights how important it is to create and test the communication tool that this thesis later proposes (Chapter Ten), with people who understand what it is like not to be able to read or write and with those who have had little exposure to graphic concepts such as maps and diagrams.

Transect walks (systematic walks and observation (Chambers, 1997)) and household visits were also made during these village visits, so that identified key informants as well as random villagers could make comment privately. People were also invited to approach us and conscious efforts were made by members of the TAG to situate ourselves in public places early in the morning and evening so that people could talk to us informally, and we could observe their activities.

Importantly, the research process followed the fundamental principles of PRA, namely: analysis and planning being directed by the communities and facilitator learning as opposed to teaching (Chambers, 1997). The approach was, at times, supported more by some members of the TAG than others. The benefit of the team approach was that the ideas of a strident individual, which sometimes included myself, could be brought into line through reflection - important to PRA's philosophy - and commitment to the methodology. This highlights the importance of combining theoretical knowledge (PRA

understandings, literature reviews etc) and practical knowledge (past experience and active research) (Moser, 1995). This leads to *praxis*-based understandings and recommendations, which will be discussed in more detail in Chapter Eight.

2.2.3 Semi-structured interviews

The Tourism Advisory Group's village-based research was supplemented with semi-structured interviews with key informants, including government officials, missionaries, tour guides, artifact buyers, business people and NGOs in Wewak and Ambunti. These interviews were useful to gain an understanding of the factors affecting the viability of economic activities in rural areas, and much of the chapter which discusses viability and appropriateness (Chapter Seven) has been guided by this research. Grandstaff and Grandstaff (1987, in Chambers, 1997:117) regard semi-structured interviewing as 'the core of good RRA (rapid rural appraisal⁸)'. Checklists are used to guide information gathering, but it is important that interviews are open-ended and allow for unexpected information to emerge.

2.2.4 Participant observation

This 'assessor' experience was complemented by my role as 'applicant' with the carving initiative. At the behest of three Sepik River carvers (one from Wewak, the other two living rurally), I agreed to assist in helping find potential sources of grant funding for a project they wished to initiate. The business they had planned would have sought carving commissions from overseas artifact buyers, which were then to be sub-contracted out by these carvers to a number of other Sepik villages.

My involvement with these men provided me with important ethnographic insights through participant observation, even while recognizing that I was an actor influential to them. However, without this involvement, the relationship would not have existed. Throughout this document, I have been conscious to include myself in any accounts where I believe my influence held sway.

⁸ Rapid rural appraisal stresses the use of secondary sources, semi-structured interviews, observation and verbal interaction, whereas PRA focuses more on shared visual representations and analysis by local people (Chambers, 1997:116).

Ethnography (of which participant observation is one technique) is:

distinguished from other ways of conducting social research (e.g. the experimental design) in that it is conducted in 'natural' (as opposed to laboratory) settings, in which the behaviour of people in everyday situations is followed as it happens – there is no attempt to control any of the variables that might affect that behaviour...The naturalistic approach implies an inductive analytical strategy; that is, explanatory theories grow out of the experience as it is observed in real life...(Angrosino, 2002:2).

My role in their project required me to canvass donor agencies for information (I had a phone and was a native English speaker), allowing me to consider the application process from the 'other side' – as applicant rather than assessor. While in Papua New Guinea I spoke by telephone to people from the Australian Agency for International Development (AusAID), the Small Activities Scheme, the German Development Scheme (DED) and the New Zealand and Australian High Commissions as a potential applicant. This was prior to my having taken on any research agenda for this thesis. Contacting organisations was an instructive experience, frustrated by frequent wrong numbers and the appropriate personnel not being there to talk to. I also accompanied the carvers as they visited NGOs and government officials in Wewak, in an effort to see how these agencies could lend help (this process will be further described in Chapters Three and Eight). This process confirmed how difficult it is for rural people to source not only finance, but information.

These carvers impacted considerably on my emic (insider) understanding of how Papua New Guineans think and act. The three carvers involved in this enterprise congregated at my home regularly over a five month period, allowing me a privileged relationship as we worked through the exercise. Initially, I was to them a 'professional stranger' or a 'marginal native' (Freilich and Agar in McKinney, 2000). This impression was soon diluted the more I welcomed the men, their wives and children into my home and ventured into their lives, too. My having a young (three-year-old) child helped facilitate this interaction, enabling the men and their wives and children to see me as not just

another professional development worker (whom, I noted, they hold in a revered or sometimes scathing regard), but a parent (thus placing me on a more equal footing to themselves) (Flinn *et al.*, 1998). This allowed me valuable insight into their worldview. To me, there could be no better illustration of the value of Raul Perezgrovas's advice, quoted by Robert Chambers (1997:216) in his *Precepts and Principles of PRA*: 'Rule No.1 - be nice to people; Rule No. 2 - repeat rule No. 1; and Rule No. 3, repeat Rule No. 2.'

2.2.5 Historical academic research

I have included historical academic research conducted for previous postgraduate assignments⁹ in the methodology for this thesis, to acknowledge the influential experience of having conducted theoretical research while practicing 'development' and living in a developing country setting. Some of this research has been used in this thesis. Theory often formulates its analysis from a non-practical perspective, whereas practical experience is seen as subjective and without rigour (Moser, 1995). This thesis intentionally draws paths from theory to practice, and from practice to theory, with the intent that it lead to an outcome that is both academically sound *and* functional.

Historical academic research includes a study conducted in 2001 in Papua New Guinea, investigating the nuances of human relations on development (Jennings, 2001). This research helped me to understand the importance of facilitating empowerment and encouraging good social capital to improve a project's chance of success. The report concluded that communities are not homogenous entities and opportunities for tension and conflict are considerable (Jennings, 2001).

An academic paper completed during my time in Papua New Guinea was 'Development and Under-development' (Massey University, 131.701). This paper looked at development theories and colonialism. The theoretical/practical combination highlighted the divide between some academic dissertations and in-the-field realities. It also allowed me to reflect on what I was studying while bearing witness to the reality of poverty.

⁹ Postgraduate Diploma in Development Studies, Massey University.

2.2.6 Literature reviews

With the intention of investigating how carving could be better established as an industry in the Sepik, I started my literature reviews by investigating Papua New Guinean culture, craft industries, production and marketing, and issues concerning commodification, appropriation and commercialism of cultural artworks. However, I always came back to the problem: how are the carvers going to get the resources (such as chainsaw, tools, drying shed and storage facilities) needed to improve output and quality, and thereby income, with no savings or access to finance?

I was also concerned about the politics of coordinating a village industry. So much in Papua New Guinea rests on setting up and operating a business the 'right' way, but just what this 'right' way might be remains elusive. Jealousy, power struggles, gossip and revenge were key issues identified in my research (Jennings, 2001) requiring appropriate handling to ensure a project's viability – but by whom? The outside involvement of a government or regional NGO seemed essential. But in the East Sepik, with few NGOs able to assist in this way and the Provincial Government in financial turmoil, a solution had to be found that involved 'self-help'.

My literature and website reviews changed focus to concentrate on NGOs, sustainable grassroots development, culture and business, empowerment, microfinance, rural livelihoods, participation and social capital. I concluded that grant funding, despite its many 'negatives', was indeed the solution I would look to first (for reasons which will be discussed in 5.5.3). This is notwithstanding my preference for microfinance, but as far as I could ascertain, such schemes do not exist in the Sepik. Recent attempts by the Asian Development Bank and European Union to make microcredit schemes a priority may see this changing, although in general in the Pacific such schemes have had slow uptake and limited success (MFAT 1998) (see Chapter Five for a discussion on this)¹⁰.

¹⁰ The Papua New Guinean government has also recently formed the Microfinance Competence Centre, which aims to promote sustainable MFIs while building capacity and developing, testing and implementing new savings and loans products and delivery methods. It is hoped that this Centre will encourage the innovation of microfinance schemes suited to Papua New Guinea (Kavanamur, 2002).

2.2.7 Donor research

Research with donors took place in New Zealand where I started by making phone calls to support agencies. These included the Council for International Development, TEAR Fund and NZAID to try to understand better the grant funding situation and to supplement the understanding I had gained by my experiences with grant funders in Papua New Guinea. These interviews were semi-structured and informative concerning trends in fund delivery (the emphasis on partnering with civil society organisations, for instance) and the insistence on participation and accountability. Officials from each agency explained their knowledge of how small grants systems worked.

I also requested application forms from the major small-grant funders in Papua New Guinea, receiving updated versions of the forms I had previously collected while in Wewak, from the Papua New Guinea offices. These were supplied by e-mail or post (see under Agency/fund in Appendix A). The criteria I had established in gathering these application forms was that funders needed to be likely to support small-scale community groups in Papua New Guinea. At this point, I did not establish the kind of projects they would support.

I then summarized my literature and established that empowerment brought about by participation was one of the key issues being discussed in development discourse. Sustainability was also a criteria made particularly blatant in 2002 by the Johannesburg Summit. I added viability and appropriateness to my list of the crucial issues needed in establishing the success of a microenterprise project, based on marketing understandings and cultural and social concerns alerted to through observation, interviews and literature reviews.

2.2.8 Application form review: issues covered

I then gathered a total of ten application forms from funding agencies, sourced by mail from donors in Papua New Guinea or via emails from their representative offices. The funders all offered small grants supporting 'community development'. My objective was

to establish what information funding agencies considered necessary to include in an application form. I also needed to appreciate the ‘communication’ content of the form (i.e. put simply: what were they asking, and how were they asking it?). I recorded the information contained in the application forms by noting i) key questions; ii) key requirements; iii) stand-out questions/requirements and iv) a general impression relating to form content (see Appendix A). The qualification for a ‘stand-out’ entry was a subjective assessment of a ‘good’ question.

I then culled out forms not directly relevant to the thesis. This meant excluding schemes where the direct involvement of the agency with the community group was a prerequisite of the grant (the thesis’s focus is on offering outreach to loner communities, in the absence of a physical presence). Because of this, I removed the NZAID’s Small Project Scheme and AusAID’s Community Development Scheme. I then rejected the AusAID Small Activities Scheme because it stated a minimum funding level of around K20,000. This took it out of the realms of ‘micro’. The German Development Service Community Training Programme was removed because it focuses on community awareness and training. The South Pacific Project Facility, was also removed because it is not a grant scheme, but helps small enterprises find funding through banks and financial institutions.

This left me with five schemes. However, the UNDP Small Grants Programme required projects with a strong environmental component that were linked to climate change considerations. Thus, they might support a project requiring a kiln to enhance the making of efficient clay cooking stoves promoting renewable energy use. Because few enterprises would be able to justify such a link, I also discounted this scheme.

The degree to which the remaining schemes would support an enterprise also depends very much on the type of scheme and the way in which their approach to the funding agency is couched. So, for instance, the Japanese Grant Assistance for Grassroots Projects supports ‘self-help’ projects for economic development, but will reject a project if its aim is to make a profit. It will, however, fund sewing machines and grinding mills through its vocational training for poverty relief category. Similarly, the Australian Head

of Mission Direct Aid Programme will only support small-scale projects of a quasi-commercial nature where they are for the benefit of disadvantaged groups such as women or people in less developed areas. Indeed, only the Canada Fund and the New Zealand Head of Mission Fund were listed as relevant donors for income generation for social or community development (see Appendix B) in the 'funding matrix' provided in the *Papua New Guinea Department of Planning and Monitoring Information Kit: Accessing Project Funding* (July 2001). This concurred with my findings.

This left only four schemes that: a) might consider supporting enterprise development, b) would fund very small amounts of money, c) did not insist on first-hand assessment¹¹ and d) were commonly known about in Papua New Guinea.

Using application forms from these four, a more thorough review was carried out by marking-out and continuously 'growing' the grid of 'asks'. This grid ended up containing a checklist of 33 points, although some points may only have been asked by one agency (Appendix C). This exercise, which followed on from my literature reviews concerning Papua New Guinea, microenterprise development, sustainable development and aid etc., made it clear that some of the criteria which development literature indicates as crucial to ensuring lasting development outcomes, received no coverage in any of the forms. I further critiqued these forms with this observation in mind (Chapter Eight). This indicated that a guide needed to be devised that would help aid agencies acknowledge the 'essential' information for inclusion in such forms. The system needed to account for the different understandings of such things as sustainability, appropriateness and empowerment, as perceived by the key stakeholders involved in a project proposal. My literature review then expanded to cover professional judgement, ethics and assessment techniques, and from this stemmed the knowledge framework.

¹¹ The Canada Fund is the exception, and potential projects are visited by the Canada Fund coordinator before being submitted to the Canadian High Commission for approval (Vassallo, 2002: pers.com.).

2.2.9 Application form review: usability

I used literature combined with my own personal reflections and selective observations in working with the carvers to further analyse the application forms and processes, in terms of their usability (this is explained in more detail in Chapter Eight).

The research to this point determined the nature of the changes that needed to occur in order to continue using a written application for funding as a main means of communication between applicants and donors.

2.2.10 Focus group

I then needed to consider different mechanisms by which funders could elicit the information required from applicants. Acknowledging the value of practical experience and the importance of innovation, I coordinated a focus group. A focus group is 'the explicit use of the group interaction to produce data and insights that would be less accessible without the interaction found in a group' (Morgan, 1988 in Flick 1998:122).

Group participants included six development workers known to me, with a wide range of experience in Africa, Asia, and the Pacific. They were chosen for their experience working at the grassroots with communities and all had experience with small grants systems as either applicants or administrators of funds (Appendix D). I also considered each person's creativity and personality. Although not all participants were known to each other, group dynamics were an important consideration. The problems presented to them required lateral thinking and I wanted to be sure that the group did not feel inhibited. As noted by de Bono (1992:49):

Individuals working on their own can hold and develop ideas that are at first 'mad' or eccentric and only later become acceptable. If such a person is forced to work with a group from an early stage then it might not be possible to develop such ideas because the 'resourcefulness' of the group will force the new idea back within the boundaries of acceptability.

In other words, while I needed grounded ideas, I was also looking for eccentric contributions that would spark innovation. Selecting the right 'mix' of participants was important in achieving this. Appendix D includes the exercises conducted during the session and provides a listing of participants. The questions 'why, why, and why again' were asked in an effort to unravel the underlying logic to assessment-making, and to prompt innovative communication ideas. An hour and a half was set aside for the session and the group was led through a number of exercises that allowed for structured lateral thinking. The outcomes are discussed in Chapter Nine.

Following this focus group I conducted further literature reviews focusing on participatory communication, information processing and cross-cultural communication. This led to the idea of the communication tool.

2.2.11 Workshop attendance

A Participatory Evaluation and Monitoring (PM&E) Workshop was hosted by Massey University's Institute of Development Studies, 2-4 December 2002. The Workshop was facilitated by Mike Crooke¹² and sponsored by the New Zealand Agency for International Development (NZAID). Although I had already completed my first draft of this thesis at the time of this workshop, changes were made as a result of exposure to the practical and theoretical lessons of the workshop. The event provided an opportunity to discuss both my ideas and current practice, particularly with regard to small grants and microenterprise development, with a wide range of development professionals on an informal basis. This allowed a more open dialogue because making one's decisions or opinions identifiable to others, activates concerns about self-preservation (Baumeister, 1993, in de Cremer and Dewitte 2002). Such caution is only to be expected when one's name might be attributed to comments recorded in writing by an 'unknown' (as I was to most of the people I interviewed).

Perhaps most importantly, the workshop highlighted the value of good facilitation. Attempts made at encouraging empowerment using mechanisms such as the

¹² Mike Crooke works for Transformation Systems Pty Ltd, Australia.

communication tool, which is proposed later in this thesis, are unlikely to ever produce the depth of analysis, planning and involvement that an alert and sensitive facilitator, working directly with the community, can project into the process.

2.2.12 Conference paper presentation

The 3rd Biennial Conference of the International Development Studies Network of Aotearoa New Zealand entitled *Contesting Development: Pathways to Better Practice* was held at Massey University, 5-7 December. I used this to test my ideas by presenting a paper on the knowledge framework and the communication tool (Jennings, 2002). Feedback was positive in that people agreed that ways needed to be found to improve outreach and better assist communities with low literacy to participate in applying for grant funding. The only reticence met was the difficulty of introducing the concept to the already-stretched workloads of aid personnel. Current ways of operating would be more 'process' efficient, involving less personal input. While acknowledging the validity of this comment, it brought to mind Uphoff's comment: 'however limiting physical resources may be, our minds are more constricting' (Uphoff in Edwards and Hulme, 1996:36).

2.2.13 Personal experiences

Other personal experiences drawn upon for this thesis include my background in publishing (fourteen years as a magazine journalist and editor with a general interest and Pacific orientation; and an author of oral histories (Jennings, 1994; Jennings, 1997)). The communication tool in particular, discussed in Chapter Nine, draws heavily on my experiences in publishing. Much of the work of an editor is based upon an intuitive understanding of what will work for a particular audience in a given setting. It requires vision and an appreciation of visual and written messages, how they interplay and support one another, and will be received and interpreted by the recipients of the communication. This has to be balanced with an understanding of cross-cultural communication.

I have also had funding application experience in New Zealand, completing a number of submissions for a Pacific arts-based trust. This has involved establishing a close working

relationship with organisations such as Creative New Zealand and the Community Employment Group, in the preparation of applications and evaluation reports. I am therefore familiar with the systems required for assessment and accountability reporting – an important understanding to translate to the process proposed by this thesis.

2.3 RESEARCH LIMITATIONS

In other Pacific Islands countries with their smaller land mass and population (relative to Papua New Guinea's 5.3 million), it is relatively straightforward to check sources and triangulate research. For instance, as a journalist having travelled previously on assignment to countries such as Samoa, Tonga, New Caledonia and Vanuatu, my experiences were of simply picking up a telephone and within a few calls and someone-knowing-someone-knowing-someone, to source whatever information or contacts I needed. However, this was not the case in Papua New Guinea. The country's size, lack of infrastructure (including telephones), and shortage of contactable people (such as NGOs or office-based government staff) hampers access and communication.

When informants are found, a certain extra caution has to be applied. People have a number of different reasons for assisting a researcher, but most prevalent in Papua New Guinea is the manipulation of power. The Sepik culture is particularly competitive in this regard (Godelier in Godelier and Strathern, 1991:31) and researchers may be 'used' to increase the status of an individual, as much as researchers 'use' the people they are studying to collect the information needed for their purposes (McKinney, 2000). At other times the researcher might inadvertently be confronted with the expectation that money will change hands for the information provided. Because this happens commonly from village to government level, and at many other levels in Papua New Guinea (de Renzio and Kavanamur, 1999), researchers should at least be conscious that it might be perceived as 'normal' procedure for informants to also expect payment. Situations such as these require researchers to be particularly careful in Papua New Guinea – as, indeed, in any country – to ascertain the legitimacy of informants and their rationale for involvement. Says Mair (1972: 297): '...no [one] can tell in advance what the particular configuration

of rivalries will be; he (*sic*) can only warn the development team [or researcher] to look out for it.'

'Looking out for it' becomes intuitive, and there were several instances where I heeded this intuition. Having said this, my overall experience of conducting research and living in Papua New Guinea was immensely pleasurable. Papua New Guineans are extremely generous and particularly insightful with regard to their own self-analysis. They are also a great deal of fun to be around. My experiences in the Sepik left with me a tremendous fondness for, and appreciation of, the country and its people.

2.4 SUMMARY

Reflection is critical for the production of unbiased sociological research (Tolich and Davidson, 1998) and I have reflected in some depth over the content of this thesis and to what degree it represents my personal push to see something done to assist the villagers I met and, particularly, the carvers I befriended. According to 'positivist' epistemologies, 'attachment' to an issue must not be allowed to impact on the inquiry, even when that inquiry has been initiated by the senses. Objectivity is crucial for research to be valid (Jaggar, 1983).

For this reason, in Part Two of this thesis I have tried to arrive at assumptions using literature as the main basis for analysis. It is also important to acknowledge that each of the topics covered in this section - namely, aid in Papua New Guinea, empowerment, financial needs, sustainable development, and appropriateness and viability - warrants more discussion than space allows.

In Part Three, I have taken an approach that is more ontological, but where possible I have tried to back it with epistemological justifications. While this required literature reviews concerning ways of knowing, judgement and participatory communication, the emphasis in this section is on an analytical appraisal of application forms and utilizing the creativity and experience of those with a grassroots involvement, by way of structured focus group exercises and donor research. Attempts to 'grow' the findings and ideas from the focus group into something of potential practical value has resulted in the knowledge

framework and communication tool which are the subjects of Chapters Eight and Nine respectively.

The rationale in this movement from practice, to theory, and back to practice, and the incorporation of several quite diverse fields of study, can be appreciated in a quote from educational philosopher, John Dewey. I have transposed Dewey's original word, 'educational', with 'development':

[Development] practices provide the data, the subject matter, which form the problems of inquiry... These [development] practices are also the final test of value and test the worth of scientific results. They may be scientific in some other field, but not in [development] until they serve other [development] purposes, and whether they really serve [development] purposes can be found only in practice. (Dewey quoted in Einsiedel, in Jacobson and Servaes (eds), 1999:362).

With an understanding of my intent and an appreciation of my interest and experiences in Papua New Guinea provided by this chapter, I now move to Part Two.

Plates 1-4 In-the-field scenes

Access difficulties encountered by the WWF-commissioned Tourism Advisory Group in getting to the Hunstein Range illustrate the problems villagers have in reaching services and transporting their products to market. It can take up to three days to reach more remote communities, particularly those that use only rivers for transport. While airstrips exist in some areas, not all villages are serviced by them.

Plate 1: stuck on the Wewak-Pagwi 'highway'.

Plate 2: Alois Mateos pulls the boat through floating islands on the Sepik River.

Plate 3: meeting with villagers in Yerakai.

Plate 4: village houses in Banakot.



Plate 1



Plate 2



Plate 4



Plate 3

PART TWO

CHAPTER 3

AID IN PAPUA NEW GUINEA AND THE RURAL DILEMMA

3.1 INTRODUCTION

This chapter begins with an overview of aid and its historical rationale. Discussion then moves to Papua New Guinea to investigate the country's current social and economic position, the kind of aid assistance available to Papua New Guinea, and how it is disbursed. The importance of support for the civil sector is highlighted. One strategy suggested in the villager's address opening Chapter One and also promoted by the incumbent Prime Minister, the Right Honourable Sir Michael Somare in his opening speech to parliament in 2002, is extracted to become the focus of the remainder of the thesis. This strategy – the promotion of an informal sector – warrants more intensive support. Reasons as to why this might be are considered and arguments presented as to why promotion of an informal sector and rural microenterprise development should demand greater attention. This chapter establishes the importance of aid helping grassroots efforts by common people¹³, as evidenced by historical support for the informal sector and contemporary pleas from the poor.

3.2 UNDERSTANDING AID

3.2.1 Aid: An historical overview

The concept of aid emerged as a consequence of the Second World War and the United States' efforts to assert their dominion (Esteva in Sachs, 1999). Significant to its establishment was the founding of the 'Bretton Woods trio' in 1944 comprising the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade (GATT), which is now the World Trade Organisation (WTO). These institutions were the result of 45 governments' efforts to reorganise the World's economy. The role

¹³ 'Common people' is a term I use throughout the thesis. Common means 'belonging to the whole community' (Oxford Dictionary, 1984) and the term 'common people' reinforces the shared and routine beliefs, actions, and ways of life of the majority of the population. It is not meant to imply homogeneity, but does suggest a distinction from elite groups which enjoy disproportionate privileges in society.

of the first two in this group was to manage problems related to deficits and currency and capital shortfalls by offering interest bearing loans and technical assistance to needy governments (NI, 1994). But when, at war's end, assistance was needed to rebuild Europe's devastated economies, the group's coffers were neither well enough stocked to deal with the demands made upon them by Europe, nor were European finance ministries prepared to take on the harsh conditionalities accompanying particularly IMF support (*ibid.*). At the instigation of US Secretary of State George C. Marshall, the Marshall Plan (known formally as the European Recovery Programme) was instituted. This programme provided US finance, largely through grants rather than loans, to rebuild war-torn economies in Europe (*ibid.*; Leisinger, 2002). In doing this, the United States affirmed themselves as the 'leading nation of the "Free World"' (Gronemeyer in Sachs, 1999: 62).

The Americans were quick to imply Western industrial preeminence and capitalist superiority. One tactic was the simple championing of the word 'underdevelopment' in the context of poverty. US President Harry Truman did this in his inaugural speech in 1949, when he officially announced America's commitment to the 'improvement and growth of underdeveloped areas' (quoted in Esteva, in Sachs, 1999:6). In publicizing the title of 'underdeveloped' and insinuating a stigma to the term, Esteva (*ibid.*: 7) claims that from that time on the world's poorer citizens:

ceased being what they were, in all their diversity, and were transmogrified into an inverted mirror of 'others' reality: a mirror that belittles them and sends them to the end of the queue, a mirror that defines their identity, which is really that of a heterogeneous and diverse majority, simply in the terms of a homogenizing and narrow minority.

Box 3.1: Definitions of bilateral and multilateral foreign aid

Bilateral aid is provided directly by a donor country to a recipient country (OECD, 2003; NZAID 2001a). Bilateral schedules fund specific country projects and activities, which donor and recipient countries devise in collaboration with one another. Bilateral funds may also go towards regional programmes which serve groups of bilateral partner countries, scholarship programmes, civil society organisations (CSOs) including non-governmental organisations (NGOs) and voluntary organisations working at a grassroots level, and emergency and disaster relief (NZODA 2001a). About three-quarters of bilateral assistance from Development Assistance Corporation countries (defined below) is provided in the form of grants (World Bank, 2002a). Some bilateral aid is tied, meaning that the recipient country must procure goods and services from the donor country (*ibid.*; Todaro, 1994).

Multilateral aid, on the other hand, which constitutes around a third of all official development assistance (World Bank, 1998) is channeled through international aid organisations active in development. Such organisations include the Bretton Woods group, the United Nations' agencies, the European Union and other Multilateral Development Banks. Each agency has different roles, objectives and levels of concessionality (World Bank, 2002a). Multilateral agencies tend to work with and through a recipient country's government to help build capacities and infrastructure. Assistance is relatively evenly split between loans and grants (World Bank, 2002a).

The funds for these contributions are calculated as a percentage of the donor country's GNP. The United Nations Overseas Development Assistance (ODA) target is set at 0.7 percent of a country's gross national product (GNP) but most nations do not meet that target. New Zealand disbursements total around 0.24 percent of GNP (NZAID, 2001a).

Overseeing bilateral aid flows is the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC). The DAC committee produces internationally agreed instruments, decisions and recommendations to instruct agreements for aid's disbursement. Thirty countries are members of this committee, with over 70 countries and thousands of NGOs and civil society organisations drawing on the funds they contribute (OECD, 2002a).

By the 1960s, these ‘underdeveloped’ countries in need of aid included newly independent¹⁴ Third World¹⁵ states. The International Development Association (IDA) was created as part of the World Bank to provide low-interest bearing loans to the poorest nations. This was disputed by Third World countries, who saw the need for a separate institution. First World countries who had committed to the Bretton Woods agreement continued to contribute portions of their GNP for bilateral and multilateral aid (Box 3.1) Thus began what is known as The First Development Decade, where aid was predominantly used to drive modernization and provide support for fledgling governments. Western technology and innovation were enthusiastically introduced to non-industrial societies (Harrison, 1988) and paradigms emphasised free trade, and socio-psychological ‘nurturing’ of a country’s people and infrastructures to bring them further along a trajectory which plotted traditional society at the base, and modern Western society at its peak (Rostow, 1960).

3.2.2 Donor motivations for giving aid

Backgrounding the start of the aid phenomenon was a bi-polar world divided between capitalism on the one side, and Communism on the other. Communism’s threat kept First World states guarded against opposing ideological encroachment. Concern that ‘one country’s “fall” to Communism would trigger the fall of neighbouring countries’ (Leisinger 2002:6) encouraged donor nations to foster political and strategic alliances (*ibid.*; World Bank, 1998). Support was also extended to protect trade routes and to gain donors a preferential *entrée* into recipient countries, with an eye to exploiting their human and natural resources. Donors also saw the potential of expanded markets for their own exports and prudently fostered economic relationships that allowed them to exploit such opportunities (Gronemeyer in Sachs, 1999; Leisinger, 2002).

¹⁴ By the end of the 1960s, a total of 60 new countries had gained political independence (Leisinger, 2002).

¹⁵ The Third World was a term originally used by French economist Alfred Sauvy in 1952 to refer to the segment of the ideological/political world that could neither be classified with the capitalist ‘West’ (the First World) or the communist ‘East’ (the Second World). Todaro (1994:705) provides the following contemporary definition of the Third World, describing it as: ‘The present 144 or so developing countries of Asia, Africa, the Middle East, and Latin America, mainly characterized by low levels of living, high rates of population growth, low income per capita, and general economic and technological dependence on First World economies’. Todaro defines the First World (*ibid.*:677) as: ‘The now economically advanced capitalist countries of Western Europe, North America, Australia, New Zealand, and Japan. These were the first countries to experience sustained and long-term economic growth’.

That aid benefits the donor as it assists recipients was made explicit in President Truman's inaugural speech when he pleaded U.S. security and prosperity alongside moral obligation as the reasons why the U.S. should 'help' (Gronemeyer in Sachs, 1999: 62; Leisinger, 2002). As Jonckers notes: 'Affluent countries are usually only interested in assisting poorer ones when the effect is to strengthen their international leadership and in some ways to enhance their security and material well-being' (Jonckers, 1998:w.). Neither were recipients naïve to aid's conditionalities. As Adam Smith acknowledged in the *Wealth of Nations* back in 1776 (18): 'Man has almost constant occasion for the help of his brethren, and it is in vain to expect it from their benevolence only.'

3.2.3 Aid as dependency generator

Dependency theorists claim that the global economy, using aid as one of its tools, has held – and continues to hold – the Third World in a state of dependency. This perspective sees Third World communities on the periphery, feeding a strong and prosperous First World at the core. The periphery is locked into the system and whereas the core can grow independent of the periphery, the periphery can only respond according to the will of the core (Dickenson *et al.*, 1996). This power relationship was established during colonialism and dependency theorists claim it continues today. Similarly, 'under-development theory' also asserts the existence of an unequal power relationship and uses the analogy of First World development and Third World under-development being opposite sides of the same coin (Harrison, 1988). This suggests that prosperous nations at the periphery cannot advance without there being less prosperous nations to exploit for resources, production, trade etc. Gronemeyer (in Sachs, 1999: 53) claims this state of dependency is deliberate and that aid has hegemonic intent. She says:

Power is truly elegant when, captivated by the delusion of freedom, those subject to it stubbornly deny its existence. 'Help'... is very similar. It is a means of keeping the bit in the mouths of subordinates without letting them feel the power that is guiding them. In short, elegant power does not force, it does not resort either to the cudgel or to chains; it helps.

3.2.4 The humanitarian objective of aid

Casting aside historical, political and commercial motivations, there is an ethical imperative underlying the giving of aid. Indeed, this is what most of the world's citizens believe is aid's ultimate intent. Boschini and Olofsgard (2001:2) say that: 'According to political rhetoric, the purpose of development aid is altruistic with the reward for aid donations being the warm glow from giving to people in need.' This perception has philosophical underpinnings that echo the teachings of Christianity and other beliefs (Leisinger, 2002; Gronemeyer in Sachs, 1999). Aid epitomizes, for instance, Christian directives such as: 'Do unto others as you would have them do unto you' (Matthew, 7:12). Correspondingly, three out of four people in Western Europe said they were willing to offer aid when confronted with hunger, disease and impoverishment in poor countries (Leisinger, 2002). The strong response to natural disaster relief and aid appeals verifies the responsibility the common person feels towards easing the suffering of others.

3.2.5 New concerns

The end of the Cold War extinguished the fear of Communism's spread, and time dimmed any obligatory rationale for colonizers to assist former colonies. The loss of these justifications was soon supplanted by the realization that economic, social and ecological processes in poorer parts of the world impact on wealthier countries in ways previously unanticipated. Depletion of the ozone layer, biodiversity loss, fresh water shortages, migration, the AIDs epidemic, crime and acts of terrorism suggested the continuing need to 'think global, act local'¹⁶. As James Wolfensohn, President of the World Bank, explains: 'We are linked by finance, trade, migration, communications, environment, communicable diseases, crime, drugs, and certainly by terror... Today more and more people are saying poverty anywhere is poverty everywhere' (Wolfensohn, 2002*b*). For this reason, Leisinger (2002) suggests that aid is 'an investment in the future of our children and grandchildren'. This idea, reinforced by global media images of a

¹⁶ According to the Commonwealth Foundation (1996), this popular phrase was coined originally by Mahatma Gandhi.

troubled world, provides a stirring incentive for the continuance of aid. The question is, what form should such aid take?

3.3. AID IN PAPUA NEW GUINEA

3.3.1 Setting the context for aid in Papua New Guinea

Upon independence in 1975, Papua New Guinea had a relatively promising economic future. An independent review of the economy commissioned in 1985 described Papua New Guinea's achievements in its first ten years as 'remarkable' (Dorney, 2000). The *kina's*¹⁷ value had been maintained, inflation was low despite worldwide trends and effective commodity and mineral stabilization schemes had been established (*ibid.*). In contrast, a recent report from the World Bank calls the challenges now faced by the Papua New Guinean government 'formidable' (World Bank, 2002*b*). The value of the kina has plummeted, mineral and petroleum production is falling and commodity prices are low. On top of this complete reversal of fate, the country's budget is reeling from costs incurred through a series of recent natural disasters including an earthquake, volcanic eruption and major El Nino-induced drought, an extended civil war until the signing of the Peace Agreement with Bougainville in 2001, and a budget blowout in the lead up to the national elections in 2002 (World Bank, 2002*c*). Corruption, law and order problems, as well as fiscal management and governance deficiencies, have also impacted on Papua New Guinea's economy (NZ AID, 2002*a*; Baxter, 2001).

Eighty-five percent of Papua New Guinea's 5.3 million people live rurally and meet their daily subsistence needs from the land (*ibid.*). Society still functions largely on the basis of reciprocity and the *wantok*¹⁸ (which translates as one talk or same language) system is pervasive. In times of hardship, people fall back on the support of their *wantoks*. This has provided them some protection from the hardships experienced at the government level,

¹⁷ The *kina* is Papua New Guinea's unit of currency. In February 2003, K1 = US\$.27140, Aus \$.44852 or NZ\$.48001.

¹⁸ A *wantok* is typically characterized by common language and kinship. *Wantoks* can also refer to someone from the same geographical area of origin, or with whom social associations or religious affiliations are shared (Mannan in de Renzio and Kavanamur, 1999:42).

allowing even the most disadvantaged to at least find food and shelter. But as the social statistics reveal, the economy's impact is experienced across the board in other ways.

Papua New Guinea's social statistics are amongst the worst in the Pacific. The UNDP rank it 122 out of 162 countries on their 2001 Human Development Index (HDI), 'a composite indicator of adult literacy rates, educational enrolment rates, life expectancy at birth, and GDP per capita' (NZ AID, 2002a:14). Outside Africa, only four other countries rank lower than Papua New Guinea. Some of the most startling statistics include the following:

- 31 percent of people live on less than US\$1 a day (The National, 2001)
- Only 30 percent have access to clean water (Kapiengo, 2001)
- 37.5 percent of the population live below Asian Development Bank poverty line indicators, 93 percent of whom live in rural areas (NZ AID, 2002a)
- 60 percent of women have been victims of domestic violence (Faraclas, 1997);
- Papua New Guinea has one of the world's highest population growth rates (2.6 percent per year) (Baxter, 2001).
- Life expectancy is 57 years – one of the lowest in the South Pacific (The National, 2001).
- Only 55 per cent of children attain schooling to Grade 8 (NZ AID, 2002a).
- At birth, the probability of not surviving until the age of 40 years is 22 per cent (Baxter, 2001).
- The maternal mortality rate is one of the highest in the Pacific (AusAID, 2000-2003) and each year about 15,000 babies die before their first birthday (Baxter, 2001).
- Papua New Guinea ranks 150th out of 191 member countries in meeting World Health Organisation overall health criteria (NZ AID, 2002a).

The implications of Papua New Guinea's economic situation are made even more clear when these statistics are considered alongside the findings of an Asian Development Bank survey conducted in 2001. This research found that conditions in Papua New

Guinea have worsened in the past five years, evidenced in rural areas by increases in the number of young people idle in the villages, and the deterioration of services, roads and school and health services (ADB, 2002). An AusAID report also highlights the deterioration of services and warns of a 'rural crisis' (Baxter, 2001). The East Sepik Province's Ambunti/ Dreikikir District Five Year Development Plan (1999) describes the predicament from the perspective of local government. Its summary of District Trends talks about a deteriorating quality of life, increasing violence and crime, a pervasive 'don't care' attitude, and a breakdown in traditional systems.

The situation has not gone unnoticed by national government. Prime Minister, Sir Michael Somare, in his opening address to parliament (2002) stressed that the government's focus would be on economic 'recovery', stipulating their objectives would be i) to ensure good governance; ii) to embark on an export driven economic growth strategy so as to enhance macroeconomic stability and to facilitate greater private investment and competition; and iii) to foster rural development, poverty reduction and empowerment through human resource development.

Given Papua New Guinea's fiscal circumstances, it is implausible to expect the government to contribute significantly to the goals of halving poverty by 2015, as the Millennium Development Goals urge (OECD, 2002). Its focus must be on economic recovery. This calls for particularly focused efforts by aid providers and civil society, in an attempt to lift the country's dire social statistics.

3.3.2 Aid providers in Papua New Guinea – bilateral funders

As has already been established, aid's allocation is largely determined by the political, commercial and historical interests of donors. It is therefore not surprising that Australia is Papua New Guinea's largest contributor of aid providing 75% of Papua New Guinea's overseas development assistance monies - a total of around A\$300 million a year. This constitutes a third of Australia's bilateral aid effort and a fifth of its total aid programme (AusAID, 2000). Australia acknowledges that it provides assistance to Papua New Guinea for reasons of self interest. This is made blatant in the Australia Development

Cooperation Program to Papua New Guinea's Executive Summary (2000-2003: 6), which states:

Consistent with the overall objective of Australia's aid program... the objective of Australian aid is to *advance Australia's national interests* by assisting [Papua New Guinea] to reduce poverty and achieve sustainable development (emphasis added).

According to Australian Minister for Foreign Affairs, Alexander Downer, another reason for Australia's special interest in Papua New Guinea is the country's 'deep and abiding friendship' (Downer in AusAID, 2000: iii). A sense of colonial obligation provides at least some motivation for the continuance of this 'friendship' (Gronemeyer in Sachs, 1999.). Australia's colonial relationship with Papua New Guinea goes back to 1920 when the League of Nations made Australia formal guardian of a merged Papua and New Guinea. Australia also administered Papua on behalf of the British prior to this time (from 1906). Presently, between six and seven thousand Australian citizens live in Papua New Guinea and this extends the importance of the two countries' relationship (World Bank, 2002c).

Australia's contribution can be seen in relation to total bilateral aid flows in Table 3.1.

Actual spending of these funds is determined in collaboration with the Papua New Guinean government, in line with its national plans (NZAID, 2002a.). These must also complement the donor's own policy criteria, without disrupting the goals and development strategies of the key multilateral funders' guiding policy, management and coherence (Mizrahi, 2000). The purportedly 'full and frank' discussions held between the various partners help define key intervention areas (for instance health, education and training, environment etc.), for which objectives or strategies are then devised (NZODA, 2000). For instance, policy emphasis in the case of Australia is on strengthening governance, improving social indicators, building prospects for sustainable economic growth and consolidating the peace process in Bougainville (AusAID, 2002). Papua New

Table 3.1 Total aid flows to Papua New Guinea in 2000 – bilateral

DAC Countries	US\$ (millions)
Australia	290.0
Austria	0.7
Finland	0.1
Germany	5.1
Japan	26.3
Netherlands	1.1
New Zealand	6.7
Norway	0.2
Sweden	0.2
Switzerland	0.2
TOTAL	330.6

Source OECD International Development Statistics in NZAID 2002a: 77

Guinea's second major funder, Japan, emphasizes education and health (JICA, 2002). The New Zealand Agency for International Development (NZAID) as the third most significant contributor of bilateral aid identifies four key intervention areas: education, health, women's development and rural development with a focus on projects strongly directed towards poverty alleviation (NZAID, 2002a). Germany, on the other hand, promotes technical training and capacity building (GTZ, 2000). These funds are provided mainly as grants (IDA, 2002) and are an important source of funding for both government activities and civil society.

3.3.3 Aid providers in Papua New Guinea – multilateral funders

Providing multilateral support are the World Bank and the International Monetary Fund (IMF), the Asian Development Bank (ADB), United National Development Programme (UNDP) and United Nations specialised agencies, and the European

Union (EU) (NZAID, 2002a). Their assistance is by way of concessional¹⁹ finance (along with some aid grants) for development.

Multilateral aid, as provided particularly by the World Bank and IMF, is controversial. Loans are disbursed, conditional on recipient governments committing to structural adjustment programmes (SAPs)²⁰. The government's dependency on access to multilateral funds permits these parties to interfere in Papua New Guinea's affairs (Garrett in Overton, 1999:41), even though this is often masked under the face-saving ideology of SAPs being 'government led and devised' (Morauta, 2001). This creates tensions with symptoms including the World Bank severing its relationship with the country in the mid-1990s, when the government was accused of mismanagement of funds (Dorney, 2000). The 1999-2002 Morauta-led government managed to re-ignite ties but struggled to deliver on accountability. Trouble erupted again in June 2001 when the government failed to find buyers for the Papua New Guinea Banking Corporation and Air Niugini by an agreed tranche deadline. These assets were targeted as the first to be privatized (telecommunications, electricity, and the port authority were to follow), with the potential loss of thousands of jobs. Sale of these assets was insisted upon as part of the structural adjustment loan agreement pushed by the IMF and World Bank, and backed by Australia. Protests by Papua New Guinean university students against these impositions ended in four student deaths (Poulsen, 2001).

The conundrum was summarized by (then) Prime Minister Sir Mekere Morauta:

When people say: 'Stop privatization; chase the World Bank [away], chase IMF [away]; chase all the white people [out]; don't borrow any more money

¹⁹ Concessional loans extend credit to borrowers at a rate which is more favourable than otherwise available through conventional money markets (Todaro, 1994).

²⁰ Structural Adjustment Programmes are intended to integrate national economies into the global market. Characteristics of SAPs usually include enabling multinational corporations access to cheaper labour markets and natural resources, decreasing restrictions on trade and investment, promoting exports, devaluing national currencies, raising interest rates, privatising state companies and services, balancing national budgets by slashing public expenditure and deregulating labour markets (Cavanagh et al, 2000). They have been widely criticised, particularly in some African countries and Ecuador, as leading to 'renewed hardship for the poor, social upheaval and the overthrow of governments' (New Internationalist, 2000).

domestically or overseas', I want them to come out and tell me: What are the alternatives? (Niesi, 2001:11).

A retort was instigated by newspaper editorials in 2001 which accused the Papua New Guinean government of '... continuing the pre-independence legacy' (Ricketts, 2001); and 'buckling to the orders of the World Bank, The International Monetary Fund and "Big Brother" Australia' (Ricketts, 2001). They also said the government was blind to the ulterior motives of the donor countries (Marai, 2001). Widely voiced accusations that SAPs work to enhance the position of the elites with the result that the rich get richer, the poor, poorer, mean the programmes are often ardently opposed by the public (Todaro, 2000; Goldsmith, 2000; Ellwood, 2000).

Not all multilateral aid to Papua New Guinea is subject to such conditionalities. In fact, the United Nations agencies and European Union provide almost all of their assistance as grants (IDA, 2002). The Regional Development Banks are another important source of concessional loans (Table 3.2). Notably, bilateral aid is an order of magnitude greater than multilateral aid.

Table 3.2 Total aid flows to Papua New Guinea in 2000 – multilateral

Multilateral	US\$millions
IBRD	14.5
IFAD	0.1
UNDP	2.0
UNTA	2.4
UNICEF	1.4
UNHCR	0.7
Other multilateral	0.7
TOTAL	21.3

Source OECD International Development Statistics in NZAID 2002a:77

IBRD International Bank for Reconstruction and Development **IFAD** International Fund for Agriculture and Development (UN) **UNDP** United Nations Development Programme **UNTA** United Nations Technical Assistance **UNICEF** United Nations International Children's Emergency Fund **UNHCR** United Nations High Commission for Refugees

3.3.4 The civil sector

Throughout many countries, governments' decreased size and budget as a result of aid-driven cut-backs and structural adjustment programmes left few resources for people-centred development. Civil society organisations (CSOs)²¹ emerged to fill the social-service gap (Edwards and Hulme, 1996), with the World Bank noting that: 'In countries experiencing economic stress or political upheaval, or which are in conflict or post-conflict situations, CSOs may be the best, or only, viable alternative for delivering social services to needy populations' (World Bank, 2001:w). The 'shape' of CSOs is explained in Box 3.2. Edwards and Hulme (1996) report that the growth of NGOs in the past 10-15 years has been remarkable, not just in numbers but in size, with many NGOs operating at an international level. They have now become significant and respected institutions commanding a voice in policy-making fora and the media, with many attracting large public support, including financial backing (*ibid.*).

CSO activities fall into two broad areas: 'promotion' (individual enterprise and self-employment) and 'protection' (public provision of basic needs) (*ibid.*:9). In Papua New Guinea, these organisations have become an important conduit for aid's delivery, with bi-lateral funders partnering with CSOs to facilitate 'promotion' or 'protection' activities. The extent to which they are relied upon for 'protection' purposes in Papua New Guinea is evident in the statistic that Churches and other aid organisations are currently responsible for 40 per cent of basic healthcare and education nation-wide (NZ AID, 2002a). Notes Bebbington and Riddell (in Edwards and Hulme, 1996:112):

To the extent that generalizations can be made, there is some consensus that GSOs (grassroots service organisations) and MOs (membership organisations) are more effective in delivering services than they are in achieving sustainable alleviation of poverty or in supporting the development of self-sustaining market-based activities (though there are of course exceptions).

²¹ I use the term CSOs in preference to NGOs to avoid the 'Western' perception of NGOs. CSOs also constitute informal village and church groups, a vital part of Papua New Guinean society, and an area in which I believe more support should be concentrated.

Strategies for poverty alleviation are influenced by the organisations' close links to, and (presumed) intimate understanding of, the communities in which they operate (Edwards and Hulme, 1996; Fernando and Heston, 1997). James (in Hooper, 2000:141), however, warns that this 'intimacy' is not always real or accurate.

Box 3.2 Description of the Civil Society Sector: NGOs and CSOs

NZAID (2002b) define civil society as: NGOs, traditional groups, social service agencies, Churches, unions, sporting bodies etc, characterised by being community-based, non-statutory, largely voluntary and having socially driven objectives. They are independent of the government and the profit-oriented private sector, although funding can come from both sources (Dichter in Edwards and Hulme, 1996). They are sometimes called the 'third sector' (*ibid.*; Friedmann, 1997). In the case of development, civil society organisations (CSOs) are typically motivated by a desire for improving living standards and opportunities for the poor (Edwards and Hulme, 1996). In this respect, they grew out of 'compassion' (*op.cit.*). Where government service is weak or non-existent, they have become important for the delivery of social services and the implementation of other development programmes (World Bank, 2001; Edwards and Hulme, 1996). CSOs operate at local, national and/or transnational levels and are likely to have ethical, cultural, political, scientific, religious or philanthropic underpinnings (*ibid.*). CSOs gain funding through governments and bilateral and multilateral aid, either by applying for contestable grants (which they may need to match with a percentage contribution of cash or kind), or they may be enlisted to facilitate programmes or projects for which they receive multi-year funding. They may also be substantially supported by philanthropic donations made by citizens and institutions. Strong competition for the aid dollar means securing finance is an important part of CSO activity (*ibid.*). Practices and operational models vary widely, occasionally causing confusion as to their role and function in society. However, such organisations are increasing in power as international advocacy networks gain force. Their rise, and role as policy consultants and aid partners, is one of the most important shifts in development in the past fifteen years (Edwards and Hulme, 1996).

From a development perspective, working with and through CSOs places more emphasis on indigenous development techniques, and in actively involving people at the community level so that they cease to be 'mere passive participants in a global economic system that seems to benefit the rich more than the poor' (Dickenson *et al.*, 1996:309).

However, many Papua New Guinean CSOs are blighted with the same problems as government, namely limited capability and capacity shortfalls (NZAID, 2002a). Capacity building, as mentioned previously, is the main focus of Germany's development efforts in Papua New Guinea. In other countries, NGOs have been formed specifically to work with other NGOs to build capacity. An example is the South African-based Community Development Resource Association (see www.CDRA.org.za). As well, many CSOs are still grappling with modern systems of institutional organisation and management (Schoeffel, 1997). This means aid agencies tend to operate through those established agencies with a history of competence, which does nothing to provide a nurturing environment for fledgling CSOs. The reason generally given for this is 'accountability'. Accountability is described as the means by which individuals and organisations report to authority (Edwards and Hulme, 1996:215), but it has a wider definition at the grassroots level. Shah and Shah (in Edwards and Hulme, 1996:215) clarify accountability at this level as a 'process of information exchange, decision making, management, negotiation, and bargaining that takes place between different stakeholders. Accountability exists between peer groups and operates at many levels'. These accountability chains are illustrated in Table 3.3.

Shah and Shah (*ibid.*) argue that, whereas accountability has previously reinforced hierarchy and authority mainly through reporting systems, it should instead adopt a 'reciprocal' philosophy whereby multiple actors are accountable to one another. Similarly, Chambers (in Edwards and Hulme, 1996) advocates a shift from upward accountability to downward accountability.

Table 3.3 NGO Accountability Chains

Organisation	Accountable to:
Membership organisations	Members
Community organisations	Community
NGOs	Community organisations
	Membership organisations
	Village institutions
	Local government
	State and central government
	Donors
	Other competing and complementary NGOs

Source Adapted from Shah and Shah in Edwards and Hulme, 1996: 215

Other limitations endemic in the smaller, grassroots civil society organisations, as noted by Farrington and Bebbington concerning NGOs (1993, in Turner and Hulme, 1997:206), are their: small size, restricted impact, distance from policy decisions, professional and technical limitations, poor coordination, problems of representativeness and accountability. For these reasons, their capacity to assist the poorest of the poor is limited. Moreover, their effectiveness is assumed rather than proven (Turner and Hulme, 1997).

3.3.5 Identifying a development strategy

Over many years, participatory rural appraisal (PRA) maverick Robert Chambers has promoted well-being ranking cards as an important tool for assessing the priorities of individuals. He notes: 'Income, the reductionist criterion of normal economists, has never, in my experience or in the evidence I have been able to review, been given explicit primacy' (1997: p178). He suggests that good health, children's education, or more leisure time are as likely to be cited as more attractive ideals than money. The point here is not that money sometimes rates as less important than other needs, but that people should be given the opportunity to identify what their needs and values are, in ways that are relevant to them (Sen, 1999: 18). Once done, the means for securing these needs and values can be identified, with one mechanism being the need for more cash.

Finding out people's needs was the purpose of a 2001 survey conducted by the Asian Development Bank. Findings from 18 communities over five provinces in Papua New Guinea revealed that 'access to jobs and ways to earn cash' was considered the number one priority to help achieve poverty reduction (ADB, 2002) (Table 3.4). The reason why this might be is suggested by the Sepik River villager referred to on Page 1 of this thesis, when he proposed 'If we could just get help to get started, we'd buy the water tank and the aid post and set up the school ourselves.'

Table 3.4 Community priorities for poverty reduction programmes: ADB findings

- | |
|--|
| <ul style="list-style-type: none">• Access to jobs and other ways to earn cash.• Access to land for farming.• Education, water supply, health care, transport (roads and public transport services), and markets.• Skills training on small business management (e.g. pig/poultry farms, small shops, boat-building, repair and maintenance) and a support system including access to capital, credit, markets and transport.• A social care system for elders, single parents, disabled people, and other disadvantaged groups. |
|--|

Source Asian Development Bank 2002

Leisinger notes (2002:w.): 'Anything that helps to raise the labour productivity of people (living in absolute poverty) triggers greater "bottom-up" developmental dynamics than the total of well-intentioned charitable donations.' This comment suggests that aid agencies should look to support microenterprise development. A strategy to this end is made more pertinent with the findings of the ADB survey, because it identifies 'cash' as something the common person has ascertained as a priority. This needs to be backed by the support systems identified in the fourth point of Table 3.4: capacity and infrastructure.

Prime Minister Sir Michael Somare (2002: w.) appears to agree on this approach. In his policy speech upon entering parliament in 2002, he stated that his government would, in the objective of achieving desired levels of rural development, poverty reduction and human resource development:

recognise and facilitate the growth of the informal sector ... encourage and facilitate the development of small indigenous businesses ... and ... introduce a micro-credit scheme to facilitate the growth of small and cottage industries.

Although these are just three separate points of an extensive strategy, their presence in the government's policy statement validates their potential uptake by donors when planning intervention strategies. However, it is also important that the Prime Minister's speech be viewed in perspective. According to the NZAID *Country Strategy Review* (NZAID, 2002a), Papua New Guinea's 2002 Budget also claimed to focus strongly on agriculture and revenue generation, but only 8 per cent of its Development Expenditure (which is 87 per cent funded by donors, anyway) was allocated for improved basic services and income generation in rural areas. In comparison, infrastructure received 44 per cent and the social service sector, 28 per cent (*ibid.*).

3.4 SMALL SCALE ENTERPRISES IN RURAL COMMUNITIES

3.4.1 Small-scale enterprises for self-reliance

'Development' theory in the 1950s and 1960s comprised a jumble of ideas from neoclassical and modernization theoretical camps. Whereas neoclassical theories were economic and promoted industrialization, free trade and market orientation, modernization's influence mainly dealt with the interrelationship of economic and cultural change, and the effects of Western technology and innovation on non-industrial societies, mainly from a psycho-social perspective (Harrison, 1988). The two theories complemented one another and were broadly applied at the time of decolonization.

Strong criticisms of these theories were launched from neo-Marxists in the 1970s to ruffle the confidence with which they were applied. Led by André Gunder Frank's writings on dependency and underdevelopment (see Frank in Rhodes, 1970, for a presentation of the key ideas), they suggested the modernization models, with their capitalist emphasis, promoted an elitism that oppressed rather than promoted livelihood improvements for the poorest members of society.

In 1976, an ILO conference on employment, growth and basic needs gave wide exposure to an approach called 'basic needs' (Friedmann, 1992). The basic needs approach stemmed from the realization that conventional macro-level policies were not working to improve conditions for the poorest of the poor. This realization on top of neo-Marxist criticism suggested the need for 'alternative development'. Basic needs comes under this rubric, which acknowledges the aim of alternative development as:

[to] transform [mainstream doctrine and the state] dramatically to make it possible for disempowered sectors to be included in political and economic processes and have their rights as citizens and human beings acknowledged (Friedmann,1992: viii).

Alternative development approaches have drawn attention to other issues including the environment, gender issues, participation, and indigenous knowledge (Friedmann, 1992).

The following three 'lessons' from basic needs debates have been drawn from a longer list by Friedmann (1992:66), but reinforce concepts put forward by this thesis.

- Poverty is a multidimensional phenomenon and does not signify merely a relative lack of income.
- The poor must take part in the provisioning of their own needs rather than rely on the state to resolve their problems.
- To become self-reliant in the provisioning of their own needs, the poor must first acquire the means to do so.

These ideas have surfaced in policy to varying degrees since the 1970s, and were reinforced by neo-liberalism in the 1980s. Neo-liberalism supports globalization, promoting the preeminence of unrestricted free market trade. This has seen the removal of many of the protections previously afforded to Third World markets (Trainer, 2002). In the 1980s and continuing through to today, self-reliance was seen as one way of ameliorating the negative impact of globalization, and of structural adjustment

programmes on the lives of the poorest (Trainer, 2002; Schearer, 1995). While generally understood that the conditions resulting from SAPs do not foster a favourable climate for informal-sector development, the Netherlands government note the trend towards microenterprise development as a result of structural adjustment. They claim microenterprise is now seen as '...a vital strategic element in protecting the incomes of vulnerable groups during the adjustment process' (Development Cooperation, Ministry of Foreign Affairs, the Netherlands, no date:87).

Currently, the basic needs approach is supported in theory by bilateral and multilateral agendas. Schoeffel (1997) claims this approach sides with the 'communitarian' viewpoint long-promoted by NGOs. That is, it aligns with the view that redemptive, transformative social action is required for development to occur at the community level. From this stance, says Schoeffel, aid's role is:

to stimulate 'sustainable' self-generated development based on self-help at the 'grassroots' community level in a participatory manner, with goals of empowering people to act for themselves to overcome the causes of their poverty.

In effect, this identifies the need to encourage the development of small scale, autonomous enterprises that contribute to attaining the identified needs and values (section 3.3.5). These include microenterprises which, while focused on cash-generation, do help in attaining wider goals as discussed below and throughout this thesis.

3.4.2 The definition of 'microenterprise'

There is a great deal of confusion about the term microenterprise development and the informal sector. For instance, Friedmann (1992:97) refuses to consider informal activities as a sector: 'as if the world of popular everyday life were an internally integrated compartment of production'. His interpretation is that informality's purpose is more 'to

serve the household as a cushion against hard times' because informal work provides one of the principle sources of 'surplus value' or profit (*ibid.*:97).

Friedmann divides informally organized, market-oriented activities into the five categories of i) home industry; ii) street economy; iii) domestic service; iv) microenterprise and v) construction work. According to Friedmann's definition, a microenterprise comprises an owner manager with several employees (fewer than 10, and on average, 3 to 5). Beyond this point, they fall into the categories of small or medium-scale enterprises.

For simplicity, I have grouped informal sector activities into only two categories. Firstly, microenterprise, as I define it, combines Friedmann's 'microenterprise' (manufacture of commodities and the provision of services) with 'street economy' (street trading and services) and 'home industry' (production and services based from the home) (see Chapter Seven for examples). The second category, which includes 'domestic service' and 'construction work' in Friedmann's typology, is not considered in the context of this thesis, because there are few opportunities for regular paid employment in rural Papua New Guinea. Thus, under my interpretation, microenterprise means small, self-run (by an individual or small group of producers / service providers) enterprises that operate for the purpose of making a profit.

Friedmann (1992) lists other characteristics of the informal sector which I also apply to microenterprises: that is, a microenterprise includes the reliance on informal relations in production (i.e. the use of unpaid family members to assist in production); the capacity for ingenuity and the high percentage of women involved in production / service provision (Friedmann estimates women account for more than one-third of all informal workers (*ibid.*: 98)

Microenterprise needn't be confined to the informal sector and some see it as a start-point towards involvement in the formal sector or, as Friedmann (1992), paraphrasing de Soto (1989), puts it: 'as the vanguard of an entrepreneurial capitalism.' In fact, Friedmann

rejects notions that informal work should become formalised, claiming it would cease to exist if it were regulated in ways similar to formal work.

3.4.3 Current support for the informal sector and microenterprise development

There are several reasons why aid agencies are becoming increasingly interested in promoting the informal sector, particularly microenterprise as I have defined it. These are explained in the following points, starting with an international perspective.

- A major stimulus has been the poor performance of aid. Aid's attempts at alleviating poverty have been mixed, and it is still a long way from its goal of eradicating poverty. Indeed, Bodley (1990:139) suggests that:

Despite the best intentions of those who promoted change and improvement... all too often the results have been poverty, longer working hours, and much greater physical exertion, poor health, social disorder, discontent, discrimination, overpopulation and environmental deterioration – combined with the destruction of the traditional culture.

- Another pressing concern is the environment. Because the poor are often forced to sacrifice the environment for their own survival, other means must be found to enable them to support and protect themselves. This is especially necessary in areas of prime ecological value, particularly where communities are placed under financial pressure to sell-off their resources. It has become a primary consideration of integrated conservation and development (ICAD) projects (UNEP, 1995; Salafsky *et al.*, 1999; ELC, 2000). The dilemmas raised by conservation agencies' involvement in enterprise stimulation are illustrated by the WWF case study in Chapter Five.
- The desire to see development's benefits better spread to reach women has also seen governments promoting, and agencies stimulating, new opportunities in the informal sector specifically targeting women (Chandra, 2002). There is evidence

that economic improvements experienced and controlled by women will lead to greater improvements in overall household well-being, particularly when they are accompanied by increased empowerment for women (Simanowitz, 2002: 18; Rowlands, 1997).

- Microenterprise development is seen as a precursor of bigger things. Development favouring labour intensive rather than capital and education intensive initiatives may secure an economic base from which further expansion can occur. Economic initiatives may transfer from the informal to the formal sector with growth. They may also encourage the development of entrepreneurial skills and talent, operating as a training ground for larger enterprise (Sharma *et al.*, 1990; Friedmann, 1992).
- Importantly, there is the need to keep people in rural settings. The more people who can live and fend for themselves rurally, the less pressure – and misery – there will be in the towns. Ironically, the needs of these city-dwellers will be an increasing problem of the future due to population expansion. A fear is that the needs of the more invisible rural poor will attract even less development attention (Chambers and Conway, 1992).
- As well, agencies recognise the vulnerability of people living at subsistence level to disaster, drought and other problems. When crops fail, they do not have access to money reserves to tide them over, and people go hungry (Chambers, 1997).

In Papua New Guinea, the following reasons add impetus to a strategy promoting the stimulation of an informal sector:

- There is a dire lack of jobs in the formal sector in developing countries. For instance, in Papua New Guinea in 1999 there were around 100,000 school-leavers but only between 3000-5000 job positions available (Baxter, 2001). The

repercussions of this are apathy, loss of confidence, frustration and rising crime (*ibid.*).

- More people want 'development', and they recognise the need to earn an income in order to do this (NZODA, 2001). As noted above, when they cannot enter the formal sector they look to the informal sector. This often requires savings that they do not have. The need for cash, therefore, goes unfulfilled, as do opportunities for improved health and education, for which rural people must pay.
- There is an emerging group of disadvantaged people in the communities, including elderly people and widows whose children are unable to support them, single mothers, orphans and abandoned children and disabled people (ADB, 2002a). The ADB noted that conditions have worsened in the past five years, evidenced in rural areas by the increased number of school leavers idle in the village, and the deterioration of services, roads, schools and health facilities (*ibid.*).

Activating an informal sector is consistent with strategies adopted by other developing countries in attempts to alleviate rural and urban poverty. For instance, in Africa, Asia and Latin America, small-scale agriculture, handicrafts and tourism have proved the value of their inclusion in aid agency and government policy (Rogerson and Sithole, 2001: 149), both in formal and informal spheres. As an indication of what might be achieved given strong market demand, Aboriginal art and cultural products contribute an estimated A\$200 million per year to the Australian economy (NIAAA, 1998). Given the figures of a 1987 report that claimed there are over one hundred and fifty thousand people in Papua New Guinea involved in producing artifacts, this industry – properly managed – holds tremendous promise (Wasori in Lutkehaus *et al.*, 1990) (see plates 5 to 10 at the end of Part One for carving examples).

Against support for informal sector development, is the recognition that what is being stimulated is adoption of a model of enterprise based on Western-style capitalism

emphasizing commodification and asset accumulation. This affects the ability of people within communities to secure their livelihood needs equitably. As already suggested, this ideological shift, and the economic structures developed to make enterprises 'work', may disrupt well-functioning social structures, thereby placing economic development ahead of social well-being and security (Purdie, 1996).

3.4.4 National-level planning to assist the informal sector

Despite there being justification to lend increased support to the informal sector in rural environments, preferential treatment for urban development prevails. Baxter (2001:37) says:

A pro-urban bias is common in many countries – policy focuses on participants of the monetary, often predominantly urban, economy. These people have most in common with the decision-makers, they have political clout due to their visibility, and their concerns may also seem not only more immediate but also easier to address than those experiencing what can appear to be a rural malaise.

To change this bias, efforts must start at the highest level of planning, with support for a rural microenterprise development strategy, encouraged to a greater extent by international aid providers. Planning allows an influence over the future direction of a country, and involves setting goals or targets, refining policies with regard to issues such as exports, imports, investment and savings; setting minimum standards (for instance, income), allocating resources and providing funds for measures to achieve a predetermined set of development objectives (Todaro, 1994). Since the 1970s and particularly after the United Nations Stockholm Conference on the Human Environment (1972), planning has recognised the linkages between human-made and natural capital, and social, cultural, political, economic and environmental issues have been integrated into planning.

However, Turner and Hulme (1997: 132) explain the reality of planning:

On the one side are ideal models that envision plans as technical products crafted by impartial experts with access to all the necessary data and almost infinite analytical capacity. On the other side are the descriptive models of political science, that see planning as a political process involving the interaction of numerous individuals and organisations that bargain and negotiate, from varying power bases, to achieve objectives that, at least partially, reflect their self-interest.... in the 'real world', planning is usually a complex mixture involving elements of both these differing viewpoints.

It is not difficult to see how specific strategies, including stimulation of the informal sector in rural areas, get lost in the complication of the task. For a start, agencies and governments want aid to 'count'. A problem of the informal sector is that results are not measurable in the way formal enterprises can be quantified (through registration). Secondly, job creation should desirably 'pay-back' to government by contributing taxes and levies. The informal sector operates outside bureaucratic regulations and government controls (Sharma *et al.*, 1990: 9). As this last point suggests, this also means government, and particularly aid agencies accountable to the precept of 'do no harm', do not want to encourage the longer working hours, less than satisfactory conditions and black-market activities that sometimes accompany work in the informal sector (Development Cooperation, Ministry of Foreign Affairs, the Netherlands, no date; Freidmann, 1992.). Lack of control forfeits accountability. But, as Freidmann (1992:101) notes: 'formalisation imposes government controls and taxes and may raise the cost of doing business to prohibitive levels'. He suggests attempts at formalization would only serve to drive the economy underground.

For these reasons, Baxter (2001:53), referring to enterprise development in Papua New Guinea, says: 'Little is done in terms of policy or investment to exploit the economic activity or employment synergies, or to strengthen the informal sector in general, despite its importance to the economy.' These issues are considered throughout this thesis.

3.4.5 Support follow-through

Simanowitz (2002: 37) observes that successful poverty-focused organisations succeed in two areas – vision and systems. An institutional review conducted by New Zealand's Voluntary Agency Support Scheme (VASS) (2000-2001) found that goals and objectives were too frequently absent from the projects they surveyed. Goodman and Love (1979:7) talk about development projects being the 'building blocks' of development. Bennett (1995) describes projects as the 'vehicle' by which organisations intervene. The pattern of assembly or the vehicular route chosen needs to aim towards a particular outcome/destination (objective). Should the outcome/destination be too broadly defined, the easier it is to slip into a conventional and established process. Thus, while achievement can still be claimed, a combination of potentially better or more productive routes may have been ignored.

In such instances, the big-and-visible are usually selected over the small-and-discrete. According to Morrisson *et al.* (1994), even where microenterprise development has gained the attention of aid agencies, donors do not know how to go about fulfilling support. It is far easier to take action in favour of large enterprises. In Papua New Guinea, the large and organized enterprises tend to be agriculture and fishing (NZAID, 2002a). When the limited 'aid dollar' is spent in supporting these areas, attention is diverted from strategies that might provide a more balanced portfolio of activities that could act as a buffer against economic and climatic stresses and shocks (Chambers and Conway, 1992). Indeed, Chambers and Conway (*ibid.*:23) claim that the potential of small farmers and also some landless has been underestimated, particularly their ability to enhance intensity and productivity and create small-scale economic synergies. They state that 'evidence of a more social anthropological nature indicates that high proportions of incomes of the poor, even those with land, derive from sources other than direct farming' (*ibid.*:24).

Chambers reinforces this need in later writings on the subject, saying:

The raw reality for the majority of the very poor in the world, in the South, and either in rural areas or in the informal urban sector, is not one of jobs in the Northern, industrial sense. It is a reality of diverse livelihoods with

multiple activities by different family members at different times exploiting varied and changing resources and opportunities. But because such livelihoods are difficult to measure, and do not fit the familiar Northern frame, their reality has for long been under- and misperceived. (Chambers, 1997:48)

However, I re-emphasise that some aid agencies do recognise the need to target the informal sector. For instance, NZAID now includes a Small Project Scheme to provide support for efforts that may fall under this banner and that are also in line with their poverty reduction strategy (Whyte, 2002: pers.comm.). The point is that the many microenterprise opportunities compete disproportionately for attention because certain industries and segments of the population are more established (and are therefore more hassle-free), more obvious, and thus considered more supportable, than others. Agricultural projects and projects supporting women often fall into this category.

In view of this, and Chamber's comments concerning the need to create economic synergies, it seems relevant to quote a passage from a letter received from a Highland woman recently: 'Papua New Guinea is find (sic) but we are starving for hunger because the weather which is not good' (H.R., 2002: pers. comm.). The current El Nino drought echoes the situation in 1997, which saw more than 500 000 rural dwellers affected, placing 250 000 in a life-threatening position by the second half of 1997 (Baxter, 2001: 29). The correspondent, a very clever *bilum* (bag) maker, has a skill which could have helped tide the family through their crop failure. Her father, also, makes musical instruments. Yet support via aid (buying wool initially, then assistance with marketing and product improvement) has never been an option because aid attention in the area has favoured agricultural projects. This one-off example is echoed in every village where people carve, make fish baskets, weave sago blinds, pound bark cloth, mould clay, string bracelets, fashion ornaments, fix outboard motors or sew clothes.

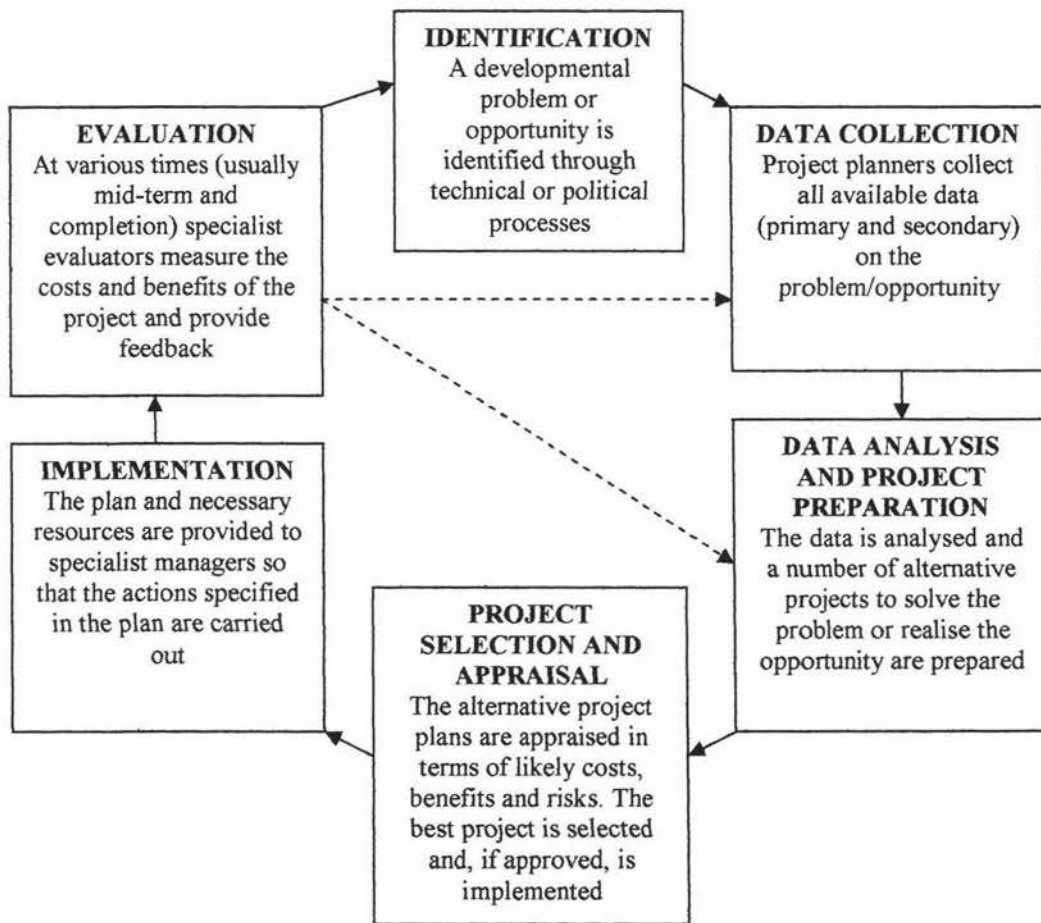
Support that is overly focused on the agricultural component of the rural sector also ignores communities who do not have a history of agriculture. In the Sepik River area where I conducted research in 2001, the people still largely practice a hunter-gatherer

lifestyle. Notes an officer from the Department of Agriculture and Livestock: ‘These people have been gatherers, not gardeners. They’ve only been settled in villages for twenty years’ (Neanpop, 2001: pers.comm.). Agriculture goes against their whole mind-set, but it was the only ‘assistance’ on offer.

3.4.6 Delivery restrictions

A common approach to project management since the 1970s follows a cycle best outlined in Figure 3.1 (Turner and Hulme, 1997: 141).

Figure 3.1 The conventional project cycle



Source Turner and Hulme, 1997: 141

This project cycle is complicated by the interventions of foreign aid agencies, where negotiation, supervision, monitoring and accountability procedures must be accommodated in the process, and the reality is more of a spiral of interactions (see, for instance, Turner and Hulme, 1997:142). Increasingly, emphasis is placed on the identification and appraisal of projects, including detailed plans, cost benefit analyses and social and environmental impact assessments. Turner and Hulme (1997:140) note:

These requirements have meant that most projects involving external finance are designed by specialist planners (commonly expatriates) using sophisticated techniques. The alternative project plans are appraised in terms of likely costs, benefits and risks. The best project is selected and, if approved, is implemented.

This system can work against the development of an informal sector, which may be small, resource inefficient (from an agency's perspective) and produce unimpressive bottom lines. Rural people are hard to reach and institutionally ill-served, thereby presenting a problem to donors in that they are unable to utilize established civil society partnership links. Put simply, the ever-increasing 'rules' and ways of doing things imposed by funders sifts out support for small enterprises through a process of elimination based on cost, risk and institutional infrastructure, especially in isolated areas. The informal sector presents accountability problems and there are difficulties managing and monitoring the social, economic and environmental impacts of small enterprises. It is also worth reiterating Chambers' rural biases, as adapted and presented in Box 1.2.

However, the success of such projects might have repercussions far beyond the obvious of improving living standards for the rural poor. They may halt urban drift, bolster social capital, preserve resources and stimulate positive attempts at other initiatives. The energy inspired by successful small-scale, synergistic projects might extend well beyond the community initially assisted, prompting proactive efforts elsewhere (McClelland, 1970).

3.4.7 The lack of support for enterprise development

My experience in trying to find assistance for the carving group in Wewak highlighted the shortage of credible agencies providing support for microenterprise development, outside of agriculture. Even though the Sepik is considered the main artifact-producing area of Papua New Guinea, there was simply no one to turn to, to help stimulate what promised to be a viable, sustainable and widely-beneficial economic opportunity. Of Wasori's earlier quoted figure of 150,000 carvers in Papua New Guinea, 80,000 supposedly live in the Sepik (Wasori in Lutkehaus *et al.*, 1990:597). My experience in Wewak suggests that government and CSOs concentrate on social projects rather than income generating projects²². Those that do advocate enterprise development are not interested in supporting projects below a certain funding level²³, or they insist on criteria such as the involvement of women (and carving is a male activity).

In normally functioning governments, providing assistance to stimulate business development would be the domain of a government department. The reality of government in Papua New Guinea is that many provincial and local-level governments have not received funds for anything but sitting allowances since the provincial and local-level government reforms were introduced in 1995 (Baxter, 2001:25). In the situation with the carvers, I met with both a government officer and the Programme Manager from the Department of Commerce and Tourism, and although verbally supportive neither were able to provide any constructive assistance. In fact, two government officers later came to my home eager to learn what information I had. This suggests that government employees supposedly helping people towards development are critically starved of information themselves. This was also clear in some of the out-moded advice promoted by government officers.

²² Demarcation between aid for social purposes, ecological purposes (e.g. conservation) and economic purposes creates additional barriers when identifying potential support for microenterprise. This lack of integration raises questions as to the understanding and consequent commitment to concepts such as sustainable development (Chapter Six).

²³ Some funds specify minimum grant amounts. These may be in the vicinity of K20,000 (as stipulated for AusAID's Small Activities Scheme), thereby ruling out 'micro' enterprise.

Part of the reason for the incapacity to assist is that officers supposedly working to promote development do not have the means by which to communicate with anyone outside their office building. Not only do they have no direct contact with rural communities (Neanpop, 2001: pers.comm.), but they are starved of the knowledge, networking, communication and marketing channels needed to support economic development; which in turn would improve access to functional infrastructure. The extent of this catch-22 is evident when it is realised that forty-nine countries have fewer than one telephone per hundred people and, at a global level, 80 per cent of the world's population still lack basic telecommunications tools (Einsiedel and Innes in Freedman, 2000:257). Given that government officers are at least the initial point of contact for most wanting to start up in business, Morrison *et al.*'s (1994: 245) statement that: 'Changing the environment of these enterprises through providing them with information is probably one of the most effective measures that the state can take...' leads to the aside that one of the most productive uses of funding would be for development agencies to equip and train government officers adequately first. Supplementing this, there would also need to be ongoing training and budgetary support to inspire and enable government officers to communicate with rural villagers.

The problem of lack of support does not just lie with government, but in the shortage of CSOs working in the area of enterprise development. This was illustrated by a local meeting of CSOs in Wewak, August 2001, organized by the Community Development Scheme (CDS). One of the issues discussed was how to deal with applications for clan-initiated business development. The AusAID sponsored scheme was unclear how to, or indeed whether to, accommodate applicants for business support because CDS was set up to provide aid for communal and not-for-profit enterprises. Partly because there were very few other avenues groups could apply to for support, they were receiving applications for funding to start up clan businesses, including such enterprises as a small grocery store. While this would provide advantages to the community, they were predominantly money-making ventures. The 'Core Group' of CSOs brought together as part of the CDS programme were unsure whether their mandate included providing grants for starting business. The representatives from a women's NGO, two environmental

NGOs, two church groups and a community health NGO found no guidance in the material provided by AusAID. It appeared, from all accounts, to be a new problem for them (Knight, pers.comm. 2001).

3.5 SUMMARY

This chapter clarifies the rationale behind microenterprise development and aid's role in supporting it, which began with the prompt from the old lady in the Sepik and the President of the World Bank (Chapter One), urging the need to *act now*. The dire economic situation of Papua New Guinea and the prime minister's stated support for the informal sector, reinforced by the common person's request for 'the means to earn cash', suggests that the way to act now is through the promotion of 'self help' through microenterprise development. The chapter canvassed ideas that could be especially important for the rural sector, where microenterprise development needs to look beyond agriculture to the many other productive skills, products and services that could be promoted to improve subsistence livelihoods. Efforts should be made to enhance the intensity and productivity of both on *and* off farm enterprises supported by small-scale synergies. Thirdly, the means to initiating this action must be prompted by national policy and strategic planning, through deliberate bilateral, multilateral, government and civil society consensus and support.

Importantly, microenterprise development places emphasis on common people and on their ability to access and exploit opportunities that might lead to an improved quality of life. In the words of Kaplan (1999: w.): 'People-centred development is about increasing, not decreasing, choice. It is about enabling people to become more conscious, to understand themselves and their context such that they are better able to take control of their own future.' This is the concept behind empowerment, representing one of aid's most important roles in a self-help strategy. Empowerment is the subject of the next chapter.

CHAPTER FOUR

EMPOWERMENT

4.1 INTRODUCTION

When the Bahinemo people of the Hunstein Range enter the forest to go hunting or plant gathering, they are greeted by the call of an invisible bird. They claim it is the voice of their *tambuna* – their ancestors. ‘Where are you going?’ it calls to them. The villagers respond. If the bird cautions them to turn back, they always obey. If it welcomes them, they proceed, knowing that they have the blessing of their forebears.

These are the kind of mechanisms which continue to lead indigenous people in their daily decision making. But these same strategies cannot be employed in their escalating interactions with the outside world. From a state of confidence in their world and actions, they are increasingly faced with incidents outside their social, psychological and economic spheres of understanding. This particularly impacts on their ‘inner’ sense of confidence and self-esteem, which influences how people act collectively and in their relationships with others (Rowlands, 1997). The process of developing transformational understandings and confidence to combat these feelings of ‘disempowerment’, as well as overcoming institutional impediments, is central to the concept of ‘empowerment’ (*ibid.*; Danida, 2002).

This chapter uses literature and incorporates personal observation from Papua New Guinea to consider the following questions relevant to empowerment and development:

- What is empowerment?
- Who are we talking about empowering in the context of microenterprise development?
- And how can aid agencies contribute towards empowering poorer people towards microenterprise development, particularly when this must happen from afar?

4.2 EMPOWERMENT AS AN ENABLING FORCE

4.2.1 Defining empowerment

'Empowerment' is a word rich with connotations, its meaning more often assumed than specified. This is due partly to its use across numerous disciplines including development, business management, education, community and health work (Rowlands, 1997). The overriding impression the word conveys is of a strengthening of people's ability for self-realisation. Yet even within each field, understandings of how this translates into practice are broad. Development literature discussing empowerment might include any of the following concepts: raising consciousness, increasing self-esteem, generating collective awareness, building confidence, securing better livelihoods, confirming ownership and control of productive assets, encouraging vocal and assertive participation (particularly by the most disempowered), and establishing 'rights' to material and non-material resources (Verhelst and Tyndale, 2002; Chambers, 1997; Kaplan, 1999; Scheyvens, 1999; Moser in Danida, 2002).

Development agencies, government or civil society organisations might advocate none, some, or all of these elements in the anti-poverty strategies they propose. Therefore it is not enough to simply profess to the promotion of empowerment – empowerment needs to be placed within the local and wider context and have a clearly defined 'sense of agency' (Rowlands, 1997: 127). Rowlands (*ibid.*: 111) defines 'sense of agency' as poorer people becoming enabled to interact with their surroundings and being able to exercise control. This is complicated because the degree and means of interaction and influence may be understood differently between the different actors involved in development processes (Danida, 2002).

Confusion also arises because 'empowerment' and its frequent partner-concept, 'participation', are used in different ways in the context of development principles, policies and overall objectives; in descriptions of specific management tools and guidelines; and when describing and implementing operational development practice

(Danida, 2002). There are also philosophical and moral dimensions that affect the way in which people translate 'empowerment' (*ibid.*).

4.2.2 Power and empowerment

Understanding the different interpretations of, and approaches to, empowerment requires an analysis of the 'power' implicit in each situation (Rowlands, 1997; Danida, 2002). Power can take many forms, and Rowlands (1997: 13) lists these as:

- **Power over:** controlling power, which may be responded to with compliance, resistance (which weakens processes of victimization) or manipulation.
- **Power to:** generative or productive power (sometimes incorporating or manifesting as forms of resistance or manipulation) which creates possibilities and actions without domination
- **Power with:** 'a sense of the whole being greater than the sum of the individuals, especially when a group tackles problems together'²⁴
- **Power from within:** 'the spiritual strength and uniqueness that resides in each one of us and makes us truly human. Its basis is self-acceptance and self-respect which extends, in turn, to respect for an acceptance of others as equals.'²⁵

So while the World Bank might exercise the concept of empowerment as 'power over' (the approach taken by structural adjustment programmes, for instance²⁶), feminists might regard empowerment as the emancipation of women from social or psychological oppression and emphasise the 'power from within' approach (even while recognizing the importance 'power over' plays in the dynamics of oppression) (Danida, 2002). Meanwhile, civil society organisations encourage 'power to' and 'power with' concepts. However, they may be forced more towards the 'power over'

²⁴ CCIC quoted in Williams, in Rowlands, 1997:13.

²⁵ As above.

²⁶ This is while noting that individuals within the World Bank promote SAPs as the macroeconomic complement to empowerment (Stiglitz in Stern 2002) because good macroeconomic conditions should improve the likelihood that empowerment will work. In addition, macro-economic changes contribute to Rowlands' (1997) context, and hence influence the kind of village-level empowerment promoted.

approach, to conform to time-lines, budgets and human resource restrictions imposed by funders in their insistence that development efforts be efficient and accountable (Rowlands, 1997).

Chambers (1993, and in Danida, 2002) uses the word 'enabling' in his definition of empowerment. He says:

Empowerment means that people, especially the poorer people, are enabled to take more control over their lives, and secure a better livelihood with ownership and control of productive assets as one key element.

The dictionary definition of 'enable' is 'to make possible' (Oxford Dictionary). This suggests the key steps to empowerment are, firstly, identifying *what* is not possible and then answering the question: *why?* before determining *how* poorer people might be 'enabled'. Implicit in this is also determining *who* requires empowering.

The 'signs of disempowerment' column in Table 4.1 illustrates some of the key themes that might constitute the 'what' issues, to initiate contemplation as to 'why' they came about and 'how' they might potentially be resolved. Helping transport people from the 'disempowered' state to the 'enabled' state as identified in the 'signs of empowerment' column, is essentially the goal of an empowerment philosophy. Empowerment can be considered from four different dimensions:

- economic, including access to financial or productive resources, contributing to livelihood security;
- social, concerned with access to certain bases of household production such as information, knowledge and skills, participation in social organisations (Friedmann, 1992: 33);
- political, explained as the access individual household members have to decision-making processes (*ibid.*), and
- psychological, described as an individual sense of potency or self-confidence (*ibid.*).

Table 4.1: Framework for contemplating empowerment

	Signs of empowerment	Signs of disempowerment
Economic empowerment	Economically secure, benefits widely-spread throughout a community, money is being spent on community improvements	Unreliable income, appropriation of profits by the elite, high leakage, exclusion from participation due to lack of capital, lack of skills, intimidation, inequitable distribution of benefits, limited or no access to productive resources
Psychological empowerment	High self-esteem, optimism, proactive, confident, pride of place and culture, improved status for the traditionally excluded	Confusion, frustration, disillusionment
Social empowerment	Good community cohesion, active community groups, high levels of trust, clarity of vision and efforts made to realise community goals	Disharmony and social decay, loss of respect for tradition and elders, high intra-community competition, resentment, jealousy, retribution, dislocation
Political empowerment	Political structures are democratic, broadly representative of community members, represented and respected within the community and broader area	The community has an autocratic or self-interested leadership. The community has no control over what it becomes involved in, and how

Source Adapted and added to from Scheyvens, 1999: 247

In line with ‘alternative’ development theory (see section 3.4.1), the poor themselves must identify, reflect upon and direct the changes that will lead to empowerment (Chambers, 1997). Once identified, the ‘inhibiting factors and obstacles can be mitigated and overcome, thus serving to encourage and affirm empowerment’ (Rowlands, 1997:127). In this way, a type of transformative empowerment is initiated.

4.2.3 Transformative empowerment

Rowlands (1997: 110) uses three categories to contemplate empowerment: the first, noted above, is ‘contextual’, relating to situation, place, time etc; the second is ‘structural’,

determined by the nature of the organisation and their activities; and finally 'inner', which refers to the psychological or social sense of being. In research focusing on development projects in Honduras, Rowlands concluded that the 'inner' is the most critical to empowerment. This requires improving self-perception and helping to undo 'internalised oppression' (*ibid.*: 111), suggesting that a sense of social/psychological transformation is required.

Transformative approaches to development have been promoted since the late 60s/early 70s, initially through the work of educator Paulo Freire, working in his home country, Brazil. Based around literacy training and through what Freire called 'the pedagogy of the oppressed', literacy students were assisted to 'perceive the reality of oppression, not as a closed world from which there is no exit, but as a limiting situation which they can transform' (Freire, 1972 in www.actionaid.org 2002). In this way the disempowered are aided towards a critical consciousness of their circumstances and abilities, which in turn prompts 'bottom up' social action. Freire used visual representations as a means by which people would be enabled to analyse their own reality. This contributed to the concept of participatory rural appraisal (PRA) which is widely supported (in rhetoric, if not practice) by development agencies today (see also section 4.4.3). To appreciate the levels and means by which these practices can be introduced into communities, it is necessary to understand the various dimensions of empowerment and what tactics might be employed by aid agencies in facilitating empowerment.

4.3 EMPOWERING WHOM?

4.3.1 Dimensions of empowerment

Rowlands (1997:15; Danida, 2002:w) notes three dimensions of empowerment, representing how it is experienced and demonstrated:

- **Personal:** developing a sense of self and individual confidence and capacity, and undoing the effects of internalized oppression. This corresponds with the 'inner' concept proposed earlier by Rowlands (1997).

- **Close relationships:** developing the ability to negotiate and influence the collective nature of the relationship and decisions made within it.
- **Collective:** where individuals work together to achieve a more extensive impact than each could achieve alone. This includes involvement in political structures, but might also cover collective action based on cooperation rather than competition. Collective action may be focused on local level as well as national/international levels.

These three spheres interact in a complex manner. For instance, those who are personally empowered interact and contribute differently at a close relationship and collective level to those who lack confidence or vision (Rowlands, 1997).

The difficulty for aid agencies is determining who to focus empowerment efforts on within a community. Clarification of the goal and who comprises the 'disempowered' requiring 'aid' determines how the efforts manifest. For instance, approaches aimed at empowering women to meet their economic needs is likely to differ from approaches aimed at empowering NGOs to become more enabled to fulfill government roles.

For common people in isolated rural villages in Papua New Guinea - the focus of this thesis - the dilemma becomes: should empowerment efforts be aimed at individuals, families, clans, villages or interest groups? Sen proposes that development should be evaluated in terms of 'the expansion of the "capabilities" of people to lead the kind of lives they value - and have reason to value' (Sen, 1999:18; Sen in Evans, 2002: 54-55).

Evans (2002: 56) notes that:

gaining the freedom to do the things we have reason to value is rarely something we can accomplish as individuals. For those already sufficiently privileged to enjoy a full range of capabilities, collective action may seem superfluous to capability, but for the less privileged attaining development as freedom requires collective action. Organised collectivities – unions, political

parties, village councils, women's groups, etc – are fundamental to 'people's capabilities to choose the lives they have reason to value.' They provide an arena for formulating shared values and preferences, and instruments for pursuing them, even in the face of powerful opposition.

Alternative development considers the household as the primary unit of economic and social activity (Friedmann, 1992), and thus may seem an appropriate 'organisational collectivity'. Friedmann's definition of household is 'a residential group of persons who live under the same roof and eat out of the same pot' (*ibid*: 32). While a household may extend beyond a nuclear family, Bubolz (2001) suggests that the family is a critical source of social capital because learning how to participate in social groups and establish relationships is rooted in family behaviour and how open the boundaries are between the family and other groups in the 'ecosystem'. In other words, building the 'inner' (Rowlands, 1997) within households by focusing on the 'personal, close relationships and collective relationships' of individuals may result in the individuals and collective group becoming more empowered, which then impacts on the community's social capital.

The World Bank (2002*d*) describe social capital as the glue that holds together the institutions, relationships and norms that shape the quality and quantity of a society's social interactions. De Renzio and Kavanamur (1997:38) expand on this definition:

Social capital... is created when the relations among persons change in ways that facilitate action... and manifests itself in the form of obligations and expectations, information sharing, norms and sanctions, and social organisation. Thus, it constitutes an asset that individuals can use to their advantage, to reach goals they could not reach otherwise.

Empowerment is an investment in this 'asset'. Reinforcing social capital's importance, Torsvik (2000: 451) claims: 'Social capital is important for economic development because it facilitates efficient use of information and the creation of trust, goodwill and cooperation in a society.' The empirical link between social capital and household income in Tanzanian villages has been investigated to show

‘a village’s social capital has an effect on the incomes of the households in that village, an effect that is empirically large, definitely social and plausibly causal’ (Narayan and Prichett in Torsvik, 2000: 453).

Torsvik (2000) points out that donors often rely on trust and cooperation (the determinants of ‘good’ social capital) as an indicator of the potential sustainability of a project, and its worthiness for their support. These ‘attributes’ connote efficiency, equality and greater capacity to solve problems collectively. Social capital is based on the reciprocal commitments that a community or group’s members are willing to make on the basis of the trust they have in each other. Indeed, the World Bank considers social capital to be the ‘missing link’ in determining a community’s or a country’s potential to achieve positive developmental outcomes (de Renzio and Kavanamur, 1999: 38).

Torsvik (2000) warns two mechanisms must be understood before the donor can judge the reliability of this assumption. That is, whether trust and reciprocal cooperation has been built on the strength of egoism mechanisms, or on prosocial motivations. Trust based upon prosocial motivation is stronger than trust based on repeated interaction and reciprocity with external individuals or groups, which is more likely to be based on ego. This leads back to Friedmann’s suggestion that the household is the most appropriate unit of support, based on the belief that it draws its values from the sphere of the moral relations of individual persons ‘rather than for any desire to satisfy material wants, as important as these may be’ (Friedmann, 1992: 33). In Papua New Guinea, I propose that the definition of ‘household’ be extended to the clan, given that it is the generally accepted right of all individuals within a clan ‘to live under the same roof and eat out of the same pot’. This is because there is generally high prosocial motivation between clan members (for example, a Papua New Guinean coming from a collectivist society might think: I give to you because it is in *our*²⁷ best interests to do so) Relationships outside this level – including at the village level – involve a change of trust, based more on

²⁷ This is not meant to suggest that political motivations and power divisions do not exist within clans, or that individuals from the same clan necessarily share the same degree of trust in one another.

egoism (whereby the thinking changes to: I give to you because it is in *my* best interests to do so) (Torsvik, 2000).²⁸

Clans or sub-clans, then, become a subset of collectively-focused individuals, contributing to a superset of 'the village'. If aid agencies focused enablement efforts at this level, common people in Papua New Guinea might become better enabled to secure for themselves and their kin 'the kind of lives they value and have reason to value' (Sen, 1999:18).

Adapting Friedmann's (1992: 117) 'triad' of empowerment to encompass not only social, psychological and political empowerment, but economic empowerment (after Scheyvens, 1999), Figure 4.1 illustrates the interconnectedness of different empowerment spheres. When a number of clans within a community²⁹ become empowered, they become collectively enabled. This network increases the potential to bring about proactive and positive change (Figure 4.2).

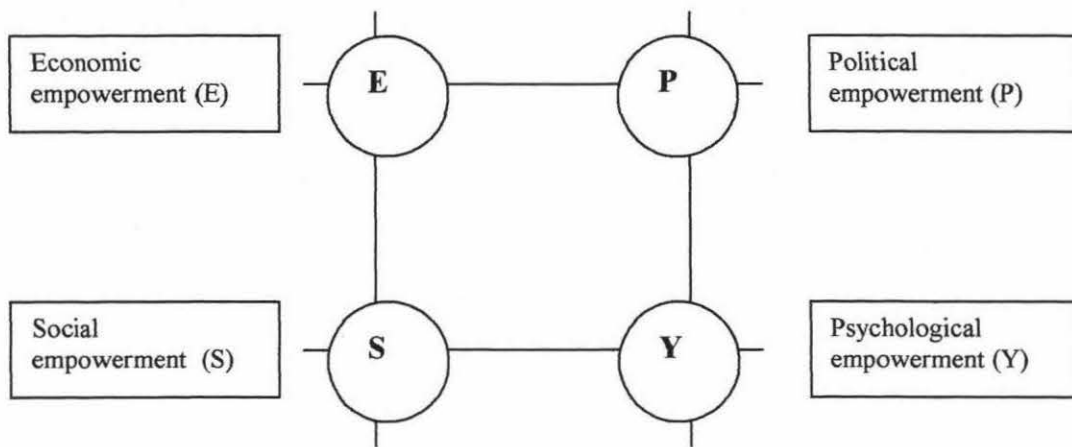
The difficulty in this proposition is determining *how* to empower the clan. How can these groups be singled out and supported so that the concept of equity within communities can still be upheld, because 'equity qualifies all initiatives in development' (Chambers, 1997: 11)? Also, as Chambers notes: 'Whether empowerment is good depends on who are empowered, and how their power is used. If those who gain are outsiders who exploit, or a local elite which dominates, the poor and disadvantaged may be worse off' (*ibid.*: 217). Such power also exists within clans.

Friedmann (1992: 169) highlights the need for 'inventive solutions that are specific to each case rather than devising programs that are fully specified before they reach the community.' However, Friedmann (*ibid.*) also identifies the role of organisations that can bring people together and allow self-organising activities to happen. He suggests local

²⁸ *My*, in collectivist societies, often refers to the collective social unit (i.e. in Papua New Guinea, the kinship group or clan). See the discussion in section 8.5.2 for a discussion concerning collectivist societies, and Table 8.2.

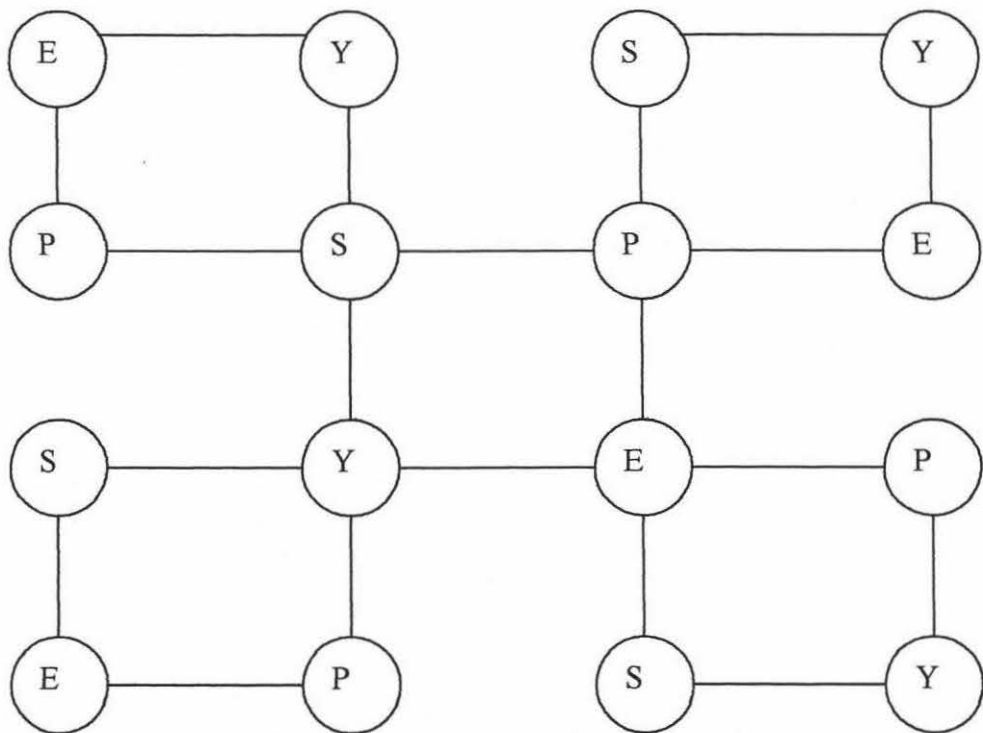
²⁹ To give the reader an idea of the number of clan groupings likely in a community, one village in the Sepik with a population of 500 comprised four main clan groupings. See, also, page 79.

Figure 4.1 Forms of empowerment



Source Adapted from Friedmann, 1992: 116

Figure 4.2 Empowering networks



Source Adapted from Friedmann, 1992: 116

churches might be appointed to fulfill this function. De Renzio and Kavanamur (1999: 45) also support the idea of strengthening and 'scaling up' groups including church groups, sports groups, trade unions and other associations that encompass different and broader segments of society. But even such groups may encourage division within villages. For instance, there may be different denominations competing for membership and power.

To demonstrate how empowerment efforts might be initiated at a village level, it is important to have an idea of a Papua New Guinean village structure. This is while acknowledging that social and political structures can differ considerably between cultural groups. I use an example provided by Martin (1999) concerning the Kamiali in the Morobe Province because it is broadly similar to the village structures I came across in the Sepik (for which I have no reliable data). Kamiali village comprises two clans, with twelve sub-clans (six each³⁰), and a total of seventy households for a population of 508. Martin (*ibid.*) explains that the nuclear family is the main social and economic unit, but the division of garden land is controlled at the sub-clan level, making it an important level of cooperation. Loyalty goes, firstly, to the family unit, then to the sub-clan and clan and, lastly, to the village – although strong allegiance is exhibited at this level in the face of 'external threat'. Sub-clan males make decisions relating to their family group. Leaders from these sub-clans comprise the council of elders, and this is where village-level decisions are made. Amongst these elders are the traditional and dominant *bigmen*³¹. The village magistrate and councilor, who represent the community at a government level, also need to be recognized for their influence. As well, landowners (the leaders of the land-holding clans or sub-clans who are also *bigmen*) can wield considerable power, especially over issues to do with resource access and use³². And then there are the lay preachers and ministers of the church. Women's input is most likely

³⁰ It is not clear how these sub-clans were defined, but Martin suggests they may have an ancestor, perhaps a great-grandfather, in common and their houses may be built close together.

³¹ Godelier (in Godelier and Strathern, 1991:282) defines a *bigman* as 'a man who produces or personally amasses wealth and redistributes it in the course of competitive exchanges for his own greater glory and that of his group'.

³² Land ownership is historically determined by 'first' habitation, ancestral gardening or warfare (Martin, 1999).

represented collectively, through their own grassroots organisations, church groups and NGOs, often with support from the influential provincial representatives of the Council of Women.³³

The council of elders (sometimes called village councils) might provide an appropriate, existing organisational structure for coordinating clan and sub-clan efforts towards empowerment (Huasi *et al.*, 2001; Kaprangi, 2001). Through the encouragement of village councils, clans could be synchronized to plan and act both independently and collectively. Extending this idea, the structure depicted in Figure 4.3 may be a suitable empowerment model for Sepik villages. This has been adapted from the structure recommended by the World Wide Fund for Nature (WWF) initiated Tourism Advisory Group (Huasi *et al.*, 2001) and another WWF-commissioned study by an independent local consultant in the Sepik (Kaprangi, 2001).

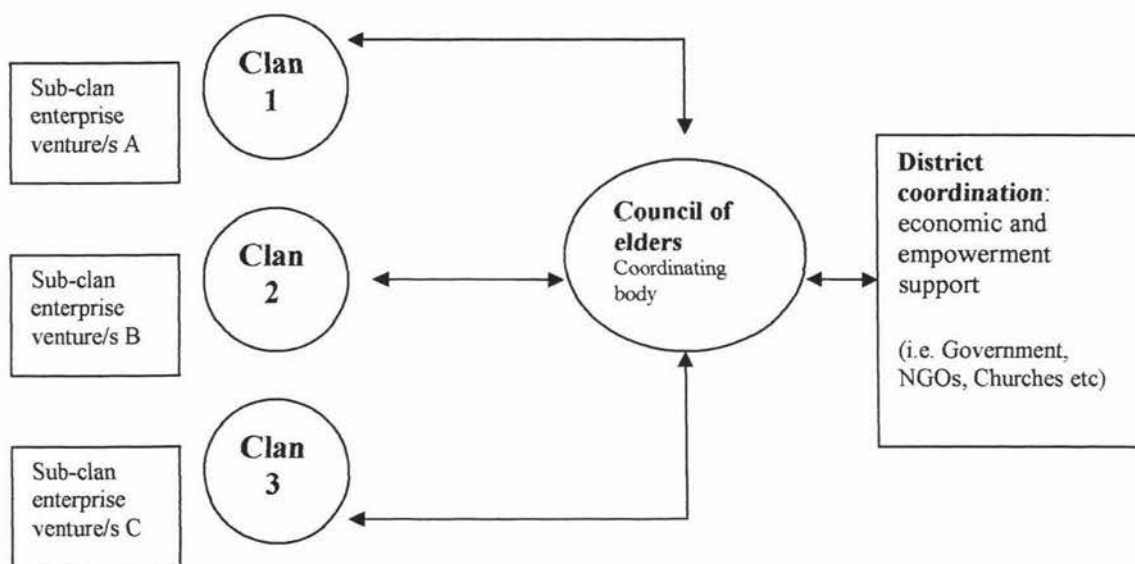
In this model, clans become the units on which empowerment and aid support is focused. Two other tiers – the village council/council of elders and district coordination unit, which includes the government working alongside civil society – would be assisted separately to create a structure and practices conducive to collective empowerment. The focus might be the establishment of a microenterprise venture for each clan, which could offer economic empowerment and the opportunity for individuals within the clan to work collectively to achieve a common goal. The village council could endorse and offer support to each clan's initiative, thereby ensuring compatible enterprises within each village context were proposed. They could also ensure that a transparent and equitable system of responsibility and benefit distribution within the clan was in place, and that the system allowed for contributions to overall village welfare. Ideally, the government/ civil society organisations should reinforce the structure by focusing on capacity building, and establishing trade and information networks³⁴. However, as this is unlikely to

³³ Papua New Guinea's Council of Women was incorporated in 1975 and mandated in 1979 by Parliament to be a watchdog on behalf of women in the country. It has close to 1 million members drawn from 38 member organisations, including provincial councils of women, NGOs and churches (World Council of Churches, 1998).

³⁴ Empowerment processes within village council and government levels should reinforce issues of equity and transparency, and themselves may need conscientisation.

be forthcoming given their constraints, their simple endorsement of the approach is needed above any tangible assistance they can provide. This is because of their ability to sabotage efforts they do not agree with, or that may be seen to challenge not only the government's power, but the power of individual government employees and members of parliament. Government endorsement provides a degree of security. As one provincial government official said to me: 'You've got to play the game.'

Figure 4.3 An empowering structure for rural villages in Papua New Guinea



Source Based on Huasi *et al*, 2001 and Kaprangi, 2001.

Within clans, responsibilities would need to be identified and outcomes observable and attributable, prompting cooperative efforts amongst clan members to achieve an outcome that affords the clan collectively - as well as its individual members - pride, self-esteem and optimism. Political empowerment would necessitate ensuring that the village council do, indeed, comprise representatives from each of the clans and that, at the district level incorporating government and civil society, villages are well represented and involved in decision-making processes.

It is equally as important that within the clan and village setting, the rights of individuals to participate in decisions affecting their lives are recognised. This includes ensuring women have access to social power (Friedmann, 1992), which is complicated because 'gender and gender roles are deeply embedded in a cultural matrix' (*ibid.*:114) that may exclude women. For instance, women and those of lower status within a society may be barred from decision-making through such filters as place and culture. In the Sepik, the *haus tambaran* or spirit house where meetings are often held is a men's only domain. A formalized system aimed at incorporating women into decision-making processes is one way of ensuring women access to systems from which they have been traditionally excluded, but for this to have worth, it requires the acceptance by men that women's participation is important – a process that may only be brought about through slow and sensitive conscientisation (Rowlands, 1997; Friedmann, 1992). It should also be remembered that Western concepts of what constitutes rightful participation does not necessarily correspond with understandings from within another culture. Notes Rowlands (1992: 134):

The right of any outsider to suggest a course of action that would change an existing cultural form has been strongly questioned, even where that form includes blatantly oppressive behaviours, on the grounds that it is an interference with cultural integrity.

In this regard, the Council of Women holds an important advocacy role.

The structural set-up just proposed requires that 'activators' are present (Kleymeyer, 1994), not only within the village council, but within each clan. Activators tend to be those who demonstrate greater levels of the 'inner' empowerment identified by Rowlands (1997). However, increasing reliance on internal activators, who could also wield incredible power within communities, might reinforce rather than remedy inequities. Barrett (in Robinson, 1999: 104) identifies four 'beasts' that can potentially undermine the collectivist approach. These are:

- Ego – a devotion to one’s own interests and feelings
- Envy – resent at the success of others
- Greed – operating for personal gain
- Ambition – an ardent desire for distinction.

A major concern of development agencies is that these ‘beasts’ may be unintentionally drawn out, serving to work against the most disempowered. This is one reason why aid agencies favour approaches whereby their appointed representatives (such as a local NGO) or facilitator are sent into communities to work alongside villagers. Having a representative on-site allows agencies to identify the potential emergence of such ‘beasts’ and to curb their influence through the use of such tools as transparency and participation. However, reliance on ‘outsiders’ to restrain tensions can lead to an unsustainable situation upon their exit from the community.

As well, Rowlands (1997) observes, external intrusion could reinforce the belief that the villagers are not capable of doing things by themselves. Where international aid agencies are involved and where they use expatriate fieldworkers, it also alludes to the superiority of the ‘ways of the West’ (Rahmena in Sachs, 1999). This is hardly empowering.

4.4 THE ROLE OF THE AID AGENCY IN EMPOWERING COMMUNITIES

4.4.1 The importance of ‘focus’

Stern (2002: 12) gives good advice to aid agencies when he says that: ‘seeing the whole is not trying to do the whole’ and that it is beyond their capability to do ‘everything’. This statement alerts to the need for aid agencies to respond ‘deliberately and thoughtfully’ (Rowlands, 1997:140) to the issue of empowerment, necessitating an approach that views empowerment as a process to be defined for each situation, and planned for in relation to a more holistic view of what the community hopes to achieve. Establishing this focus also requires that the aid agency define their understanding of empowerment and its role in the strategies they propose. In this way, its importance may also be recognised by administrators. The need for this has been particularly noted by Rowlands (1997: 137),

who observes that the administrative requirements insisted upon by aid agencies in their need for accountability often work against an empowerment approach. She attributes this to the emphasis placed upon funding short-term projects that bring quick, clearly visible, quantifiable results³⁵. Empowerment approaches, which often produce unpredictable and inconclusive outcomes, cannot be measured in the same way. Aid agencies must incorporate this into their strategies and annual activity plans, as well as their internal and external auditing procedures.

4.4.2 Participation

Another consideration is establishing aid agency philosophy as it relates to power. Do they subscribe to the power over / power to / power with or power from within perspective (Rowlands, 1997)? Clarification of their stance will impact on the involvement with, and of, the community, and this in turn will be represented in their concept of 'participation' and what it entails. Like empowerment, 'participation' is a 'misunderstood word that means different things to different people' (VASS, 1999: Glossary). A 2001 Ministerial Review of NZODA specified participatory processes as an example of 'best practice' in foreign aid. They claim:

When beneficiaries participate in development assistance, the success rate for projects and programmes improves remarkably. (In a sample of rural water-supply projects, projects with high beneficiary participation had a success rate of 68 per cent, those with a low level of participation had a 12 per cent success rate)' (NZODA, 2001: 32).

Exactly how beneficiaries participate in practice varies considerably. The minimum stance is represented by the findings of a European Union report (1998) commissioned to investigate micro-project programmes in Papua New Guinea. It states:

³⁵ On the other hand, sometimes there is value in a short-term project that produces an immediately observable outcome. This is especially the case in communities who feel 'burnt' by development outsiders (i.e. where, despite excessive talking and expectation-raising, a project has never actually been realised). Trust is vital to good social capital (Torsvik, 2000).

The notion of 'participation', which features heavily in the writing about (micro-project programmes), takes the form, in practice, of an insistence on a 'contribution' by the beneficiaries. Their contribution may, of course, be seen as a condition, or as an indicator of their participation, but there is no more to participation than that.

As the quote suggests, while 'contributions' (in cash or kind) are usually considered important, most aid agencies consider participation in a more fulsome way. The mainstream stance is represented by VASS (1999: Glossary), in their definition of participation as: 'the active involvement of intended beneficiaries, both men and women, during all stages of a project.'

VASS stipulate 'participation' as one of their criteria for aid disbursement, and therefore this statement is influential in determining practice for most development work enacted by New Zealand NGOs. However, they do not specify what is meant by 'active involvement'. Jules Pretty (1995:61 in Moetsabi, 1999) developed a typology (Table 4.2) to describe various forms of participation. This typology indicates how confusing definitions, such as that provided by VASS, can be i.e. what does active involvement mean?

Importantly, there is a recognised understanding between aid agencies that genuine participation by communities leads to outcomes that satisfy real felt needs as defined by the people themselves. These needs might not be material, but more fundamental, including the need for subsistence, identity, freedom, protection, affection, understanding, participation, creation and leisure (Moetsabi, 1999). Explains Moetsabi (*ibid.*:1) 'The material needs accomplished by the development activities we engage in with communities are satisfiers of these actual basic needs.'

4.4.3 Participatory Rural Appraisal

Participation is promoted by methodologies, attitudes, and philosophies that promote involvement and sharing. These concepts are often grouped and practiced as

'participatory rural appraisal' (PRA), and its use is increasingly supported by aid agencies. Robert Chambers (2002: 2) explains PRA as:

A growing family of approaches, methods, attitudes and behaviours to enable and empower people to share, analyse and enhance their knowledge of life and conditions, and to plan, act, monitor, evaluate and reflect.

PRA emerged as a paradigm as late as the 1980s and is still evolving (Parpart in Freedman, 2000). There are many variants on the PRA theme, such as participatory action and learning (PAL) or participatory action research (PAR) (Chambers, 2002). Similarly, 'Reflect' adult literacy programmes merge the theory of Paulo Freire and PRA. All programmes aim to provide the catalyst for wider processes of change (ActionAid, 2002). A short list of common strategies include mapping and modeling using dirt as a canvas; wealth and well-being ranking; seasonal calendars and time lines; Venn diagrams indicating key individuals and institutions within a community and their relationship to one another; counting, comparing and estimating using local measurements and sometimes using seed, sticks, stones or whatever to represent measurements. Storytelling, drama, role playing, games or proverbs are other approaches used (Chambers, 2002; ActionAid, 2002; Turner and Hulme, 1997; Parpart in Freedman, 2000).

These methods are employed using trained facilitators (and increasingly these are locals trained in the process) to guide communities through their own appraisal, analysis, presentations, planning and action. Facilitators oversee the process by encouraging discussion and explaining simple techniques, but they are not meant to intervene by providing advice or opinions (Turner and Hulme, 1997: 148)³⁶. PRA aims to abolish top-down agendas imposed by development professionals, in favour of local analysis and solutions.

³⁶ Local analysis and solutions can sometimes benefit from the input of those with wider spheres of knowledge (see Chapter Seven for more discussion on this). However, PRA encourages 'sharing' information, not 'teaching' and, at the end of the process, the facilitator should be able to reflect upon the information and feel confident that analysis and planning did come from the community itself.

Table 4.2 How people participate in development projects

Typology	Components of each type
<i>Passive participation</i>	People participate by being told what is going to happen or has already happened. It is a unilateral announcement by an administration or project management without any listening to people's responses.
<i>Participation in information giving</i>	The information being shared belongs only to external professionals. People participate by answering questions posed by extractive researchers using questionnaire surveys or such similar approaches. People do not have the opportunity to influence proceedings, as the findings of the research are neither shared nor checked for accuracy.
<i>Participation by consultation</i>	People participate by being consulted, and external agents listen to views. These external agents define both problems and solutions, and may modify these in the light of people's responses. Such a consultative process does not concede any share in decision-making, and professionals are under no obligation to take on board people's views.
<i>Participation for material benefits</i>	People participate by providing resources such as labour, in return for food, cash or other material incentives. Much on farm research falls into this category, as farmers provide the fields but are not involved in experimentation or the process of learning. It is very common to see this called participation yet people have no stake in prolonging the activities when incentives end.
<i>Functional participation</i>	People participate by forming groups to meet predetermined objectives related to the project, which can involve the development or promotion of externally initiated social organisation. Such involvement tends not to be at early stages of project cycles or planning, but rather after major decisions have already been made. These institutions tend to be dependent on external initiators and facilitators, but may become self-dependent.
<i>Interactive participation</i>	People participate in joint analysis, which leads to action plans and the formation of new local institutions or the strengthening of existing ones. It tends to involve interdisciplinary methodologies that seek multiple objectives and makes use of systematic and structured learning processes. <ul style="list-style-type: none">• These groups take control/ownership over local decisions, and so people have a stake in maintaining structures or practices.
<i>Self-mobilisation</i>	People participate by taking initiatives independent of external institutions to change systems. Such self-initiated mobilisation and collective action may or may not challenge existing inequitable distributions of wealth and power.

Source Pretty *et al.*, 1995: 61 in Moetsabi, 1999: 2

4.4.4 Empowerment from a remove

The concept of empowerment supported by processes such as PRA is all well and good in theory, but isolation remains a barrier that, by conventional means (first-hand facilitation), can never be overcome without investment in human resources and the acceptance of operational costs in excess of the amounts needed to initiate a microenterprise. This constitutes a bias brought about by isolation, raising the question: how can the inequity of isolation be overcome?

Recapping the situation in Papua New Guinea, the empowerment focus might best be placed at the village level working with the various clan or sub-clan groups towards village goals coordinated by the village council. This would involve enabling clan 'subsets' from within the broader community to become strong and empowered units, conscious of their abilities and opportunities within their own household context, while also contributing to the village context, coordinated by the village council. Their goals, in turn, would ideally align with policy and plans at a government level in recognition of institutional abilities to significantly shape lives, with flows from district to provincial and national levels.

In other words, what I propose is a cross between interactive participation and self-mobilisation (Table 4.2) and could aptly be called 'guided self-mobilisation'. It proposes a means whereby people are guided from a distance to do their own self analysis and create action plans according to the goals they establish as a community first and foremost; and then as household units (clans). It is a learning process that can be self-applied and includes examples such as the plethora of self-help tapes, videos, books and computer programmes that have become 'best-sellers' in the West.

The guided exercises could be performed at two levels: the clan or sub-clan level, and the village council level, with interaction between levels. For instance, the village council could meet and devise a village plan as one exercise, with contributions made from a public meeting and via submissions women's groups, church and clan groups etc. Clans would then build village objectives into their own plans. The value of showing people how to draw up a plan was made clear to me when I worked through this exercise with a

friend in Wewak. Appendix E is the simple plan we drew up, and which my friend took back to his village to use as a guide to lead the village council through the same exercise. The exercise generated much excitement. Riach and Patterson (2001, pers.comm.) experienced the same enthusiasm when they guided another village in the Sepik through a similar exercise. The value of a formal 'map' suddenly gave weight and clarity to what, in many cases, were activities already being undertaken. Typing the document gave it even more credibility.

This approach aligns with the 'giving power to' philosophy. It gives clear context to empowerment, supports established structures, and enhances the 'inner' of not only the activators, but of all involved in the planning process. It has the potential to be transformative, enabling people to determine what, why and how (see section 4.2.1.) to move from a state of disempowerment, to empowerment (see Table 4.1). It has the potential to positively affect empowerment at the levels of the close personal, relationship and collective levels. As well, it strengthens the 'glue' that holds together the institutions, relationships and norms that shape the quality of a societies social interactions – in other words, it improves social capital – by providing an opportunity to collectively plan and work together. It takes people 'from a state of powerlessness that manifests itself in a feeling of "I cannot"', to 'an element of collective self-confidence that results in a feeling of "we can"' (Kabeer, 1994 in Rowlands, 1997:22).

On the other hand, guided self-mobilisation's shortcomings might be in its inability to sufficiently challenge inequitable distributions of wealth and power which may particularly impact on women and those with least power in a community. Those already with power in the community may simply take charge, and over-ride the voices they choose to silence. It may also inadvertently stir the 'beasts' identified by Barrett (in Robinson, 1999: 104). However, it should give rise to such issues being questioned in the domain of the community and clan, thereby allowing opportunity for some innovative and culturally appropriate adaptations to Eurocentric understandings of 'equality'.

Although Chambers (1997) stresses the need for facilitators as a means of giving power to the normally dominated 'lowers' (1997:163), there may be one aspect in which he

colludes with self-mobilisation, guided from a remove. That is, when he reminds us that empowerment is 'a process, not a product; it is not something that is ever finished. There is no 'empowerment' box which can be ticked as complete' (*ibid.*: 220). Providing the 'guide' allows the process to be ongoing, as and when the people feel the need.

4.5 SUMMARY

Empowerment in the context of isolated rural villages in Papua New Guinea requires the aid agency to take a 'power to' approach (creating possibilities and actions), to provide the community with a catalyst to generate 'power with' (the 'sense of the whole being greater than the sum of the individuals') (Rowlands, 1997). It can do this by providing guided self-mobilisation material to the elders of the village who, through the council of elders or village council, appear to be the appropriate unit to oversee village-wide initiatives. They would then coordinate collective action at the clan and sub-clan levels. Self-mobilisation (Pretty *et al.* in Moetsabi, 1999) would be self- 'administered' through guided exercises provided to the villagers by the aid agency (this will be explained further in Chapter Nine). But qualifying for self-mobilisation – which Pretty *et al.* (in Moetsabi, 1999) say should involve action taken independent of external institutions – should follow demonstration of independent commitment and intent, requiring the community to self-initiate the process. The 'guided' approach should not be imposed from 'above'.

Unfortunately, when we answer the question: who is this empowering? it may be principally supporting those who are already the most powerful. Ways need to be found to allow the voice of women and youth, in particular, to come through. This needs to be determined within each cultural context.

Empowerment without additional support also comes with a warning, brought up in a debate between two of my fellow Tourism Advisory Group members concerning the 'self-enhancement programmes' popular in Papua New Guinea. Such private 'courses', which charge a per-head attendance fee, are aimed at helping people to recognise their personal 'viability'. While these motivational programmes were highly regarded by the

pair, the concern voiced by one TAG member was how readily the enthusiasm generated through transformational processes can turn to intense disillusionment when ‘activated’ people cannot source the finance and resources needed to realise their ideas. This aligns with Stern’s (2002) suggestion: that empowerment and finance form the two pillars on which development rests. It also gives rise to the next chapter: *from where does the money come?*

CHAPTER FIVE

THE NEED FOR FINANCIAL ASSISTANCE

5.1 INTRODUCTION

Moses and his wife, Ruth, live in their bush material home in a village along the Sepik River. They share their home with their four children³⁷ and extended family, including Moses's mother, his widowed sister and her two young toddlers. Although they have no claims to land, they have usufruct rights granted by the two traditional landowning clans in the village. The family is seldom short of food, with sago, fish, game and bush and garden greens comprising their staple diet³⁸.

Like others in the village, Moses makes a living selling carvings, earning around K500 (NZ\$240) per annum³⁹. To avoid transport costs and security problems, Moses sells only to agents coming through his village (between two to four agents a year). This means his cash flow is highly unpredictable as agents never advertise when they will arrive, partly for security reasons. The masks he carves are popular with the artifact buyers and he has no trouble selling all the stock made. Because each work only fetches around K15, he needs to complete more than 30 items per year (each takes a little over a week to make when slotted around subsistence activities, over which Ruth and his mother take most responsibility). Moses's sister makes a few *toea* (cents) each day by growing, roasting and selling peanuts, and she uses this money to supplement vegetables when the family's garden stocks are low.⁴⁰

Moses and Ruth's outgoings include K60 sending two children to the village school (K30 each). Although another daughter is of school age, Moses cannot yet afford her school fees. This is because he is financing an older child through secondary school, requiring the child to board in the district centre (K360 plus K15 for transport). The education for

³⁷ The average family size in Papua New Guinea is four-five children (United Nations, 2001).

³⁸ Only 16 per cent of Papua New Guineans rate short of the basic calorific requirements for adequate nutrition (United Nations, 2001).

³⁹ The average per capita annual income in Papua New Guinea is around K750 (NZ\$360) (ADB, 2001).

⁴⁰ 44 per cent of the rural population, comprising about 80 per cent of the total population, produce cash crops to supplement subsistence activities (United Nations, 2001).

this eldest son is a luxury, but Moses places great store in the ability of this boy finding a wage paying job in the city once he completes his studies, thereby contributing to the family's income. A fifth child died last year of tetanus. None of the children have been inoculated, it necessitating money to journey several hours by motorboat to the nearest township. Moses contributes around K50 towards traditional obligations although for the next two years this money will be used to pay debts incurred for his daughter's modest funeral. This leaves K15 from which to clothe the family and buy such things as salt, kerosene, soap and general hardware. Moses has no reserves to cover emergencies such as healthcare or village contributions.

Moses and Ruth typify the rural villagers I met in the Sepik. Given that their food supply is relatively secure, the difference of even an additional K100 per year could significantly improve the health and education statistics for Ruth and Moses's family. It would enable them to send their daughter to school and could have prevented the death of their youngest child⁴¹. Duplicate these improved circumstances in households across the nation, and advances towards achieving the Millennium Goals appear more achievable.

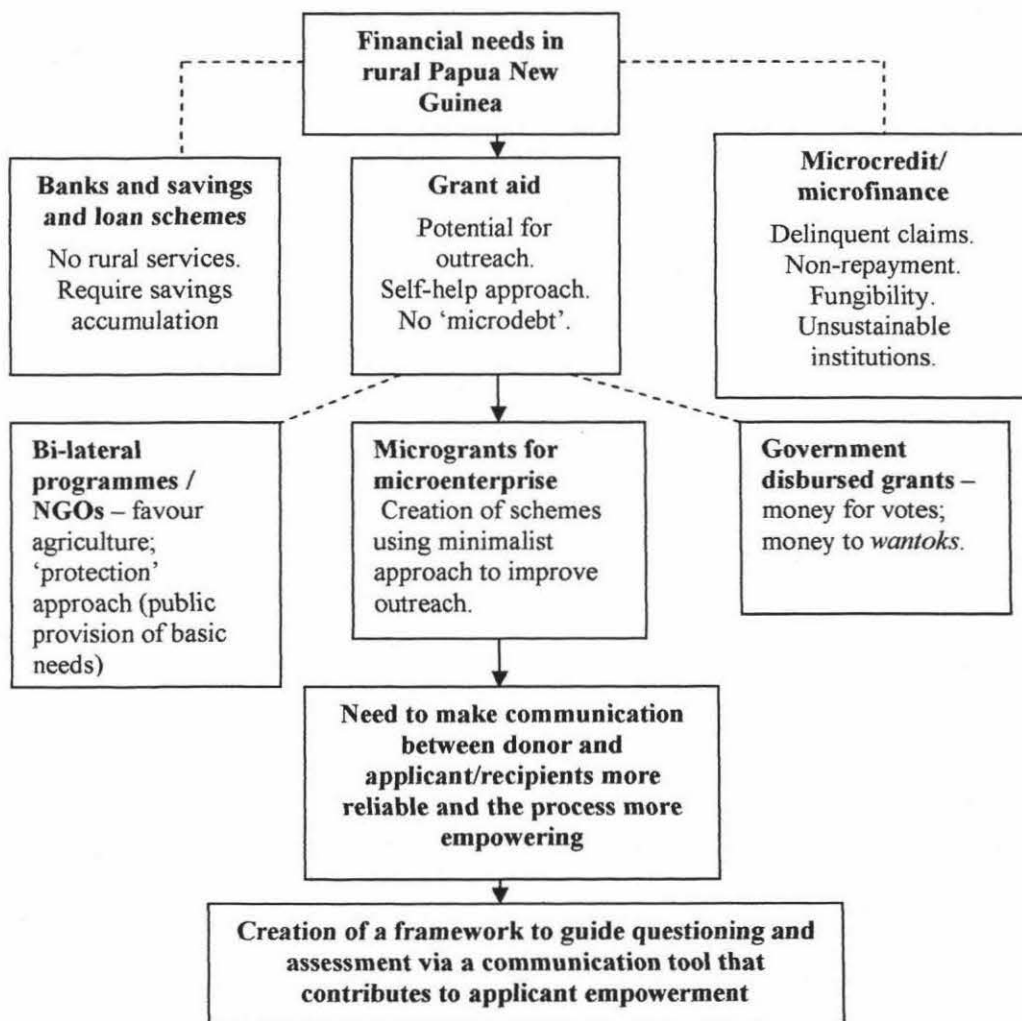
Moses has a goal in regard to improving his income. It is to buy some carving tools to replace the hand-made chisel he currently uses. This will shorten carving time, allowing him to increase production. Ruth, on the other hand, wants to make bilums (bags). While the traditional village bilums are made from readily available material (string plied from the bark of the tulep tree), the artifact buyers claim there is no market for these bags. She intends to buy wool and copy the colourful styles made in the Highlands, which the artifact buyer says are popular.

This chapter considers where villagers such as Moses and Ruth might find the financial assistance needed to realise their ideas. From the range of financial options discussed, one funding means - the contestable grant - is expanded upon. The suggestion as to how a contestable fund might combine with an empowerment 'package' is then put forward as a way of supporting microenterprise development to loner communities.

⁴¹ Of course, Ruth and Moses may choose not to spend their extra income on health and education. Reiterating Sen (1993), it is their right to use enhanced 'capabilities' according to 'the kind of lives they value - and have reason to value'

This chapter is important in establishing the precept upon which propositions made later in this thesis rest: that is, the small, contestable grant as the means by which isolated, rural villagers might best access funds to enhance their livelihoods, thereby helping improve the social statistics of the country as a whole. This leads on to the tactic proposed in Part Three of this thesis, where I establish a system that provides donors with more surety about applicants, through a methodology that aims to empower applicants as it elicits information. The link is illustrated in Figure 5.1.

Figure 5.1 Link between financial needs of rural communities and the assessment framework devised in this thesis



5.2 SEARCHING FOR FINANCE IN RURAL PAPUA NEW GUINEA

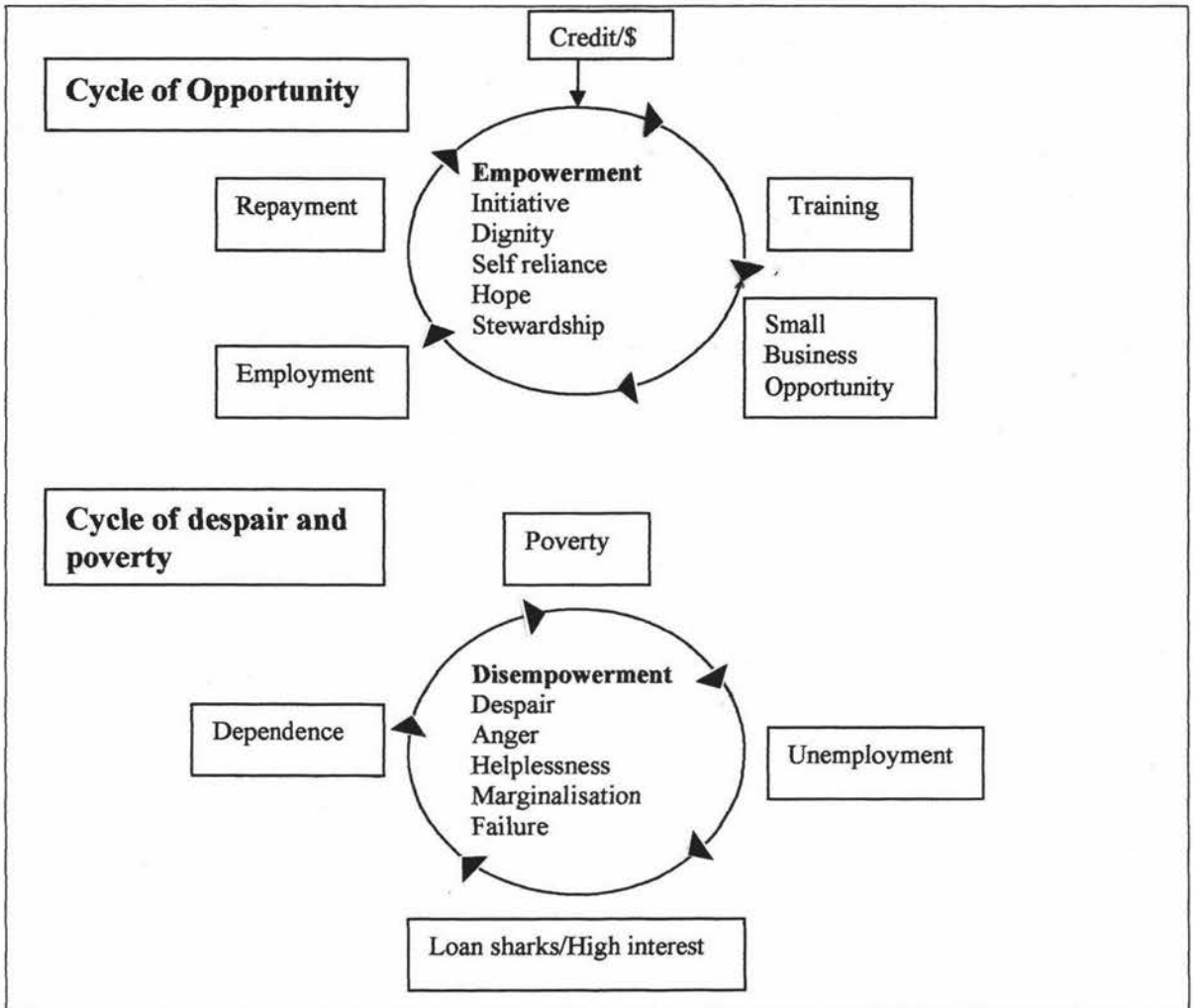
5.2.1 Options for finance for microenterprise development

Metaphors abound in development-talk. This might be because development practitioners most often communicate orally at the village level, and word pictures are a good way to put across difficult concepts. To this end, James Taylor (2000) likens funding to 'life blood'. Without it, a project or organisation can not survive. Too much or too little blood, or the wrong 'type', is life threatening (Taylor, 2000). This analogy might provoke an interesting interpretation in Papua New Guinea, where blood transfusions are mostly unknown to rural peoples, but body fluids and the mixing and 'unmixing' of endogamous/exogamous blood have special significance in some local societies (Mosko, 1983). 'Blood' is an interesting analogy to quote in the context of funding, because it highlights how misperceptions occur. This is a key theme that emerges from this chapter: how the perception of loans, business, grants and responsibilities held by most Papua New Guineans is often far-removed from Western, capitalist understandings.

Figure 5.2 demonstrates the link between credit and empowerment, showing how reliable and affordable finance schemes can establish a 'cycle of opportunity' (TEAR Fund, c.1999). The converse is a cycle of poverty and disempowerment. While there may be difficulties in explaining the detail, these overriding concepts can be understood.

Credit is often needed before people can embark upon the 'cycle of opportunity'. On the surface, Papua New Guinea appears to have no lack of opportunities whereby those involved in, or wishing to get involved in, microenterprise development can access credit to realise their goals. In 1997, the country recorded one development bank, 1000 credit unions, 334 Grameen [microfinance] prototypes and 500 revolving funds serving an average rural population of three million people (McGuire, 1997 in Kavanamur, 2002). These institutions are supplemented by a raft of informal lenders, including rural trade-store owners and *wantoks* (extended family or clan members) (Kavanamur and Turare, 1999). Despite this seeming proliferation of institutions and individuals involved in the provision of finance, isolated villagers wishing to initiate or expand a microenterprise

Figure 5.2 Cycle of opportunity / cycle of poverty and despair



Source Adapted from TEAR Fund Job Creation promotional material, no date.

venture may not have access to any of these sources. The poor credit delivery service to isolated areas in Papua New Guinea is hindered by operational costs exacerbated by low population densities, lack of local amenities, collapsing physical infrastructures including transport and communications, safety and security problems, difficult geographical factors and the continuing importance of the non-monetised subsistence economy (Kavanamur, 2002; McGuire, 1997). The Asian Development Bank (2002:w) claims of Papua New Guinea that:

Small enterprises, semi-subsistence farmers and the poor have virtually no access to financial services. The inadequacy of microfinance services clearly

hampers development of small enterprises and semi-subsistence activities, while the dearth of savings services is an obstacle to personal wealth accumulation, particularly given personal security and crime problems.

5.3 BANK AND SAVINGS AND LOANS SCHEMES

5.3.1 Government Services

Because the Rural Development Bank promote average size loans of around K400,000 (Kavanamur, 2002), this option is not investigated further in the discussion that follows, it being outside the league of rural microentrepreneurs, who might only need a few hundred dollars or less to set up a small, village-based venture. Financial opportunities available through the Papua New Guinea Banking Corporation or other banks are not discussed either, as high bank fees and the fact that they are mainly located in urban centres precludes them as an option for most rural people. Credit Unions, on the other hand, are geared towards the smaller customer although, again, they are mainly urban based. They are dominated in Papua New Guinea by savings and loan societies (*ibid.*). According to May (1998 in Kavanamur, 2002), these were introduced by the Australian colonial government in the 1960s as a simple means by which 'indigenes' could be initiated to the concepts of money, savings, banking and credit. Customers who develop a good savings record with the society may borrow on a 1:1 basis (Kavanamur, 2002). The service provided by Savings and Loan Schemes is usually minimalist – that is, it takes the *laissez faire* stance of providing simply a savings service, and a loans service.

The problem with savings and loans schemes is that it may take many years for account holders to acquire even modest savings, especially as the funds are dipped into to tide people over the stresses and shocks of everyday life. Once savings have accumulated, people are reluctant to risk losing funds to a business that may not succeed or fail to generate sufficient income to repay the loan (Liew, 1997 in Cornford, 2000). Individuals, families or clans in isolated rural communities, with little or no access to cash, are unlikely to establish the needed credit record. This option is also, therefore, ruled out.

I also exclude 'traditional credit' (Crellin in Ward, 1971) provided by family members. This is not to discount its importance, but because i) it is not a formal system of credit and is therefore only accessible to those fortunate to have an income-earning family member; ii) those likely to have jobs are potentially from the 'better off' families, i.e. those who have been able to equip their children with an education, and may therefore exacerbate inequities; iii) family members may be exploited for their earning potential, and placed in positions where they can assert very little control over their lives.

5.4 MICROFINANCE

5.4.1 Description

Microfinance schemes are enjoying increasing support as a means by which the world's poorest can access credit. They have been well-received in Asia particularly, but have had slow uptake and success in the Pacific (MFAT, 1998). Liew, quoted in MFAT's *Microcredit in the Pacific Islands* (MFAT, June 1998: 3-4), suggests the reasons for this as follows:

- a) the Pacific region consists of small and isolated populations with limited income earning potential and a lack of new ideas encourages the copy cat syndrome;
- b) unfavourable repayments combined with a lack of compulsory savings creates a lack of ownership in the microcredit scheme;
- c) the need for other business training and support services apart from just credit; expensive cost of servicing microcredit schemes; and
- d) lack of well established non government organisations (NGOs) within the Pacific to manage the microcredit programmes.

Microfinance Institutes (MFIs) provide a service that can include a broad range of financial services including savings and loans, and sometimes insurance, leasing and money transfers to low income microenterprises and households (Cornford, 2000). This differs from microcredit, which refers to the simple provision of credit services to low-income clients, usually in the form of small loans for microenterprise and income generating activities (*ibid.*). MFIs have generally offered borrowers soft loans. This practice is disapproved of by some who claim that for microfinance institutions to be

sustainable, particularly with their high loan repayment default rate (discussed later), borrowers must expect to pay market interest rates⁴² (Kavanamur, 2002; Cornford, 2000). This 'institutionalism' school of thought represents the demand for MFIs to be professional, sustainable and profitable, forcing MFIs to priorities financial performance over the importance of extending credit as a development tool (Otero and Rhine, 1994 in Patella, 2002). Isolated clients require very small loans and generate little in the way of interest earnings for the microfinance institutions. As stated in Chapter One, microcredit schemes operating in the Pacific claim a cost of NZ\$755 (airfare and per diem) for one person from the capital to visit an outer island scheme with an average lending capital of approximately NZ\$1200. The MFAT document went on to state that: 'In such situations which characterize much of the rural Pacific, it may be better to opt for alternative development strategies....' (MFAT, 1998:5).

This suggestion is given perspective when considered alongside the findings of a 1997 study, which reported that 'none of the microfinance programmes operating in the Pacific was operating on a sustainable basis, either operationally or financially' (McGuire, 1997 in Cornford, 2000:7).

5.4.2 Outreach

Emphasis on institutional sustainability is one factor stifling the poverty alleviation objective of microfinance. Simanowitz (2002:5) says:

Like many other development tools (microfinance) has insufficiently penetrated the poorer strata of society. The poorest form the vast majority of those without access to primary health care and basic education; similarly, they are the majority of those without access to microfinance.

McGuire (1997) and McGuire and Conroy (2000) support the notion that microfinance institutions are not succeeding in their claims of offering 'outreach' to the most disadvantaged. They quote research that claims microfinance in the Asia-Pacific region (excluding Bangladesh) has reached less than one per cent of those it purports to target.

⁴² In Papua New Guinea, market interest rates stand at around 22 per cent.

Gonzalez-Vega (in McGuire and Conroy, 2000:6) defines 'outreach' using the following six indicators:

- i). Quality – The value of microfinance for particular clients.
- ii). Cost – The cost of microfinance to clients, including both interest and transaction costs.
- iii). Depth – The social value of extending microfinance to a particular client group. It is generally argued that it is socially more valuable to extend microfinance to the poorest clients.
- iv). Breadth – The number of clients reached.
- v). Length – Whether clients will be reached with only one loan, or whether they will receive financial services on a permanent basis.
- vi). Variety – The range of financial services provided to clients. While many programmes focus almost exclusively on loans, clients may also demand other services such as savings facilities, insurance and payment services.

At the other end of the spectrum from the 'institutionalist' philosophy, 'welfarists' place outreach for poverty alleviation ahead of the sustainability of the financial institution, believing that it is appropriate for aid donors to subsidise MFIs on an ongoing basis as a valid use of donor funds (Waller *et al.*, 1999 in Patella, 2002). However, whereas some donors might be able to justify lending support to keep interest rates low and MFIs in operation, propping up MFIs because of loan delinquency is less defensible. As the TEAR Fund's Richard Barter exclaims (2002, pers.comm.): 'It's not *our* money.' Donors – particularly those that rely on philanthropic donations to survive – must demonstrate prudence and accountability. It could be argued that ethically, support must be withdrawn for MFIs continuously exhibiting high default rates. In Papua New Guinea, borrowers are known for their poor repayment record, causing the World Bank to claim that misappropriation and non-payment of obligations have become 'common and socially acceptable' (World Bank, 1999 in Kavanamur, 2002: 14). This calls into question the whole concept of donor-assisted microfinance in Papua New Guinea.

Kavanamur (2002) relates one perception accounting for this behaviour, observed by Bablis (2000:56 in Kavanamur, 2002: 5) concerning Lik Lik Dinau – a Grameen-style microfinance scheme offering support to women for microenterprise development in the Eastern Highlands of Papua New Guinea (see Appendix F). He found that 84.9 per cent of his respondents had no idea of the meaning of ‘profit’ and that:

Borrowers operated income-generating activities with little appreciation of the profit motivation underlying entrepreneurship, but were generally happy to be seen to be doing something in the name of *bisnis* [business] with its inherent underlying socio-political implications.

Thus, mismanagement led them into a position where it was impossible for them to repay loans. Others ended up finding other means to pay to indulge in business because of the social benefits it provided them (Epstein, 2000 in Kavanamur, 2002; Moulik in Ward, 1972). This suggests that little has changed since Moulik (1972) noted: ‘For most indigenous store owners the most important aspect of running a store is the network of obligations they can fulfill and create by way of transactions with tradestore goods. Cash returned or profit is perceived as secondary and of little importance’ (Moulik, in Ward, 1972: 31). Indeed, of seventeen stores involved in Moulik’s survey, only one distinguished between the economic and social functions of running a store.

For those more attuned to the ‘proper understanding’ of loans and their need to be repaid, the inability to meet repayments can cause considerable distress. ‘Microcredit’ is sometimes labeled ‘microdebt’ (Cornford, 2000:5) resulting in feelings of social and psychological indebtedness, increasing vulnerability when debts need to be met at times when other stresses and shocks occur and adding to an increase in social and intra-household tensions.

5.4.3 Rice vs. Root Crop Economies

Explanations as to why Papua New Guinean non-commercial mentality prevails is suggested in Gregory’s typology of rice economies and root-crop economies (see Table

5.1) (Gregory, 1999, in Cornford, 2000). Gregory claims that because Papua New Guineans enjoy 'subsistence affluence', this adversely influences their perceived need to participate in the capitalist economy.

Table 5.1 Summary: Differences between rice and root-crop economies

Rice economies	Root-crop economies
<p><i>Population</i></p> <p>Much higher population densities</p>	<p>Much smaller absolute populations and population densities</p>
<p><i>Surplus production</i></p> <p>Rice is a self-reproducing, seasonal crop which can be easily stored and surplus production is possible but such surpluses are only in the hands of a small minority. In order to survive, the majority 'have an economic need to engage in a range of market-oriented activities including small-scale trading, artisanal production, daily labouring and so on.'</p>	<p>Some root crops are seasonal, some cannot be stored. Generally, any surplus is accumulated for prestige rather than economic gain. Households generally can produce enough food to survive and consequently have no economic need to engage in market-oriented activities.</p>
<p><i>Systems of property</i></p> <p>Land tenure can be determined precisely</p>	<p>Land tenure is often very difficult to determine.</p>
<p><i>Modes of exchange</i></p> <p>There is a system of rural periodic markets where villagers have the opportunity to earn additional income by engaging in petty trading.</p>	<p>No history of periodic marketing systems. In Papua New Guinea, for example, competitive gift-giving (with a political rather than an economic motive) prevails and trading systems were/are based on barter.</p>

Source Cornford, 2000: 7, adapted from Gregory, 1999: 84-85.

Moulik (in Ward, 1972: 32-33) explains a similar theory, saying:

It may be argued that the perceptual disposition to save is a precondition of economic and technological progress; but the impact of this trait on a society is greatly enhanced by the presence of institutions and sanctions within the framework of which it is exercised. In the affluent subsistence society, what Papua New Guineans produced was either consumed by themselves or went to waste. Some food and other goods may have been stored in case of a poor harvest or sickness, or in occasional preparation for

increased consumption at feasts and other ceremonies, but otherwise there was no incentive to save or to produce more than was needed for immediate consumption.

Personal achievement in traditional societies gave considerable prestige, but at the same time the virtues of thrift, hard work and personal accumulation of worldly wealth were repudiated. There is a socially tolerable limit to individually accumulated wealth; a successful entrepreneur who indulges in conspicuous consumption will be perceived as selfish and anti-social, and will 'arouse jealousy with the possibility of envious sorcery being directed against him' (Belshaw, 1955: in Moulik, in Ward, 1972: 32-33)

This last point on jealousy leading to sorcery, was reinforced in several conversations I had with villagers in the Sepik, suggesting that even though over 45 years has passed since Belshaw made this observation, the same applies today (although due to Christianity's influence, I would suggest it is less prevalent). On the other hand, the competitive gift giving aspect of root crop societies means that *bisnis* is seen as 'providing a new means of consolidating or establishing [the influence of *bigmen* and aspiring *bigmen*] in the community' (Strathern in Ward, 1972: 491). This is not done by accumulating profits for reinvestment, but rather by dispersing wealth widely. For this reason, living standards of the 'successful' entrepreneur in Papua New Guinea may echo exactly that of all others in the village. In Moulik's words (in Ward, 1972: 33): 'Community life and interpersonal relationships can provide satisfactions which can hardly be reconciled with the individualistic notions of economic betterment and capital formation.'

5.4.4 Distorted perceptions and politics

Kavanamur (2002) claims politicians are partially responsible for fostering misunderstandings concerning 'loans' relating to payment (or non-repayment), and that they have perpetuated the 'default culture' in the country's financial system (*ibid.*: 15).

This is as a result of Members of Parliament offering financial 'assistance' to constituents in return for political support. The practice is explained by Baxter (2001:32) as follows:

Each Member [of Parliament] effectively controls an annual K1.0 million Social and Rural Development Grant and the K0.25 million District or Province Support Grant. There is another K0.25 million for which they are accountable but which does not need the spending approval of the Joint Provincial or District Planning and Budget Approval Committee, unlike the other two grants.... Even where district or provincial committees are required to be involved, an MP is often able to have a commanding influence over these funds. That being so, an area or community that an MP sees no gain in supporting is unlikely to receive much benefit from these funds.

De Renzio and Kavanamur (1999: 44) observe that politicians have become the 'new vehicle for "cargo" now repackaged as "development" to be delivered to communities'. The authors note the pressures placed on politicians, and indeed anyone involved in disbursing finance, causing them to yield to kin or voter-based demands, promoting corruption and widespread misuse of development money. Schoeffel (1997:w.) recognises that even highly-educated Melanesians well-versed in the theory of the modern democratic state must succumb to constituent pressures and the 'buying' of favours, and that the problem lies in the nature of public expectations about the politician's role. She notes:

Political office is won by demonstrating power through the capacity to attract and amass wealth, and redistribute at least some of it and thereby to win renown. This is an understandable elaboration of older patterns of political action.... It also partially explains why people often feel no obligation to repay development bank loans, particularly when such loans have been made as part of a local development project seen as a gift from a politician.

This perception spills into other financial interactions, causing borrowers to ‘willfully default without guilt’ (Kavanamur, 2002).

5.4.5 Fungibility

Yet another concern is the degree of fungibility of loans, or loans being used for purposes other than that for which the money was originally issued. Instead, credit may be spent on consumption and not directed towards productive activities (Kavanamur, 2002). Cornford (2000:8) alerts us to the practice of ‘inventing’ a microenterprise because it is sometimes poor people’s only way to access credit in times of stress. For these reasons, minimalist financial services may be inappropriate for Papua New Guinea and caution has to be applied regarding the credibility of borrowers/recipients in all financial assistance packages. Loan models that rely on peer pressure and group liability to meet repayments (i.e. where small groups mutually guarantee each other’s loans and are held responsible for repayments by other members, as in the Grameen model) is one means of minimizing default. Yet the 1998 findings of Bablis (in Kavanamur, 2002) researching Lik Lik Dinau, report that even this system is flawed, with half of all borrowers in arrears and portfolio ‘at risk’ calculated at around 60 per cent.

This has caused Cornford (2000:7) to ask:

Given the unique physical, economic and socio-cultural aspects of the operating environment, is providing access to credit, or even microfinance, using one of the off-the-shelf models the most appropriate development intervention in the Pacific, or are the economic and socio-cultural conditions so different that a complete re-assessment of potential credit needs, and subsequent innovation of products and services, is required?

5.5 CONTESTABLE GRANTS

5.5.1 Types of grants

A number of development agencies provide financial assistance for community development by way of application to a contestable fund. Increasingly, support for

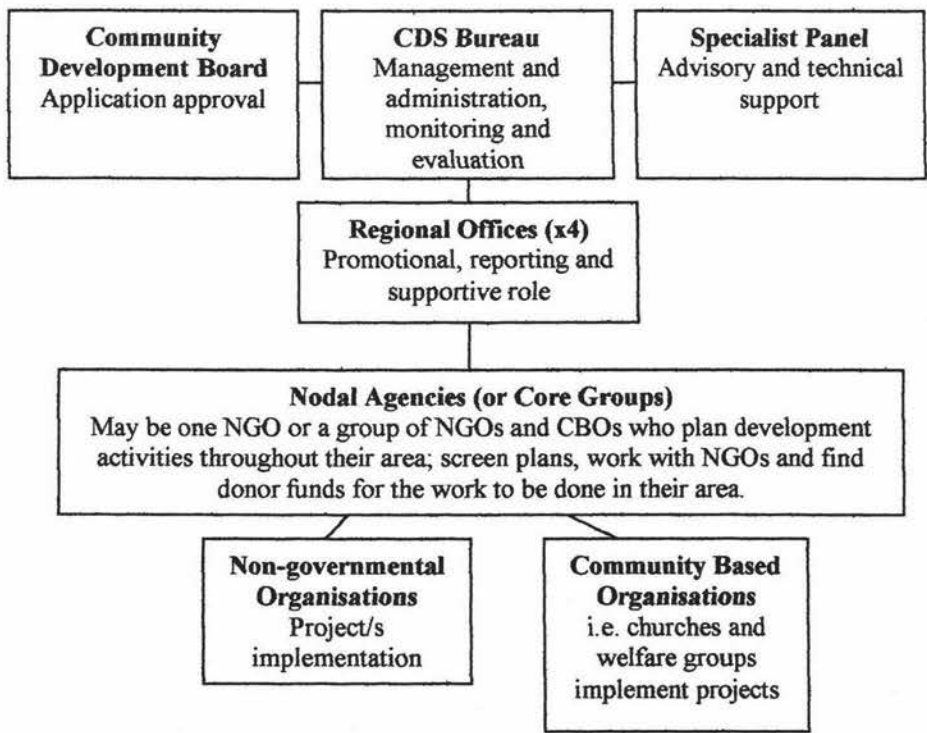
microenterprise development through such schemes goes hand-in-hand with a package of 'back-up' support to the community including advice, capacity building and technical assistance (Whyte, 2002: pers.comm.). These services could well be provided by NGOs rather than aid agency-appointed 'facilitators'. This ensures that what is offered is a 'developmental tool, not just a cheque' (Whyte, 2002: pers.comm.)

There are an abundance of different grant initiatives operating in Papua New Guinea offered by multilateral, bilateral and philanthropic schemes. To demonstrate the scale, NZAID's Papua New Guinea Country Strategy Review noted that 'of the 20 line items comprising the current New Zealand Overseas Development Assistance (NZODA) programme in Papua New Guinea, nine of them (representing roughly a third of the overall budget) are essentially grant schemes used to support small-scale, community-based activities' (NZAID, 2002a: 42). Despite this, few are targeted specifically at microenterprise development. There are exceptions to this, and NZAID sees both the development of the private sector and empowerment as important components of its newly introduced Small Project Scheme in Papua New Guinea (Whyte, 2002: pers.comm.). AusAID's Community Development Scheme (CDS) also considers 'integral human development' within its sphere of responsibility alongside business development, and the Canada Fund side heavily with this approach as well, particularly where it involves women (CF, 2002).

In instances such as these, grant funding generally goes to NGOs or other civil society organisations who have been entrusted to oversee a syllabus, which might focus on one or more geographic locations and key intervention areas (for instance, women's empowerment projects in the Highlands, which could include health, literacy and business development components). This differs from district-wide intervention, where support is offered for multi-sectoral activities. This latter approach is sometimes called Integrated Area Development (IAD) (NZAID, 2002a). However, IAD's have not been especially successful in Papua New Guinea (*ibid.*) and support is more likely to be focused on specific projects.

Once an aid agency has determined key intervention areas, deciding upon which projects to support generally falls upon the validity of the particular project in comparison to other options, and the enacting or proposing NGO/CSO's or community group's funding history as indicated by implementation, management and accountability performance. This means that newcomers must convince funders that they are a risk worth taking. This is difficult to do without direct contact. AusAID's Community Development Scheme takes an innovative approach to the problem by relying on locally formed Core Groups (comprising several grassroots CSOs) to conduct a first-screening of project proposals from community groups. This provides a screening that is closer-to-the-ground and allows more scope for 'unknown' groups to gain support. To give an indication of the size of this scheme, CDS's stated goal is to work with 120 NGOs and 900 community-based organisations (CBOs) over a three year period (CDS promotional material, 2001).

Figure 5.2 Community Development Scheme, Papua New Guinea: Structure



Source Adapted from CDS (2002)

Whyte (2002: pers.comm.) explains that, for the Small Project Scheme, NZAID involvement starts even before applications are lodged for grant funding. Facilitators work through applications with communities, ensuring that the process is participatory and comprehensive in its coverage of all the areas needed to produce real development outcomes. As laudable as such schemes are in echoing 'best practice' as identified in contemporary development literature and in-the-field successes, the methodologies still cannot accommodate the more isolated communities where many of Papua New Guinea's poorest live, primarily because of the lack of direct physical access to applicants.

In such instances, Head of Mission Funds (HOMF) are sometimes seen as the most approachable option for villagers wishing to set up in microenterprise. HOMFs differ from many of the bilateral and philanthropically funded grant schemes because they take a minimalist approach to the disbursement of grants. Grants are small (typically no more than US\$2000) and are administered by the high commission offices in developing countries. They are widely regarded by the development industry as 'charity' and are accompanied by a raft of negative connotations, most of which are identified in 5.5.3, below. They are also less robust than other bilateral (and many NGO-operated) funding schemes in that applicants are not screened with the same degree of rigour. A three-page, written, question-and-answer format submitted from afar is unlikely to be as revealing as that supplied by a facilitator working with the community through a participatory exercise (see Chapter Eight for a discussion on this). Neither is monitoring and evaluation carried out to the degree most other schemes demand. Yet while this system might not be as thorough in ascertaining the credibility, viability and success of a project, it does allow for aid's greater outreach in terms of cost and reach. As Kuby notes

(1993: 1.1):

Decentralised programs which operate in the developing country itself and are much closer to the groups to be supported, seem to be definitely more viable at first glance. They can far more easily evaluate the applicant, understand the context which generates a project proposal, communicate appropriately with the partner and provide it with the agreed support services more quickly.... [but] while decentralised promotion programs have many advantages, they do, in fact,

face large reservations in many countries and, if they exist at all, often only have a cover-up function and generate no visible, wide-scale impact. Against this background, centrally administered small-project funds become an expedient supplement to decentralized support programmes... They provide an opportunity to better achieve the goal of grassroots-related development aid, as a supplement to numerous other projects.

This suggests that these schemes do have a place and may provide a possible start-point for improving outreach.

5.5.2 Risks and criteria

Kuby (1993) claims that the centrally administered approach comes with risk, but that 'these risks alone are not sufficient reason for dismissing the promotion instrument, and the decisive issue is knowing how to handle the risk.' This risk is typically dealt with through increased controls, tighter project monitoring and sanctions, which accounts for the insistence by most bilateral programmes that there is the in-country presence of representatives or partner agencies to work alongside communities. Kuby (*ibid.*), however, says that this can stifle self-initiative and autonomy. In response, he suggests:

... we must find a way of operationalising help to small projects which accepts non-transparency, wherever overcoming it would require that the initiators relinquish control over their own project. Such an approach means, in simple terms, minimizing risks through good backstopping.

Uptake of Kuby's suggestion must vie first for bureaucratic support. This support is unlikely to be forthcoming, in part because of the need for donors to appease their money source, be it government schemes, NGO funders or philanthropic donors. For instance, the Voluntary Agency Support Scheme (VASS) is a major source of finance for New Zealand NGOs. Organisations must comply with strict criteria to be eligible for VASS funding (see Box 5.1).

Box 5.1 VASS Criteria for Funding

The following criteria provide the framework and the standards for assessing proposals and monitoring and evaluating projects. All of these criteria are important. The Project Selection Committee assesses each project and forms an overall view of how well it addresses these criteria.

Poverty and Injustice – The project or organisation supported should address the causes of poverty, work to change exploitative or unjust situations and benefit the poor, underprivileged or disadvantaged. Projects which benefit indigenous peoples are encouraged.

Human Rights – The project or organisation supported should protect the fundamental human rights of women, men and children.

Gender Equality – The project or organisation supported should fully address gender issues. Gender analysis should be used during project design to ensure that the key role of women as equal partners with men in achieving sustainable development is recognised and promoted.

Self Reliance – The empowerment of the intended beneficiaries or organisation supported should be an important consideration in project design. The project will normally focus on groups or organisation within a community rather than individuals.

Participation – Key stakeholders involved in the project, particularly the intended beneficiaries, both men and women, must participate actively in all stages of the project cycle. Both the NGO and its partner should take responsibility for ensuring that such participation occurs.

Capacity Building – The project supported should include activities which develop the capability of beneficiaries and/or organisations to effectively manage the project's and/or organisation's activities.

Sustainability – The benefits of a project or institutional strengthening of an organisation should be able to be sustained after funding is completed. In assessing sustainability, political, economic, financial, social, gender, cultural, institutional and environmental factors all need to be considered.

Planning and Design – An appraisal of the project or organisational support must be carried out to ensure that it is well conceived; the goal is clear; the objectives are specific, measurable, achievable, relevant and timebound (SMART); and developmental issues have been addressed. How the project is planned and implemented is equally important. Those responsible for the project must have the necessary competence and experience to ensure it is soundly managed and viable.

Participatory monitoring and evaluation – A monitoring and evaluation system in which key stakeholders and beneficiaries, both men and women, are fully involved must be an integral part of the project.

Source Reproduced in total from the Voluntary Agency Support Scheme Handbook, 1999: A3

Where a northern partner's funds filter through to southern partner NGOs (SNGOs) or grassroots organisations, the same rules apply. Failure to abide by criteria is likely to result in failure to receive future funding. Therefore a reticence and protectiveness pervades the aid delivery system. As Adams and Hulme note (in Hulme and Murphree, 2001:10).

....development policy narratives become culturally, institutionally and politically embedded, their influence and their longevity related less to their actual economic, social or environmental achievements than to the interests of a complex web of politicians, policy makers, donors, technical specialists and private sector operators whose needs they serve.

5.5.3 Criticisms of grants

A common reason for the cautionary approach to grants is that they have been strongly criticised for encouraging a 'hand-out' mentality. In Papua New Guinea, such expectations date back to the arrival of the missionaries and colonial powers who brought with them extravagant 'goods'. So mystifying were these goods that some of the indigenous population were drawn to 'cargo cults'. Howard (1987:382) explains:

European colonists deprived Melanesians of power and autonomy, thus laying the seeds for millenarian activity, and they also failed to behave in a way considered proper for those with such wealth and power – they had unbelievable wealth and yet they refused to meet their obligation to share it.

White (1965 in de Renzio and Kavanamur, 1999:44) explains further, saying that when colonial government officials took over from the traditional *bigmen* as the local powers, it was thought that these men held the 'key' to cargo. This experience led to thinking that development was something delivered from outside (*ibid.*). It also generated feelings of powerlessness (Scholl, 1997 in de Renzio and Kavanamur, 1999).

Summarising Entrena (1981), grants are also criticised for the following reasons:

1. Villagers become convinced they cannot make progress on their own. This feeling of inadequacy creates dependency and subservience.

2. The poorest of a community are often singled-out for aid attention, which can create tensions and jealousies.
3. People become accustomed to hand-outs, expecting - and sometimes demanding - them as a right of participation.
4. Grants can 'blind' people to their own problems, diverting their attention from the 'real' issues that must be resolved for progress.
5. They are paternalistic.

Of particular concern is point number 2. Aid agencies are cautious not to promote inequities, and both costs and benefits should be distributed equally throughout a community in order to foster better community cohesion (Mander and Steytler in Scheyvens, 2000). If not equitable distribution of rewards, there must be a system of distribution acceptable to the communities into which the assistance is being delivered (Sofield, 1991). Thus, some programmes such as VASS recommend precluding assistance to individuals and for-profit groups (VASS, no date; McGuire, 1997). This leads back to the suggestions made in Chapter 4: that is, according to 'alternative' paradigms that place emphasis on bottom-up development, the household unit should be considered the most appropriate unit for support. Yet according to the policy determining practice for most aid interventions, households are not 'supposed' to be supported. The sometimes inappropriateness of this was reinforced by Adimaimalaga Tafuna'i, executive director of the Samoa Women in Business Foundation. Speaking in a guestnote address at the 3rd Biennial Conference of the International Studies Network of Aotearoa New Zealand (December, 2002) concerning microfinance models, she said that while rural societies have been recipients of community projects for years, the 'family' has been overlooked. People's involvement in their own subsistence workload, church obligations and community contributions allows little time for a family to negotiate how it will earn a living. Tafuna'i says: 'At the end of a busy week, families still go home poor'.

The money earned by a community project might pay for a water tank or the re-roofing of the teacher's house, but families must somehow still clothe their children, pay for school fees, and meet their other collective needs.

This returns discussion to the concept of grants (in the absence of access to other sources of funding) being provided at the sub-clan level, as opposed to the community level. What might it mean if, instead of microfinance provided as a loan, it is provided as a 'microgrant'? Due to isolation, such a grant for loner communities could only be 'minimalist' – in other words, simply a cash contribution and not accompanied by additional support. Contemplating this possibility, I have listed 'possibilities' and 'pitfalls' in Table 5.2.

As this table suggests, this 'minimalist' grant funding approach does *not* appear appropriate, when applied in the context of the family/sub-clan and village-level proposal. It does identify quite strongly, however, the need to find innovative ways of targeting both loans and grants to better suit 'root-crop' peoples (Table 5.1)⁴³. A start might be to acknowledge the role reciprocity plays in Papua New Guinean society, and how that concept might be worked into a more culturally appropriate delivery and distribution system. Although there are different types of reciprocity, I suggest the notion of 'equivalence' needs to be understood. This is described by Liep (in Godelier and Strathern, 1991:30-31):

⁴³ Considerations should not stop with the method and distribution of aid delivery. 'What' is delivered might also be relevant to 'root crop' peoples. For instance, it might be more appropriate to re-utilise certain second-hand goods from the West (such as the carving tools and wool needed by Moses and Ruth at the beginning of this chapter), but delivered through a contestable system, whereby village-wide needs are met for the specific purpose of microenterprise development. Adopting such an idea also comes with numerous social, political and environmental implications, not least its charity aspect, the need for government regulations and quality controls, and the fact that developing countries should not be used as a 'dumping ground' for the West. For an aid agency, the costs of such a scheme might make the idea prohibitive. It also still ignores the general belief in development discourse which insists that, without stakeholders actually 'staking' their involvement by way of contributing in full, in part or in kind, the particular development effort is unlikely to be sustainable.

Table 5.2 Possibilities and pitfalls of proposed ‘microgrants’ at the family/sub-clan level

Possibilities	Comment
<ul style="list-style-type: none"> • Extended outreach. • Minimalist approach reduces institutional costs. • Coordinated as a village activity – could help foster improved social capital. • Allows for coordination of village activities (reduces copycat). • Empowers families/clans and villages as units to plan and work together for common goals. 	<ul style="list-style-type: none"> • Greater ability to reach poorest. • Percentage of aid reaching grassroots level increases. Minimised leakage. • Communal goals and clan goals should be established to foster cooperation and commitment. • Families/clans could be involved in similar planning (village could operate as a mini-co-op), and/or establish diverse enterprises to capitalize on assets/opportunities. • Encourages cohesion – may also enhance tensions!
<p>Pitfalls</p> <ul style="list-style-type: none"> • Opportunity for delinquent claims without first-hand assessment. • No control over equitable distribution – uncertainty as to enjoyment of benefits by women, children etc. • Minimalist approach does not support ventures towards success. • Certainty needed over land access, transport, markets etc – i.e. must be viable. • Extreme <i>laissez faire</i> approach increases opportunity for ‘doing harm’. • Encourages hand-out mentality. • No assurance that increased earnings will be used productively. • Does not provide facilities or encouragement for savings. 	<ul style="list-style-type: none"> • Triangulation needed (potentially through govt. or NGOs). Who are ‘these people?’ • Promote open discussion and peer pressure. Ultimately, it is beyond external control. • IT technology used elsewhere. What alternative methods for Papua New Guinea? • Viability assessment required before support is offered addressing these issues. Agreements may need sighting. • Aid agency needs to establish strict criteria over where it stands in relation to sustainability and risk. • Determine ‘equivalence’ transaction. • Establish clear goals and responsibilities through clan/village plans. • Support alternative savings / loans schemes such as village banks.

As regards equivalence, we need to consider closely the social properties of different forms of wealth (food, pigs, valuables), their modes of circulation and their position in the system of reproduction.... Equivalence may be struck whether in terms of the nature of the goods exchanged (like-for-like) or else in terms of quantity... In a given society, there may well be a number of modes of exchange practiced in many different contexts and even contradictory 'rules' of exchange may be stated.

Where politicians are concerned, this 'equivalence' is clear and it follows the unspoken rule that when money changes hands, votes will be forthcoming. Where aid agencies are concerned, seldom has clear negotiation occurred as to what 'equivalence' is expected. Howard (1989:148) notes concerning 'the giving of gifts' that:

In all instances, the question of relative status involved is immediately at issue, and the recipient must decide on the appropriate manner of behaviour and perhaps of reciprocating.... The rules are not always explicit or universally shared.

Thus, establishing 'equivalence' should come as a first-step between donor and recipient, even while this might jar with Western notions of 'help' (i.e. help is generally offered without specifying the 'return' expected). The difficulty in Papua New Guinea is that expectations and responses are likely to vary considerably dependant on such things as the recipient community's past experience with aid agencies, and influenced also by the socio-political structures and perceptions inherent in the country's diverse cultures. This necessitates any discussions concerning the 'gifting' of money, to also include a discussion regarding expectations.

5.6 EXPECTATIONS

Martin (1999) explains that, whereas different stakeholders usually concur on the broad goal concerning what is expected to result of aid intervention (i.e. improving village life), each of these stakeholders is likely to hold core values influencing their understandings

Box 5.2 Case study: expectations, rationalities and grant funding – a WWF example

The Sepik Community Land Care Project began in 1997/98 and is an integrated conservation and development (ICAD) project managed by the World Wide Fund for Nature (WWF), and funded by the Netherlands government. The project operates in an area of critical biodiversity that was at risk of being logged. Through WWF intervention, many communities were convinced against logging and some landowners agreed to create a self-administered Wildlife Management Area (WMA). The formation of a WMA allows certain designated species to be used by traditional owners under approved management and cropping programmes (Mittermeier *et al.*, 1999: n.p.). This did not guarantee against logging, but did create a higher barrier, and demonstrated commitment towards coming up with less environmentally harmful economic alternatives (Knight, pers comm. 2001). The understanding that ICADs and WMAs deliver benefits to communities by way of helping with income generation is therefore a common expectation of villagers participating in such schemes. This is because conservation is more vulnerable when communities lack access to economic opportunities (UNEP, 1995; WWF 1996; Salafsky *et al.*, 1999). As well, if a community has to rely on the quality of its environment to achieve economic gain, it is more willing to look after its resource (Salafsky *et al.*, 1999: p2).

Four years into the six-year project, WWF still hadn't formalised a microenterprise strategy for WMA communities. This riled the villagers, who believed that WWF had promised them alternative economic opportunities rather than sell their forests to loggers (Majid-Cooke, 2001). Even while recognizing the efforts WWF had made to improve health, literacy and water supplies, what the villagers said they really wanted was ways to earn ongoing cash. Their perception was that funds would be made available by way of grants for 'development'. Their persistent demands for money caused one SCLC field-staff member to comment: 'They get as far as "the World Wide Fund" and forget "for Nature"' (Peter, 2001, in Knight, 2001, pers.comm.).

Issues holding back WWF's involvement in providing grants for microenterprise development included a general confusion about how to distribute funding, and what to support. They viewed the problem using ethical rationality. How could grants be provided without promoting social inequities and tensions? Why did WWF need to be involved in enterprises that were potentially capable of finding funding through other networks and institutions?

Contributing to this reticence was the fear that an eco-enterprise set up through a WWF grant might 'turn bad'. Philanthropic-funded institutions must be wary to protect the image they project to donors and of their relationship with host governments. This was a particular concern for WWF who found themselves in the middle of a scandal in March 2001, when a village sawmill originally funded by WWF was found to be logging protected mangroves (Burton, 2001). WWF were quick to claim their innocence, but not before a media frenzy and considerable damage had been done. The ethical rationality exercised by those distanced and unfamiliar to the realities of the situation at hand, must also be considered.

of what 'improving village life' means and how it might be achieved. Thus, when processes or outcomes are proposed, they 'may have little durability if they are viewed from perspectives that are not comprehended by one or other of the parties' (Martin, 1999:50). 'Rationalities', or modes of thinking, lie at the base of these different perspectives. Goulet (1993 in Martin, 1997) identifies three different kinds of rationality:

- *technological* relies on instrumental mechanisms to maximize efficiency, placing faith in 'systems';
- *political* is motivated by the positions, or potential positions, of those concerned, and relying on the preservation or creation of institutions and
- *ethical* assesses situations or actions according to their moral context.

These rationalities impact at a practical level, where Kuby (1993) claims tensions are brought about because of:

- A lack of recognition and open discussion of issues of power and control.
- A lack of open discussion and negotiation about different perceptions of development work and the function of evaluation within this: whether it is a control mechanism or a creative tool to enhance people's critical capacity to change their situation.
- Different perceptions of what is 'successful'.
- A misuse of evaluation (to fudge decision-taking, for example).
- Cultural differences in ways of working and expressing things.

The case study concerning the World Wide Fund for Nature Sepik Community Land Care project illustrates Kuby's observations (Box 5.2). Martin (1999) explains a similar experience with an integrated conservation and development project in the Morobe province of Papua New Guinea. He observed:

Conflict was being generated between development professionals, mostly expatriate and often in positions where they could influence the way aid initiatives were implemented (as consultants or staff members of NGOs), aid agencies and the indigenous beneficiaries of aid. The development professionals

were engaging in technological rationality in their approach to the issue, the local people interested in maintaining power relationships political rationality, and the aid agencies, at least in this case, were in the main exercising an ethical rationalism (Martin, 1999:56-57).

Martin claims these incompatible rationalities significantly affect opportunities to devise culture-specific designs that satisfy all stakeholders (*ibid.*: 195). Thus, while a grassroots development by communities working independently of external 'help' might emphasise the indigenous perspective (political rationality), this can come into conflict with aid agency insistence on promoting such ethical constructs as gender equity, participation and the equitable distribution of benefits. Meanwhile, the development practitioner working in the field has to try to operationalise the goal of the agency while manipulating existing community structures to devise a 'system' based on technical rationality. Martin alludes to the tendency for introduced systems to revert to political rationality over time, or once the practitioner leaves.

The relevance of this is that it impacts on the amount and nature of support that is offered by aid agencies, who use technical rationality to justify why certain projects should not be supported financially. This is particularly the case when the projects are proposed by loner groups and communities, where there is no opportunity to resolve perceptual differences face-to-face.

5.7 SUMMARY

This chapter has provided answers to the question: from where do isolated rural people source finance for microenterprise initiatives? The answers derived conclude that:

- Conventional bank loans are not an option.
- Savings and loan schemes require savings – an impossibility for those with no income or scraping by with what they earn.
- Microfinance schemes are poorly represented in Papua New Guinea, and those schemes that do operate struggle with perceptions regarding the acceptability of default.

- Small grant schemes are questioned from ethical and sustainability stances, when they do not come as part of a package of ‘support’.

Of these options, the small grant mechanism appears to be the least-worst option in terms of its specific ability to deliver on outreach to isolated rural communities. Impeding opportunities to develop innovative models that might ‘work better’ in isolated communities in Papua New Guinea, are opposing rationalist modes of thinking. Exactly what ‘work better’ means and requires involves stakeholders reaching complementary understandings.

This leads to the question: faced with the extent of the problems likely to be encountered in offering financial and empowerment outreach to isolated rural communities, should the aid community focus its efforts elsewhere (which means ‘no help’ to those isolates wanting to ‘self help’)? Or are there ways we might improve delivery of a system which, after all, is already in place? I have chosen this latter path.

Before venturing down it, there are three key areas where the different ‘translations’ of perceptions and rationalities held by the various stakeholders need to be addressed. I begin with the notions of sustainable development in Chapter Six, covering the various ways in which the term, and its partner concept sustainable livelihoods, can be translated before moving on to the issues of viability and appropriateness in Chapter Seven.

CHAPTER SIX

SUSTAINABLE DEVELOPMENT

6.1 INTRODUCTION

The concept of sustainable development is where Moses and Ruth's simple propositions to buy wool and carving tools to improve their economic situation is suddenly – and perhaps remarkably – viewed as an undertaking with wider, even global, ramifications from the aid agency's point of view. The economic, social and environmental repercussions of their proposals at local, regional, national and international levels are considered for the impact they will not only have currently, but into the unspecified future. As well, different rationalities affect how sustainable development⁴⁴ is interpreted, and each might provide quite different verdicts on Moses and Ruth's request. Teasing out the different emphasis placed on the 'sustainable' component and the 'development' component allows greater clarity, so that when an organisation, group or individual advocates 'sustainable development', the kind of 'sustainability' and kind of 'development' should be specified.

This chapter concentrates on providing an explanation of different views, highlighting the need for aid agencies and communities to consider their position within several different typologies of sustainable development. This recognises that sustainable development's influence as a discourse is increasing, particularly with regard to the evolution of international and national policy (Carter, 2001; Doran, 2002; Knight, 2002: pers.comm.), including development and assistance to communities generally.

⁴⁴ I use the term sustainable development to embrace the consideration of the accumulated impacts of interacting activities within one sphere (such as economic) or between spheres (such as economic, political, ecological and cultural). Aid agencies may not use the term in this way, but all will consider the ramifications of such interactions to a greater or lesser extent.

6.2 'DEFINING' SUSTAINABLE DEVELOPMENT

6.2.1 Typologies of sustainable development

Dobson (1998) notes that résumés of environmental sustainability and sustainable development take two forms. The first, definitional, tries to encapsulate meaning in a phrase. The best-known example is a definition of sustainable development as being: 'Development which meets the needs of the present without compromising the ability of future generations to meet their own needs' (WCED, 1987: 43). Knight (2001) says '[t]he idea behind this statement is that if this condition is met, other conditions for sustainability would also have been met.'

This definition has the advantage of being general enough to satisfy everyone. Critics point out this also means it fails to require delivery on anything specific (Dobson, 1998; Carter, 2001). In addition, with no clear definition of underlying assumptions, it is possible to deliver sustainable development from any given perspective (PRISM and Knight, 2000), thereby devaluing the term (Knight, 2002: pers. comm.).

The other approach Dobson (1998) identifies is discursive, describing the various approaches and nuances surrounding the term. This allows discussion on the evolution of ideas, and the interplay between them.

Dobson (*ibid.*) then applies a third approach, that is, grouping definitional and discursive concepts into typologies (Table 6.1). This remains essentially discursive, but combines the need for clarity demanded when formulating definitions.

Dobson's approach is one summary of how to slice up the sustainable development concept. Others include discussions on technocentrism-ecocentrism, and holism and reductionism (see Carter 2001 for a summary). Having created typologies, Dobson (1998) then argues that sustainable development is but one theory of environmental sustainability, that is, it is a theory that '...holds that one particular type of social justice contributes to one particular conception of environmental sustainability.' This places

sustainable development more in the 'weak sustainability' camp (Carter, 2001), where net value estimates allows trade-offs between ecological, economic and social values, but with an ecological 'bottom line' (Knight, 2002: pers.comm.). This is sustainable development as embraced by the international community through the United Nations (exemplified by the 1992 UN Conference on Environment and Development and the 2002 World Summit on Sustainable Development), out of Brundtland (WCED 1987) (van Roon and Knight, in press). This risks unfairly pigeon-holing those pursuing sustainability at an international level, but it provides a base for establishing, in broad terms, the significance of sustainable development in terms of this thesis.

Note that sustainable development is not so much a goal as a process, highlighting as it does contradictory ecological, economic and social trends, and identifying gaps in our ability to tackle such contradictions. This is partly why some argue the process is as important as any solution (Marcuse, 1998; *Redefining Progress et al.*, 1999). Or, sustainable development '...is an ethical construct similar to justice' (Peet, quoted in PRISM and Knight, 2000), whereby you know when you are moving towards or away from it, but it is difficult to define in absolute terms.

As discussed, the typologies in Table 6.1 at one level delineate between different ways of judging whether degradation of one set of assets (ecological, economic or social) can be compensated for by increases in one of the other sets (van Roon and Knight, in press). The decision of which priority to align with is pivotal in determining the approach and handling of 'development'. Thus, those who see the assets as equivalent and equally tradable support 'weak' sustainability (Figure 6.1a); and those who emphasise environmental inviolability over other assets align with 'strong' sustainability (Figure 6.1b). Hamilton *et al.* (1998:96) explain this as follows:

[Strong sustainability] has as its starting point ecological imperatives and this dictates the subsequent form of economic analysis. By contrast, [weak sustainability] begins with standard assumptions in economics and this in turn shapes the form in which ecological and environmental concerns are evaluated.

Table 6.1 Organising of concepts of sustainable development into typologies.

	Type A	Type B	Type C
What to sustain?	Critical natural capital	Irreversible nature	Natural value
Why?	Human welfare	Human welfare and duties to nature	Duties to nature
How	Renewing/substituting/ protecting	Substituting/protecting	Protecting
Objects of primary concern	1,2,3,4	(1,5) (2,6)	(5,1) (6,2)
Objects of secondary concern	5,6	3,4	3,4
Substitutability between human-made and natural capital	Not always possible between human-made capital and critical natural capital	Not always possible between human-made capital and irreversible nature	Eschews the substitutability debate altogether

Key (A) 'Objects of concern' numbers: 1 = present generation human needs; 2 = future generation human needs; 3 = present generation human wants; 4 = future generation human wants; 5 = present generation non-human needs; 6 = future generation, non-human needs. (B) 'Critical natural capital' is a subset of 'Irreversible Nature'. Critical tends to be seen as critical to humans; irreversible is in terms of all nature. Biodiversity for its own sake versus biodiversity as an actual or potential utilitarian value would be an example.

Source Adapted from Dobson 1998:39

Thus, the position on sustainability influences interpretations of sustainable development, and consequently expectations regarding the relative importance of social, ecological and economic imperatives (Knight, 2002, pers.comm.). From this global perspective, development attempts can inhibit rather than enhance the lives of the rural poor, depending on where emphasis is placed on ecological, social or economic needs. Purdie (1996) demonstrates this by considering peoples' livelihoods at the local level in a Solomon Islands community, as influenced by sustainable development priorities set at the global level. He concluded that notions of globalization, environmental preservation and the changed political and organisational structures needed to operate in a Western economy in fact undermined the ability of rural communities to provide and sustain for themselves a viable livelihood. He notes:

The fundamental problem with sustainable development is that it continues to suggest the transference of global level ideals in the local context. In this respect sustainable development reflects the goals of a global political agenda rather than the reality of local level contexts (1996:220).

Confirms Knight (2001): '...social dislocation and distortion may be a hidden cost of continuing development.' Put another way, it is possible to measure success through such things as increased income, access to education and health, longer lives, lower infant mortality, cleaner water, and various other accepted measures of improved quality of life (Doran 2002), and agree these are all highly beneficial, while overlooking the loss of a key contribution to long-term sustainability: social cohesion and the ability to depend on locally-supplied sources of food, shelter and well-being.

In short, there are no 'right' answers to strategies and techniques for development, but merely the answers considered acceptable by a particular development agenda, at a particular point in time (Barbier, 1987: 101) and under certain conditions. 'Sustainable development' needs to be constantly redefined for each situation under question, by acknowledging the interaction of the various social, economic and environmental components. Diversity of physical environments, resource endowments, historical

experience, cultural traditions, societal structures, economic organisations and political practices within and between communities thwart those who attempt blueprint approaches (Dickenson *et al.*, 1996: 308).

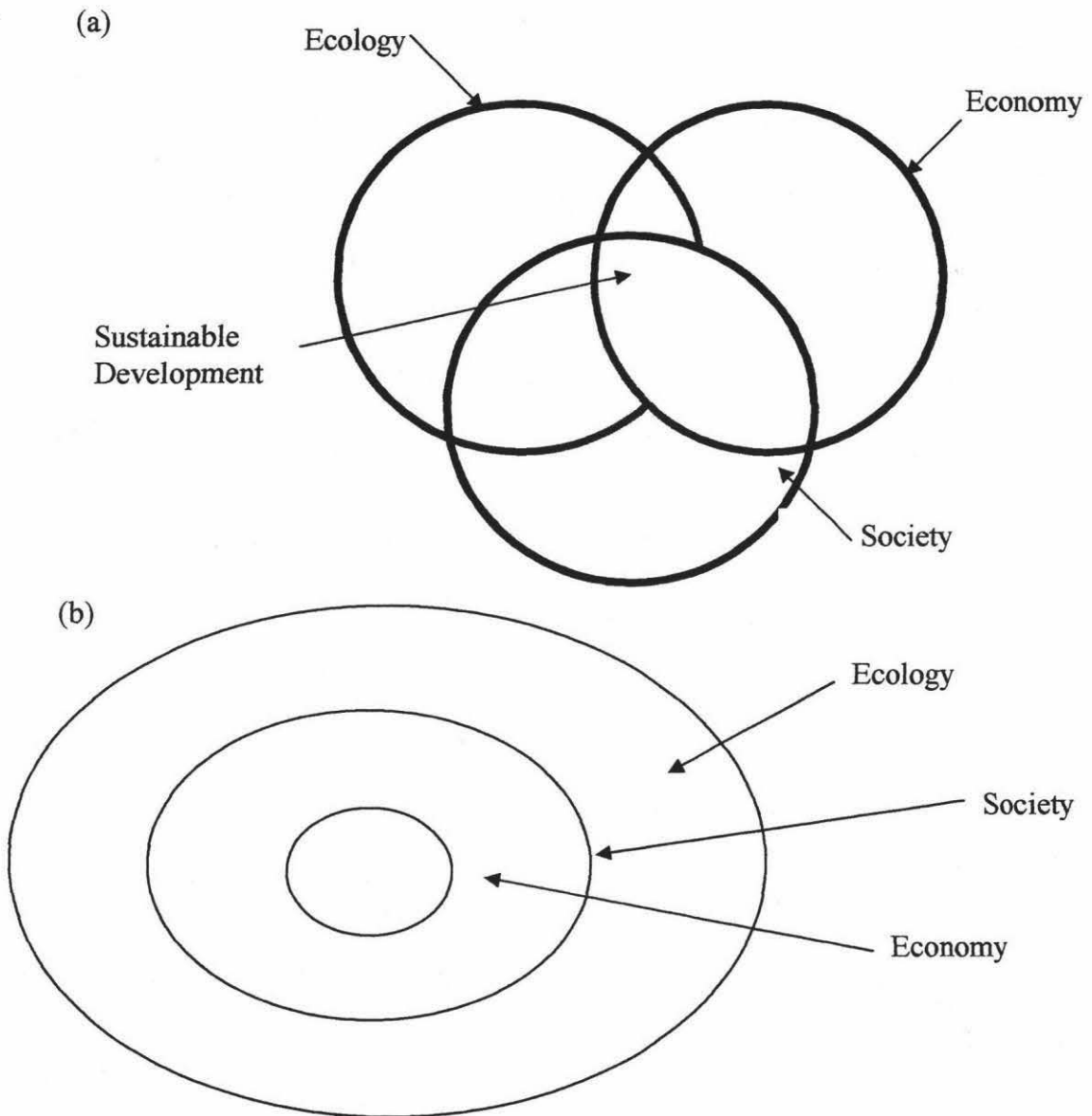
Simply put, favouring the environmental objective may conflict with the objective of alleviating poverty (Purdie, 1996:48); siding with the economic objective may compromise the environment and affect the social stability of a community. Perceptions and analysis of risk play an important role in this decision-making. An essential undertaking of every aid agency working in the area of microenterprise development is to ascertain their position. This is particularly the case for agencies working in rural Papua New Guinea, where the Papua New Guinea constitution speaks of sustainable development in 'strong sustainability' terms, acknowledging that rural ecoregions comprise the resource base of most of the country's population. Misalignment of the assumptions and interpretations held by partner agencies, the communities being worked with and local level government has the potential to distort or even nullify the aid agency's intention. This is particularly the case when there is no physical presence of aid agency personnel, as in the mangrove-milling described at the end of the WWF case study in Box 5.2.

6.3 SUSTAINABLE LIVELIHOODS

Sustainable livelihoods has been suggested as a concept linking the concerns canvassed above in a way that recognises the real-life complexities of developing peoples. It is described by Chambers and Conway (1992: 7-8) in the following way:

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term.

Figure 6.1a: weak sustainability, and 6.1b: strong sustainability



A simplified model representing weak sustainability (a), and strong (or ecological) sustainability (b). Option (a) is what is commonly accepted internationally as the balanced approach (WCED 1987), where ecological needs are weighed against economic and social needs but with an ecological 'bottom line'. The second sees all decisions as being made within an ecological context.

Source After PRISM and Knight 2000; PCE 2002.

Table 6.2 A sample of the spectrum of views on sustainable development

Weak sustainability	Strong Sustainability
'Brown' agenda – e.g. pollution	'Green agenda' – eg. resilience of eco-systems
Environmental, in the sense of accounting for social, cultural, economic and ecological factors. (This is an approach taken by New Zealand's 1991 Resource Management Act, for example).	Ecological
Degradation of one group of assets (environmental, social or economic) can be compensated by improvement in another	Not a balancing act but an integrating act
Interlocking circles diagram (see Figure 6.2a)	Nested egg diagram used by the Natural Step (see Figure 6.2b)
Evolutionary change	Radical change required
Starts with economics	Ecological imperatives are the starting point
Can be accommodated within the traditional economic paradigm – by internalising externalities	Challenges the whole economic paradigm within which we operate
Downplays risk and uncertainty, although consistent with the 'precautionary principle'	Highlights risk and uncertainty. Identifies the need for better modeling of systems while acknowledging that we will never fully understand how they operate.
Favours 'pressure-state-response' model (which links cause and effect) for developing indicators	Argues that 'pressure-state-response' model oversimplifies complex ecological (or social) system dynamics

Source Adapted from PRISM and Knight, 2000.

Sustainable livelihood strategies encourage self-help and independence, using the resources rural people themselves command (Conroy and Litvinoff, 1988:15). These resources include their own capabilities (or physical abilities) that can be called upon to fulfill the chosen self-help strategies. Strategies may simply involve enhancing what already exists. Thus, '[t]he focus of development becomes one of securing local level system dynamics rather than imposing outside formulas for structural alteration' (Purdie, 1996: 71).

This suggests the need for more specificity in development delivery. Rather than development contrived through large-scale projects, the preferred approach would be via small, discrete sustainable livelihood projects dealing with community groups. This would put people, rather than processes, first, and aligns with suggestions already made concerning the appropriateness of empowering and providing credit to families or clans as community units, who themselves will assess what is needed to improve their well-being.

Well-being has been defined in 'Pacific terms' in the Suva Declaration on Sustainable Human Development in the Pacific, as including 'the Pacific quality of life which ensures economic, social and spiritual well-being irrespective of age, gender, racial origin, creed and place of abode' (UNDP, 1994:2 in Chandra, no date w.:4). Well-being's relationship to sustainable development is then translated into a listing of 14 major strategies. They include:

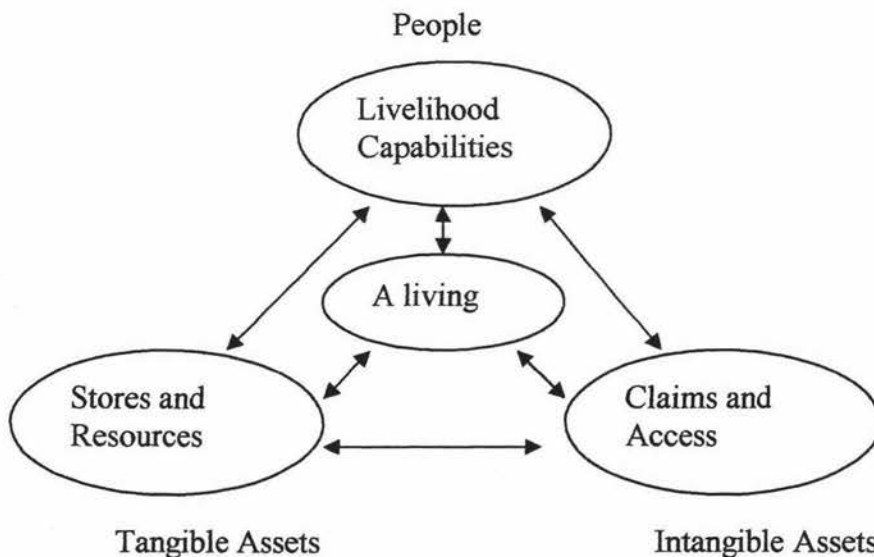
- Improved rural and subsistence productivity;
- Promotion of participatory and community-based development;
- Improved access to land;
- Expanded employment opportunities for rural/subsistence sectors;
- Reduction in spatial inequalities, particularly urban-rural disparities;
- Advancement of women;
- Expanded involvement in youth in development;
- Support for population policies and programmes;
- Support for environmental regeneration;

- Promotion of preventative and primary health care;
- Greater relevance in formal and informal education systems;
- Effective governance;
- Greater resources for human development; and
- Enhanced ability to monitor the human development situation.

The diversity of these strategies demonstrates the recognition, as noted by Chambers and Conway (1992:30), that ‘everything is connected with everything else.’ Chambers and Conway clarify this at a household level, where they express the core of a livelihood as ‘securing a living’ (*ibid.*:8). The components are identified in Figure 6.2, with:

- stores** including the tangible assets commanded by a household (such as food stocks, jewellery, textiles, savings etc);
- resources**, explained as land, water, trees livestock, tools and domestic utensils;
- claims**, meaning the intangible assets of a household which may manifest as appeals for material, moral or other practical support or access;
- access**, described as the opportunity in practice to use a resource, store or service to obtain information, material, technology, employment, food or income.

Figure 6.2 Components and flows in a livelihood



Source: Chambers and Conway, 1992: 10

Chambers and Conway explain how these tangible and intangible assets are used to contrive and enhance a living using physical labour, skills, knowledge and creativity. The strategies proposed in the Suva declaration slot clearly into one or other of the component categories, above, providing a Pacific-level 'action plan' for livelihood enhancement.

However, for a livelihood to be sustainable, it needs to establish mechanisms to avoid or protect against stresses and shocks both through public efforts (health and disaster prevention, for instance) and private action. Vision is also required to perceive, predict, adapt to and exploit changes in the physical, social and economic environment. As important is the need to ensure future generations are left no worse off than current generations (intergenerational sustainability) (Tietenberg, 1984 in Chambers and Conway, 1992:17). Sustainable livelihoods should also impact positively on the livelihoods of others. This concept is revisited in Chapter Seven.

6.4 THE STRUCTURE OF SUSTAINABLE DEVELOPMENT

From the Greeks through to today, the nation-state evolved from self-sustaining rural-urban communities of self-interest that lived, by necessity, within the carrying capacity of their local ecoregion. According to Knight (2002: pers.comm.), writers such as Purchase (1997) describe the increasing dependence of centres of population on ever-widening circles of proximal, and eventually distal, ecoregions. This then became entrenched in the existing institutional and organisational structures. Modern sustainable development concepts evolved as a response to such trends. In contrast, in Papua New Guinea and elsewhere, many communities are moving in the opposite direction, from the enforced self-sufficiency and associated hardships of isolation, towards integration with a global cash economy. Therefore, the very evolution of sustainable development suggests it will not necessarily suit small communities in such situations. This reinforces the messages above, that it is vital to ensure what contributes to community sustainability in a social and ecological sense is not lost during the transformation to a cash economy. The way to minimise this risk is to empower the community to identify ways to keep those attributes during the transition.

One way to demonstrate this (after Knight: in press) is to look at the development of European community life through the lenses of anarchic and nihilist philosophers and thinkers such as Fourier, Reclus Kropotkin, Bahro, Bookchin and Sale who Purchase (1997: 33-74) and Carter (2001:70-72) evoke to emphasise features including:

- the identification of core principles such as decentralisation, participatory democracy and social justice;
- co-operative approaches to development, not hierarchical;
- the distrust of central control is not necessarily accompanied by a Luddite-like resistance to good ideas and technology; indeed, the adoption of technology and ideas at the local level is to be embraced (Berlin 1966 in Purchase 1997: 44-45)
- decentralised communities, driven by an appreciation of their own local environment, are more likely than centralised bodies to realise the goal of properly valuing non-monetarised aspects of natural processes and systems;
- policies, rules and regulations formed at a local level by those dependent upon the local environment, are more likely to effectively incorporate the full range of values associated with ecosystems, than an abstracted, centralised agency.

While the last two points arguably apply less in modernized, developed societies, they would seem to be highly relevant to isolated communities in the Sepik. This literature is referred to because the ideas usefully highlight the tension that exists when endeavouring to impose concepts of sustainability. The more abstracted the organisation doing the imposing, the more abstract the concepts, and the less readily judged are the non-instrumental values of the environment (Knight, 2002: pers.comm.).

6.5 SUMMARY

One of the key questions donors and recipients need to consider, is whether and how a project contributes to sustainable development. The conclusion will be dependent on the assumptions and interpretations of the agency giving support, any other partner organisations, and the individuals, family, clan, village or *tok ples* receiving it. This

demands both donor and recipient are clear about what they mean, both to themselves and each other.

Once this has been ascertained, the next step is to establish how the joint understanding of 'sustainable development might influence outcomes in the context of a national and global economy. For example, if an aid agency establishes that its 'bottom line' is the unacceptability of deforestation, this has to be seen in the context of the acceptability of such practices at a national or even international level. In Papua New Guinea, it is acceptable to harvest trees, if certain restrictions are put in place. But refusal to harvest at all closes out certain options, places more pressure on the need to be successful with alternatives, and opens both donor and the local community or communities to political pressure. This means that, when communities do become exposed to national or global economics, concepts of what might be 'sustainable' may well change, causing a dislocation between donor and recipient.

Thus sustainable development discussions highlight the importance of finding local solutions to the need to balance economic emancipation against the inevitable social, cultural and environmental costs of such activities. It demonstrates the need to be clear from the outset what the donor and recipients interpretations of sustainability might be, and the need to adjust views and expectations as communities move more into a cash economy and a global environment.

CHAPTER SEVEN

VIABLE AND APPROPRIATE

7.1 INTRODUCTION

The previous chapter noted the importance of defining interpretations of sustainable development. This chapter distils out two concepts directly relevant to this: viable and appropriate. I then team these up with discussions on empowerment (Chapter Four) and financial mechanisms (Chapter Five) to create a framework for developing an improved small grant assessment tool (Chapters Eight and Nine).

Before a microenterprise venture is supported, aid agencies must assess its commercial viability. It is, of course, possible to support schemes that may initially be non-profitable. But if financial emancipation is the objective, eventually projects must survive on their own. In addition, they must fit the social and environmental conditions of the environment in which the activity takes place.

This chapter starts by discussing 'who does what?' The issue of 'who' returns to discussions begun in Chapters Four and Five: what is the appropriate collectivity of individuals who might cooperate in microenterprise activity? The 'does what' component of the question is considered by exploring the kinds of projects suitable for isolated rural communities. This provides the context to better understand marketing and business requirements.

Microenterprise development in rural areas is hindered by a particular set of problems. My experiences relating to carving in Papua New Guinea are used to explain a framework that combines two approaches to establishing the feasibility of a venture. These are combined with an economic analysis to establish 'viability'.

Finally, I explore the question: is a particular microenterprise 'appropriate' for the community? I consider how 'appropriate' might be defined and suggest a model that uses cultural criteria to assess a project's appropriateness.

Backgrounding these discussions is the influence of perceptions and rationalities. As discussed in Chapters Five and Six, aid agencies may not fully allow for, nor tackle, the contradictory perceptions that may be present between themselves, their partner agencies (where these apply) and the communities they work with.

7.2 THE SHAPE OF MICROENTERPRISES

7.2.1 The enterprise unit

As suggested in Chapter Three, a microenterprise might comprise an individual or a small group of producers/service providers, such as a family unit. Sometimes these operations group into larger units to pursue collective goals. Where these groups are more formally organized, they are sometimes called 'enterprise units' (Millard, 1995: 2.1). The value of enterprise units as opposed to individual microentrepreneurs is enhanced when the concept of grant funding is considered. Because grants are unlikely to be given to individuals or 'for-profit' ventures (which, as noted, is specified in the criteria of many donor schemes), a small microentrepreneur such as a carver looking for assistance to obtain carving tools, has few funding avenues available. But should several carvers unite and make a joint application, their status might change. It is still likely, however, that they will need to make application for funding via an institution, such as the school or church, or form an incorporated community-based organisation or NGO (Whyte, 2002: pers.comm.; personal observation). This means that any grant money they might receive is distributed and monitored by a legally and financially accountable entity (*ibid.*)

Millard (*ibid.*) lists several different types of enterprise units (EUs):

- A self managing group of producers – for example, a co-operative, association, union or informal group. Goff (in Kleymeyer, 1994: 125) talks about precooperatives, which entails fewer legal requirements than a cooperative, yet still provide opportunities for pooling resources so that materials can be bought in bulk. Where these are communally owned and run enterprises, they sometimes suffer from lack of organisation and incentive (WWF, 2001b: 7-8).

- A group which is not self-managing – for example a project in which the activities are controlled by an agency (church, NGO or voluntary organisation, whether local or foreign).
- A privately owned enterprise employing local people.
- An enterprise run by local or central government, or a joint venture with foreign investors employing local people.
- Individual families or small groups who work informally and usually have links to the broader community. These groups are producers rather than business people, selling small quantities to traders, government marketing organisations or alternative trade organisations (ATOs).⁴⁵

Millard stresses the importance of enterprise units possessing the commercial knowledge to locate and respond to customers (in some instances, including overseas customers), and the organisational and financial ability to operate (*ibid.*). Given that the last group on Millard's list – the families or small groups working informally – might rate poorly according to Millard's requirements, their efforts should be small and simple, ensuring they do not over-commit financially during set-up and running. Another key strategy is to combine resources and needs with other similar producers to ensure solutions that can be accomplished and enjoyed collectively. To this end, small groups of producers often form collectives within a village setting. This is the kind of microenterprise model promoted by aid agencies in Papua New Guinea because it allows assistance to reach a broad number of producers across a community. Funding is then justified because it provides for something that can be widely used (for instance, a coconut oil press or rice huller, or a barge to transport goods to market), thereby promoting the concept of equity.

The complaint often made in Papua New Guinea is that projects where assets are communally owned and operated typically fail. In explaining this, Martin (1999) notes that one would expect the *wantok* system, which sees politicians favouring those with

⁴⁵ An ATO's objective is to assist producers with marketing and distribution. ATOs may be established by voluntary agencies, NGOs or groups of production units themselves (Millard, 1995: 2.1). Such services might provide an advantage in dealing with issues such as administration, packing and shipping etc. However, intermediaries usually take a cut of the selling price, which may mean the producer receives less.

whom they share this relationship, would extend to the village level. Yet at the village level, it is to the clan that allegiances are made. He says:

Repeated 'failures' of business across the spectrum of rural communities in Papua New Guinea have been, at least in part, laid at the door of obligation to kinship groups (Brooks, 1996). Expatriates of western origin, and development workers of long standing in Papua New Guinea, point to the competition between kinship groups (clans and sub-clans) and jealousy arising from the exercise of patronage⁴⁶ as a major factor in the failure of village-based enterprises to function in the same way that their experience in Western small business would suggest they should. The solution to this 'problem' was to recommend that assistance be directed towards the clan groups or, better still, sub-clans in the establishment of businesses rather than the community as a whole. This runs counter to some deeply held values of [smaller aid and conservation agencies] Equity values strongly pervade the perspectives of these agencies and, in the sense of ensuring others do not achieve an advantage, of the local indigenous people although one may find the former concentrated on the individual and the latter on kinship groupings. The idea of aid money directly benefiting selected individuals or kinship groups, even where the intention is that of flow-on, or trickle-down effects were to benefit the rest of the community, is very difficult for these smaller aid agencies to come to grips with....(Martin, 1999:56-57).

The idea of supporting clans within a village-wide project coordinated by the village council, as was suggested in Chapter Four and raised again in Chapter Five, warrants further exploration. Martin's observations, which are also supported by Salafsky *et al.* (no date), would suggest that enterprise units could be formed within clans. This might see one clan in a village overseeing the rice huller, for instance, while another clan supervises the coconut oil press, with shared-use terms negotiated at the village level according to political rationality prior to loans or grants being approved.

⁴⁶ Martin describes patronage as where one in power shows favouritism to one's own clan members.

7.2.2 Types of microenterprise opportunities

It is useful to understand the type of microenterprises isolated rural people might consider embarking upon as an economic supplement to their subsistence lifestyle. The *Pacific Small Business Ideas Book* (Shadrake, 1998) lists 119 ideas for small businesses that might work in the Pacific Islands. Not all ideas would be suitable for rural communities without access to power and ready supplies of water. Table 7.1 divides some of those that might comply into three categories: craft or skill-based opportunities, agricultural, and 'other'. Following this table, I shall examine each category in turn.

Table 7.1 Microenterprise ideas for isolated rural communities in Papua New Guinea

Craft/skill based	Agricultural	Other
Bamboo/cane/rattan products	Bee keeping	Charcoal
Bilum (bag) making	Butterfly farming	Eco-forestry
Button making	Cassowary Farming	Eco-tourism
Canoe making	Crocodile farming	Sale of carving wood
Carvings – traditional	Coconut oil	Gold panning/dredging
Carving – homeware, furniture	Coconut charcoal	Biodiversity prospecting rights
Christmas decorations	Coffee processing	
Gift packaging	Dried fish	
Jewellery making	Fruit exports	
Handmade paper making	Gaharu harvesting	
Ornaments	Galip nut production	
Sago wall paneling / shutters	Ginger	
Textiles	Orchid farming	
Toy making (woven pigs, cassowaries)	Peanut processing	
Utensils (carved salad servers, bowls)	Sago processing	
Weaving – bags, fish-baskets	Vanilla	

Source Adapted and added to from Shadrake, 1998.

As well, Plates 5-16 at the end of Part Two illustrate some of activities already being undertaken in villages in the Sepik.

Craft/skill based opportunities involve products that are able to be produced in a village setting and usually involve crafting renewable resources into objects of utility and/or appeal (Millard, 1995). Craft economies are often built on women's skills, but in Papua New Guinea many men are also active in creating cultural items which have taught them exploitable skills such as carving. Such production is a convenient avenue to income for people with poor education and low literacy (Rogerson and Sithole, 2001). The South African Cultural Strategy Group claims that: 'craft activity acts as a low cost training "school" for skills which can be later utilized in the formal sector' (Rogerson and Sithole, 2001: 151), while artifact and craft industries can also be important in preserving or restoring culture (Chatterton and Waliawi, 1995; Kleymeyer, 1994; Steiner, 1994) and helping generate good social capital through the establishment of collective pride (Kleymeyer, 1994).

Expanding on Rogerson and Sithole's (2001) categorization of craft production in Africa, Papua New Guinean craft may also fall into one of the following groups:

- i) the manufacture of artifacts or curios for functional local use. These are not usually offered for sale but attract a collector market interested in 'authentic' pieces.
- ii) traditional commodities produced for non-traditional markets. This might include such items as fish baskets that will be made into lampshades for Western homes; carved stools and headrests produced for ethnic furniture markets etc. Production can be substantially increased once markets have been established, sometimes necessitating the use of imported technology to meet increased production demands.
- iii) ethnic style craftwork that is not a traditional product, and may be produced along factory (or mass produced) systems of production. The various stages of manufacture of a carved salad bowl or tray, for instance, may be allocated to different craftspeople.
- iv) Handicraft production that uses new as opposed to traditional skills, such as tailoring and sewing, paper making etc.

Agricultural products have traditionally been the main focus of development efforts. Yet these products are at risk of perishing before they reach the market; they are susceptible to disease and global market fluctuations (coffee is a prime example of this). Of particular concern in Papua New Guinea is poor access to markets. Baxter (2001) predicts that more than half of the cash crops planted in Papua New Guinea are not regularly maintained or harvested mainly due to infrastructural problems. He says:

For most, once maintenance falls off, production is difficult to restore. So even though Papua New Guinea may be widely suited to growing many crops (one estimate is that only 7 per cent of the land suited to tree crops is so used), unless the crops can be brought to market, production will not start or will soon stop (Baxter, 2001: 24).

As has been suggested earlier, some people do not have a history of gardening and involvement in agriculture may involve them learning new skills (Neanpop, 2001, pers.comm.; Otto, 2001: pers. comm.). Agriculture is also influenced by the availability of arable land and climate. For instance, on the Sepik floodplains, much arable land is under water for several months of the year. Most agricultural products are also highly vulnerable to fluctuating international market prices.

'Other' enterprise options focus predominantly on resource exploitation. Carothers *et al.* (1998) claim that Papua New Guinea is at a critical juncture in its history, particularly concerning its forests:

Sustainable stewardship of this natural wealth can offer the greatest long-term benefits for all Papua New Guineans. But this approach requires an immediate and sustained investment of resources and political will in order to ensure the perpetual stream of benefits that a well-managed renewable resource can provide. (Carothers *et al.*, 1998:10)

Failure to recognise the importance of sustainable resource management impacts on local people's stability and predictability of life. Resource health rests on scale and rate of exploitation, and the technique and skill of those involved in the extraction process

(*ibid.*:18). Evidence that the resource base is stable comes from understandings about natural product growth and yield so that harvesting areas, quantity, seasons, methods and rotations can be planned for (Bhishma *et al.*, 2000). As an example, in the Sepik Community Land Care project area, WWF worked closely with TRAFFIC to establish agarwood harvesting regimes (See Box 7.1 for case study).

Box 7.1 Establishing viable harvesting regimes for non-timber forest products – a case study from the Sepik Community Land Care Project area.

Agarwood (gaharu) is a non-timber forest product (NTFP) collected from a number of related species throughout Asia. Harvesting pressure can be high, and declining reserves in Asia drove collectors to Papua New Guinea. However, little or no knowledge of growth rates or acceptable harvesting pressure existed in the Sepik Community Land Care Project area. TRAFFIC the wildlife trade monitoring programme of WWF and the International Union for the Conservation of Nature and Natural Resources (IUCN) (The World Conservation Union) was commissioned by WWF to conduct a survey concerning the harvesting of agarwood in the SCLC Project area.

TRAFFIC found that collection techniques can involve removal of mature agarwood trees in order to extract a few kilograms of heartwood. This can lead to the local extinction of selected tree species, and, done on a wide scale, may threaten species survival. However, TRAFFIC found that it is also possible to harvest agarwood without killing or severely harming the tree (Zich and Compton, 2001). The Papua New Guinean species generating agarwood in the Sepik was identified in 2001 as *Gyrinops ledermannii* (Domke) (Zich and Compton 2001). A conservation and development strategy involving sustainable harvest was promoted at the end of 2001. This involved a multi-level approach to raise local awareness of the problem, encourage sustainable harvesting techniques and invoke the Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) as part of national Papua New Guinea Government led legislative and policing initiative. This would dovetail with continued research into improving collection techniques, and the establishment of a business enterprise model coupling stakeholder (land owner) initiatives with growing scientific and business knowledge to create a sustainable business in both an ecological and cash-flow sense (Zich and Compton, 2001; Knight, 2002: pers.comm.). Such a procedure indicates the complexities involved in establishing viable and sustainable harvesting regimes and the need to sometimes involve external forces to enact such regimes.

Ecotourism also fits into the category of 'other' and is widely promoted as an income strategy for developing countries. This is verified by its inclusion in the Key Targets from the Johannesburg Plan of Implementation (www.earthsummit2002.org), which aims to develop community based initiatives on sustainable tourism for small island developing states by 2004. Ceballos-Lascurain (1996, in Scheyvens, 2000:233) defines ecotourism as:

...environmentally responsible, enlightening travel and visitation to relatively undisturbed natural areas in order to enjoy and appreciate nature (and any accompanying cultural features both past and present) that promotes conservation, has low visitor impact, and provides for beneficially active socio-economic involvement of the local population.

In Papua New Guinea, holiday visitor numbers are small at 14,323 per year, with crime concerns and expense quoted as primary deterrents (PNG Tourism Promotion Authority, 2000). Because of their usual isolation and the sensitive environments in which they typically operate (ecological and social), ecotourism ventures need to be entered into with considerable caution (Topliss, 1993; Kinhill Kramer, 1992; Huasi *et al.*, 2001). The ability of isolated communities to attract visitors requires landscapes or flora/fauna that appeal and ecosystems that are able to absorb tourists without damage occurring. In a social sense, communities must be happy to accommodate tourists without risking the community's cohesion, culture or ability to fulfill their livelihood needs. As well, attracting tourists also requires careful marketing and a reliable infrastructure that will allow for visitor access and safety (WWF, 2001*b*). Findings from personal research conducted in 2000 (Jennings, 2001) in the Sepik Community Land Care Project area, suggest that key issues to be planned for in initiating an ecotourism venture include:

- Establishing land and resource use and access;
- Ensuring an acceptable distribution of benefits within communities (i.e. acceptable to those both directly and indirectly involved);

- Designing a framework that allows for in-village consultation and negotiation, as well as decision-making status at other levels affecting tourism numbers, charges; activities etc at the village/district levels;
- Building the capacity of those involved in the tourism process, including core business skills, and extending workshops to the broader community to enable better understanding of tourist perceptions and expectations, as well as villager rights and integrity (for instance, to cultural performances and craft production);
- Ensuring expectations are clearly addressed at the outset of a venture to avoid disillusionment, and allow for realistic, focused planning;
- Establishing incentives to build social capital, especially through the use of cultural activities and other social mechanisms, such as sports events, church groups and women's organisations;
- Encouraging conservation enhancement by promoting its importance to both tourists and locals and enabling communities to identify and manage impacts.

Tourism's potential is made clear by Levantis (1999:104) who calculates that:

Foreign exchange earnings per tourist average close to US\$900 for Fiji and Papua New Guinea (derived from United Nations Statistical Yearbook [no date]). Each additional tourist therefore earns as much foreign exchange as exports of 300kg of coffee, 1 tonne of cocoa, or 10 cubic metres of logs. If Papua New Guinea attracted 1 million tourists, foreign exchange earnings would be K1,800 million – double the earnings derived from gold and oil, and double the value of exports of the entire agricultural sector.

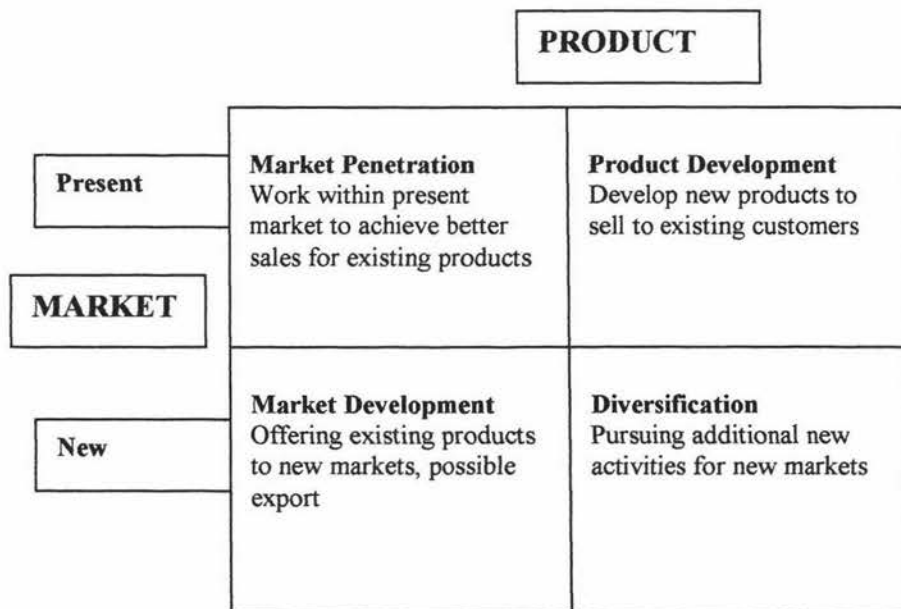
This passage needs to be read with caution because, with regard to ecotourism in isolated rural areas, the numbers of visitors should be kept small to minimize social and environmental impact. It may also take many years before communities make a profit from tourism where it requires the establishment and stocking (bedding, lighting, pots etc) of guesthouses, the building and maintenance of tracks, and the production of promotional material for instance. Also, most tourism money gets spent elsewhere other than in the village. For instance, in Sepik River villages, tourists would be unlikely to

currently contribute more than K20⁴⁷ daily directly to villagers for food, accommodation, etc (excluding artifact sales and boat hire, which is a service that is likely to originate from the district centre). They would also be unlikely to spend more than two or three days in the village setting.

For this reason, in recommendations made regarding the Sepik Community Land Care Project, ecotourism (along with an associated handicraft industry) was proposed as a medium-term strategy included in a broader portfolio of activities, including small scale gold mining to generate cash flow; sustainable forestry to meet local building needs; gaharu collection and vanilla farming (Knight, 2001).

Figure 7.1 illustrates a framework to assist in the identification of microenterprises initiatives, which considers existing activities alongside new opportunities. In Papua New Guinea, difficulties in accessing new markets suggest ‘market penetration’ and ‘product development’ might be the most appropriate start-point for rural entrepreneurs.

Figure 7.1 Enterprise opportunity framework



Source Adapted from Ansoff’s Product-Market Matrix in Millard, 1995: 1.2

⁴⁷ Recommendations made by the WWF-commissioned Tourism Advisory Group suggested ways this figure could be improved, but travel costs and prices elsewhere in the country still meant, at best, only 10 per cent of the tourist dollar would be spent at the village level.

7.3 DEFINING THE MARKET

Business efforts in Papua New Guinea are hindered by communication and infrastructure difficulties. For this reason, local market initiatives are usually promoted above attempts to satisfy international markets. However, suggests Alter (1999: 27): 'Market denotes customers who are 'willing and able' to purchase a product or service. Poor people rarely constitute a feasible market....' Add to this the fact that local markets are often very small, a fact worsened by the 'copy cat' syndrome, whereby:

[c]oming up with a good money making idea is extremely difficult, especially in small islands and the rural areas. Hence there is a natural tendency for others to copy what someone else is doing. In an evaluation visit to an income generating project, it was discovered that in a village of approximately 400 people, 3 people went into fishing with the main aim of selling their catch to their neighbours and 4 people invested in chainsaws to cut firewood for sale within their village. In these situations, the market was too small for any of them to make a living (MFAT, 1998:4).

Because Papua New Guinean rural communities are generally small, financially poor and access to larger local markets may be difficult and costly, the national urban and international market is considered the most profitable sector to tap. Accessing these markets is difficult without an intermediary linking the community to the market. For those who have an existing channel, their efforts, as Figure 7.1 identified, should go towards creating better products and services for, and improving relationships with, existing markets. For those who do not have these contacts, the harsh reality is that their ventures are unlikely to succeed.

7.4 DETERMINING VIABILITY

7.4.1 Introduction

At its most basic, the viability of an enterprise is usually determined by running enterprise ideas through two complementary models. These include a SWOT analysis (which identifies strengths, weaknesses, opportunities and threats) and an economic

forecast outlining comparisons between likely costs and anticipated earnings. I add a third dimension to the 'viability' consideration: the Four Cs – capability, competence, connection and concepts (adapted from Kanter, 1995). Because economic analyses and SWOT analyses are well documented in other literature, I do not explore these in a great deal of depth. Instead, most discussion in this chapter revolves around the 'C' dimension, which I see as providing the overarching framework directing the application of the SWOT analysis. This exercise presents a clear picture of concept viability. Finally the proposal is assessed for its financial viability.

7.4.2 SWOT analyses

A SWOT analysis plots strengths and weaknesses internal to the venture, and opportunities and threats external to it, on a grid (Broughton et al, 1997; ILO, 1996; Millard, 1995). This should present potential entrepreneurs with a clear idea of human, environmental and infrastructural capacity, as well as their ability to actualize a venture and administer and manage it on an ongoing basis. The project's compatibility with social and environmental sustainability objectives should also be considered within the SWOT matrix. This allows systematic planning and monitoring procedures to be put in place, so that activities are based on realistic objectives (Millard, 1995:2.2). However, it is unrealistic to expect rural villagers, with limited conceptual understanding with regards to business, to simply undertake a self-directed analysis. Instead, it is more appropriate to ask a number of questions to directly lead them to pertinent understandings, as discussed below.

7.5 THE FOUR 'C' CONCEPT

7.5.1 Description of the Four C qualities

In order to direct the questions asked to fulfill the SWOT analysis and to turn it into a more thorough analysis of project viability, I have adapted the three qualities Kanter (1995) lists as increasingly important in today's global marketplace. These qualities, which she calls the 'Three Cs' are:

- *Concepts* – the best and latest knowledge and ideas;

- *Competence* – the ability to operate at the highest standards of any place anywhere and
- *Connections* – the best relationships, which provide access to the resources of other people and organisations around the world (*ibid.*: 23).

To this, I have added a fourth:

- *Capability* – the capability⁴⁸ to enact and capitalize on the above.

Kanter describes that dominance over the first three Cs (and I suggest also the fourth) is enjoyed by ‘cosmopolitans’ who promote ‘qualitocracy’: ‘that the highest quality matters more than place of origin – because then cosmopolitans who tap into the best in the world automatically win out over those who are more restricted’ (*ibid.*: 23). She then talks about ‘locals’ who, at worst, are the isolates facing increasing limits to opportunity and are dependent on decisions made by cosmopolitans. She says: ‘...as business mobility increases, the fate of local populations becomes tied to distant forces they do not control’ (*ibid.*: 25).

Kanter’s views lend weight to the increasing need for alternative trade organisations in developing countries staffed by ‘cosmopolitans’, who can act as the concept, competence and connection brokers. Such organisations can also aid capability by petitioning governments for improved infrastructure and access to finance, for instance. It is worth noting that whereas schemes such as the Forum Secretariat’s Pacific Island Trade and Investment Centre (funded by NZODA) support business initiatives in the Pacific, it is the area of ‘fair trade’⁴⁹, or by-passing governmental bureaucracies by ‘community-to-community marketing’ in a global village (Friedmann, 1999), that holds scope for grassroots initiatives. A Tearfund UK survey of 3000 young people between the age of 14 and 24 in the United Kingdom and Ireland, found that 70 per cent of respondents

⁴⁸ This term is taken from Amartya Sen’s (1993:31) use of the word ‘capability’, described as the physical ability to ‘do’.

⁴⁹ I do not expand on the fair trade market, but to see the potential offered by this approach, I can recommend the websites: www.shared-interest.com; www.oxfam.org.uk; www.tradecraft.co.uk; www.tearfund.org; www.tradeaid.co.nz

would be willing to buy fair trade products even if they were more expensive, and of these, 78 per cent claimed their motivation was to help the poor (Tearfund UK, 2003).

However, returning to the guidelines needed to assess an enterprise's viability according to the SWOT/viability matrix (which I shall call simply the viability matrix from now on), it is necessary to understand Kanter's 'C' terms more fully. I have used my experiences in Papua New Guinea relating to carving and crafts to explain my understanding of Kanter's 'qualities'.

7.5.2 Concepts

The inability of isolated, rural people to keep up with market demands is an increasing concern because, as Kanter (1995:50) notes:

In a sense, every business today, not just those in the garment trade, is a 'fashion' business. To compete effectively, companies must innovate continually and in ever shorter cycles. Keeping customers as well as attracting new ones requires constantly offering new and better products with design innovations based on new technologies.

This highlights a major impediment to the expansion of, for instance, the craft and homeware industries in Papua New Guinea. For isolated villagers living very simply in bush material houses, Western 'desires' are often incomprehensible. Accoutrements and décor that have no spiritual significance or functional use and are simply purchased because they are aesthetically pleasing are unfamiliar concepts to many Papua New Guineans. Turning skills into 'fashionable' products tailored to the whims of an unknown culture creates an even more formidable divide. In Wewak, I frequently witnessed carvers trying to sell beautifully crafted wall plaques to tourists in the shape of a bird of paradise. In order to increase their appeal, the plaques frequently had clocks set into them. However, it was not uncommon to find these clocks sported images of Barbie and Mickey Mouse. The carvers could not understand why people laughed at their work, and were perplexed as to what tourists actually wanted. Those who did buy the works usually

did so as a joke, making a mockery of the workmanship and understandings of the carvers.

Otto (2001: pers.comm.), from the Women and Agriculture Foundation in Wewak, says there are significant impediments when isolated peoples produce for lifestyles so removed from their own. Village craftspeople have no access to magazines or television to guide product design. Existing skills could be used to make such things as coconut shell jewellery or buttons, woven sago window shutters, fashion bags, beaded belts, woven lampshades, carved furniture and trays, but they require that these raw goods be somehow transformed into marketable commodities by people who are unlikely to understand the shape and size of a tray to hold cheese and crackers, or who don't have electricity to appreciate how far a lampshade must be from a bulb, in order that it won't catch on fire. Plates 5-13 show examples of just some of the products available from the Sepik, which demonstrate the talent available, that could be applied in the crafting of additional, perhaps more broadly marketable, products. This suggestion needs to be considered alongside discussions on appropriateness (section 7.8).

7.5.3 Competence

In order to deliver on competence, it is necessary to have an understanding of the quality expected, both in terms of product and service. This appreciation is hindered by isolation as producers are separated not only from market requirements and fashion tastes, but the problems buyers encounter in successfully getting the products to market. Whereas they may pay little attention to a tiny crack or holes made by borer insects, these 'insignificant' things may cause carvings to crack in dry climates, or be rejected by agricultural authorities. Baker (2003, pers.comm.) reports that artifact buyers spend a considerable amount of time explaining why they cannot buy a product. She says: 'some carvers do appreciate the needs of the export market, but most are village people, who cannot comprehend the problems or the advice they are given due to the extreme difference in lifestyle and environment, in which they and the buyers live' (pers.comm. 2002).

Competence is also affected by access to tools, stains and other finishing products. Some tools, such as the chisels available locally, are of poor quality and many of the products that would be most useful must be brought in from overseas (pers.comm. with carvers). Sometimes it is possible to improvise, such as using shoe polish instead of stain. This might not be considered acceptable by the people buying the product.

7.5.4 Connections

As the discussion on competence suggests, the personal network of the carver is his most important asset because of the business and marketing support they provide. But Kanter warns that networks should not be entered into lightly. She says: 'Promiscuous alliances usually result in broken hearts' (Kanter, 1995: 349).

Networks can be interpersonal or institutional. The most important interpersonal contact for a carver is the artifact buyer. There are a few indigenous locals in Wewak who deal with the export of artifacts, but most of the export volume is generated by a tiny handful of long-time expatriates who have built relationships with 'trusted' carvers, villages, or village agents⁵⁰. As well, there are the artifact shops in Port Moresby and Lae that receive regular, but small, supplies from favoured agents. The sporadic visits from buyers from the Netherlands, United States and Australia generates good money for villagers, but it may be many months, or even years, before they visit. The local tourist market in places like Wewak is minimal. In turn, support for the carvers relies heavily on interpersonal networks of the intermediary, and the energy they can put into marketing the products abroad.

Institutional networks 'facilitate synergy and the efficient provision of specialized services' (Hailey, 1991 in Grierson, 1997). In some countries, information communication technology (ICT) networks are used to empower citizens by allowing these kinds of synergies. The Honey Bee network is an ICT network (Appendix G) which links the needs of indigenous people with others from the same language, while

⁵⁰ A village agent might represent several carvers from his village or clan. He may take on this role as a means by which he can improve his standing in the community, in which case he is unlikely to take any 'cut' from carvings sold, but relies on what money comes to him as a 'gift'.

also celebrating the successes of small, indigenous entrepreneurs (Bhatnagar, 2000). However, access to this otherwise unavailable knowledge reveals a 'digital divide' separating the 'information rich' and 'information poor', and indicates yet another occasion where isolated communities miss out (Young *et al.*, 2001).

7.5.5 Capability

Capability is my addition to Kanter's Cs. It connects the more commercial concepts proposed by Kanter to sustainable livelihood understandings, by translating 'capability' according to Amartya Sen's use of the word: 'being able to perform certain basic functionings, to what a person is capable of doing and being' (Sen, 1983 in Chambers and Conway, 1992:5). Chambers and Conway go on to explain that capabilities are not just reactive, being able to respond to adverse conditions, but proactive and dynamically adaptable. 'They include gaining access to and using services and information, exercising foresight, experimenting and innovating, competing and collaborating with others, and exploiting new conditions and resources' (*ibid.*)

In order to do this, differing degrees of capacity are needed. Capacity building is a major focus of development. For instance, it is one of the six guiding principles of New Zealand's Overseas Development Assistance Programme (VASS, 1999: B8). Capacity building is a long-term process (*ibid.*), and in the context of this thesis, it is a process that can only be entered into from afar. Initial assessment of existing capacity, such as the ability to manage, is therefore important for funding agencies to determine their support for projects. Notes Bhishma: 'A successful enterprise requires good management. This aspect of enterprise development is often overlooked or not addressed systematically. Too often, enterprises state that they are too busy to focus on management. If management issues are not addressed, other aspects of the enterprise (raw material supply, marketing, financing) can overwhelm operations and keep the enterprise in continual crisis' (Bhishma *et al.*, 2000: 34). But even basic bookkeeping skills are absent in a rural community (Salafsky *et al.*, 1999). The enormity of what is required is made clear when a microentrepreneur looks to export. They embark upon on a huge learning curve, concerning such practicalities as bills of lading, distribution channels and markups,

invoicing, legislation and fumigation etc. And yet insufficient information exists to help teach about such issues. Baxter notes that there is 'very little extension material, market intelligence, health and other social information, and effective government information' available (2001: 26).

It is therefore important to ascertain what skills, education, and experience exist within an enterprise unit, and where 'missing' skills might be accessed to build capacity through existing linkages to bridge the gaps.

I have incorporated into 'capability' the physical capability to 'function' (Sen in Chambers and Conway, 1992:5). Physical impediments in Papua New Guinea include poor infrastructure. The state of the main road linking the Sepik and Maprik (where most of the East Sepik Province's population live) to the provincial capital, Wewak, can be seen in Plate 1. Before reaching this road, Sepik River villagers often have to negotiate floating islands which can block villages from markets and cause people to lose their way (Plate 2).

Safety is another concern that is inhibited by poor infrastructure. Levantis (1999:104) notes that Papua New Guinea has a population roughly equivalent to New South Wales, and yet has less than half the police force. On top of this, it is not unusual for the police to have no petrol, and to call on local businesses and expatriates to 'help out' (personal observation). Because of the isolation, agents who travel out to communities are targets for muggings and theft. This means that artifact buyers should not venture into the rural areas to buy artifacts without armed escorts⁵¹ (Martin, 2001: pers. comm.). Local people are as likely to encounter confrontations especially once they leave their *tok ples*. Their anxiety was made clear to me at a meeting of tourist guides in Ambunti (May 2001), when they expressed concern in taking visitors to areas where they were not 'known'.

The cost of fuel makes public transport expensive and a significant cost that must be accounted for (but often isn't) in the sales made by carvers (personal observation). When

⁵¹ This is a service the police will provide, for a fee.

carvers take the initiative to meet buyers in Wewak, the cash received from the items they bring with them from their village (and for which they have usually had to pay transportation) is likely to be small, especially when transportation back to the village is considered. As well, once a carver makes a sale, it is clear to all his *wantoks* that he has money. Demands are quickly made on this supply and he is also susceptible to theft. I have witnessed a local carving agent hiding K800 on his body for up to a week before he was able to get transport back to his village to distribute the money. His vulnerability is made more striking when it is realised that he camps underneath the houses of *wantoks* in squatter settlements, where little security is offered through the usual means of family connections with neighbours.

Increasingly, land is significant to 'capabilities'. Whereas land is 97 per cent customary owned and proprietary rights are usually enjoyed equally by all villagers (Dye, 1984 in Chatterton and Waliawi, 1995) the main landowning clans, often represented by individuals, are increasingly asserting their control and demanding compensation for its use. For this reason, it is wise for written or community-publicised agreements to be confirmed for any ecoenterprise that might involve land and resource use or access (Dorney, 2000; Kalinoe, 1999; Huasi *et al.*, 2001).

Production facilities and storage may also need similar consideration. I once witnessed a disturbing exchange between a carving agent who had stored items brought from the village in the garden of a town-based *wantok*. When the agent finally managed to rally some interested buyers to view these pieces, the *wantok* accosted the trader and demanded compensation for having stored the works. In the time it took to 'rescue' the items from the garden, several pieces went missing. The carvers of the missing pieces still demanded their money from the agent, accusing him of lying about the situation. Now the agent has nowhere to safely store works in town.

Other linkages that are important to acknowledge in the area of capability include the importance of a supportive legislative environment; the impediments anticipated by the absence of communication facilities, and the issue of health.

7.6 THE VIABILITY MATRIX

This discussion of the Four Cs is now translated into a practical tool (Table 7.2). On the horizontal matrix are the SWOT components: strengths, weaknesses and opportunities and threats. The first two consider the situation internally. The last two contemplate the issues in the context of the market. This framework can now be used to guide the formulation of questions, in order to establish the viability of a microenterprise proposition. The questions in Table 7.2 are indicative of the kind of questions an aid agency might ask. This would need to be determined with an understanding of the particular idiosyncrasies of a country or region, and the nature of the enterprise.

7.7 ECONOMIC ANALYSIS

The practical feasibility of a microenterprise needs to be accompanied by an economic assessment. An economic approach requires enterprises to: 'offer a demanded product or service at a price and volume that covers costs without continued external subsidy or assistance (Alter, 1999:22).

According to Bishma *et al.* (2000:37), 'determining financial sustainability requires evaluating projected revenues compared to projected expenses, while considering the market dynamics for the specific ... product'. Analysis varies from simple economic listings to a complicated cost-benefit analysis, which allots a monetary value to all resources and considers such issues as allocative efficiency (whereby the most highly valued set of outputs is created using the least cost combination of inputs), opportunity cost (assessing the best alternative use forgone) and willingness to pay (how much people are willing and able to pay) (Massey University School of Global Studies, 2000). It becomes even more complicated when principles such as with and without comparisons, status quo assumptions, real and pecuniary costs, discounting, time horizons, social benefit-costs and sensitivity analysis are introduced (Massey University School of Global Studies, 2000; Department of Finance, 1991; Helmers, 1977; Winpenny, 1991). Such an analysis is outside of the realm of microentrepreneurs, who may have very basic or no education. The basic information required for financial assessment of natural product production has been summarized by Bhisma *et al.* (2000) and is outlined in Table 7.3.

Table 7.2 Viability matrix

	Strengths Internal	Weaknesses Internal	Opportunities External	Threats External
Concepts (knowledge and ideas)	Establish unique selling point: what's so special about this product/service?	What is the lifespan of the product as is? Is there ability to innovate?	Establish competitive advantage in the market. Is the product, as is, what people want? What other options are there?	Establish competitive weakness. How might the product be improved?
Competence (standards)	Establish key skill areas. What's so special about how they make/provide this particular product/service?	What is not so good about what they do or make? What skills/products/technology might improve quality/output?	Where will these skills be appreciated? Who will want this product and why?	What are the external impediments that might affect the quality of product delivered, or the way in which it's perceived?
Connections (relationships)	What skills and contacts are within the group/community that can be drawn on? Will they agree to lending support?	What skills/contacts are lacking within the group/community? Is this surmountable?	What is the external market for the product/service? How big? What external skills / channels are able to support the enterprise? Will they? How and why?	Identify significant gaps in getting the product/service to market. Can these be bridged?
Capability (ability to enact)	Can production and delivery be successfully achieved and managed by the villagers concerned?	What internal things (social, environmental, managerial, infrastructural) might impact on the 'ability to enact' production and sales?	Are there markets that can deal with the flexibility that may be required?	What external things (social, environmental, managerial, infrastructural) might impact on the 'ability to enact' production and sales?

But of course, success can be measured in different ways, and whereas a healthy profit might represent the desired outcome for a donor, those enacting a venture might be happy make small profits, or simply just to break even (Verhelst and Tyndale, 2002). For instance, Horan (2002) relates how a craft project in Tonga was considered a ‘failure’ by the donor agency, because instead of making commercial textiles, women were making traditional ones. Yet for the women involved in the craft production, the project was a great success. It saw them involved in an activity that had ceremonial, spiritual and material significance. This suggests a question frequently posed by Chambers: Whose reality counts? ‘Ours’, or ‘theirs?’ (Chambers, 1997:101). The question is a particularly valid thought to hold in mind when considering the next issue this chapter addresses: appropriateness.

Table 7.3 Information required for financial assessment

Estimate expected revenues	List all expenses
<ul style="list-style-type: none"> • What product(s) will the enterprise sell? How much of the natural product will sell and at what cost? • How much of the natural product can be produced if sustainable harvesting is practiced? 	<ul style="list-style-type: none"> • Land/buildings – for production and storage of products and raw materials. • Machinery/equipment – costs should take into account all transport costs and margins to be paid to suppliers, insurance costs, packing and freight charges. • Raw material stocks – natural products and any other raw materials that may be required for the processing activity. • Labour – skilled and unskilled production labour, management and services labour. • Transport and marketing costs – cost of transporting products to the buyer and marketing costs (e.g. trade margins or incentives to be paid to sales agents) • Interest payments, taxes

Source Bishma et al, 2000:37

7.8 APPROPRIATENESS

7.8.1 Introduction

Current use of the word 'appropriate' in development discourse usually associates it with technology. The term 'appropriate technology' is defined by Jones as follows:

A technology may be defined as appropriate when it fits socio-cultural conditions. It is likely to be locally created and controlled and be understandable, affordable and adaptable by the users (Jones, 2001).

However, 'appropriate development' is also sometimes used alongside discussions concerning indigenous development. Bean (1992) uses this term to refer to development that is 'appropriate from the perspective of the tribals [sic] themselves, beginning with their reality and dealing with the central issues affecting their collective existence.'

In common with the terms 'sustainable development', 'empowerment' and 'participation', there is unlikely to ever be a definitive understanding of the word 'appropriate'. As Bean (*ibid.*) suggests, this is because what is appropriate for one community, their culture, circumstance and reality, can never be the same as for another.

One way to consider appropriateness is through Vershelt and Tyndale's three 'dimensions' of culture (Vershelt and Tyndale in Eade, 2002: 10). These include:

- a) the *symbolic*, including values, symbols, archetypes, myths, spirituality, religion (or different religions)
- b) the *societal*, referring to organisational patterns for family and community linkages and support, systems for management, including business management, and political systems for decision making and conflict resolution etc
- c) the *technological*, including skills, expertise, technology, agriculture, cooking, architecture etc.

These provide suitable guidelines for considerations regarding the appropriateness of an enterprise, to which I have added my own clarifying statement of 'is it fitting or 'right'?'

I shall now address Vershelt and Tyndale's 'dimensions' in turn, again using carving to illustrate the issues. The points made in the following sections, along with the characteristics identified in the chapters on empowerment and finance and the previous section on viability, will form the basis of the framework and assessment tool discussed in Part Three.

7.8.2 The symbolic

All of the many cultures in Papua New Guinea come cast with their own symbolic understandings that influence the way they live, work, play, create, manage and construct their lives. Increasingly, these understandings are confronted by western notions that place utility and the satisfaction of material wants ahead of non-material values (Mehmet, 1995, in Martin, 1999). Microenterprise development aimed at increasing the economic situation of indigenous people whose lifestyles have not been traditionally influenced in this way, can impact considerably on the symbolic.

Appropriateness is, essentially, something that cannot be assessed from outside and has to be appreciated according to the different circumstances present in every context. The aid agency's responsibility is to ensure that communities know to be aware of their position and what their rights are as 'symbolic custodians'. For instance, some cultures have chosen to keep the 'symbolic' separate from the goods they produce commercially, and the Indigenous People's Cultural Opportunity Spectrum (IPCOST) allows communities embarking upon tourism to decide which – if any – aspects of their culture they want to keep 'backstage' (Sofield and Birtles, in Butler and Hinch, 1996). Also, a major problem is that determining appropriate is something that often can only be assessed after the fact, because understandings of commercialisation's impact cannot be appreciated in advance. As understandings change, so does the response.

My experiences with carvers in Papua New Guinea provide some insight into this. Observations include:

- *Confused notions of commercial exchange relationships and operations.* For instance, when I bought carvings I was often given gifts of an almost equal value as the seller's way of saying 'thank you'.
- *Exploitation of carver's unsophisticated knowledge of the marketplace and the worth of the products they produce.* For instance, a carving that I would have paid K25 (NZ\$12) for in the village setting in Papua New Guinea has a price tag of \$150 in one shop in Auckland. On the other hand, the cost to source and ship products is expensive, with breakage around five per cent (Martin, 2001: pers.comm.).
- *Devaluing of craftspeople's skill through bargaining.* An old man in the documentary film 'Cannibal Tours' (O'Rourke, 1987) says: '... people should pay me the money that I ask. I don't agree with "second" or "third" price. I want them to pay me without any fuss my own small amount of money.' Another exchange in the film features a tourist purchasing a carving. She says to the carver: 'Would you like a cigarette... would that make the price a little better?' Bargaining, as conducted in Asia, is not a tradition in Papua New Guinea and carvers can feel insulted by the prices offered. The response has been for the more commercially savvy carvers to inflate prices with the expectation that they will be forced to lower them. It has therefore introduced a degree of discomfort and cunning into a transaction that was previously open.
- *Exploitation of producer's limited markets.* Carvers in the village setting sometimes take whatever they are offered for their work, because 'something is better than nothing'. Agents in Port Moresby can sit on payments for goods received for several months, recognizing their monopoly over carvers, due to there being no other avenues available.
- *Denigration of culture to a commodity.* This is the claim of those who believe that, in pandering to the west's appetite for 'the primitive', indigenous people are allowing themselves to be 'consumed' by 'others' (Lalvani, 1995). Seeing the environment as exploitable for commercial gain may also devalue the spiritual significance the environment holds for most indigenous people. On the other

hand, the philosophy behind integrated conservation and development projects is that this 'value' aids in its preservation and significance.

- *Linking with the above, adaptation of symbolic for commercial appeal* (i.e. making things smaller, changing colours, creating dual purpose items that are both decorative and functional (Stewart, 1993)). Aboriginal art provides the best example. Since the 1980s, Aboriginal designs have been translated for the contemporary art market or tourist trinkets. A distinction grew between 'authentic' art, and urban art (Allen, 2001). In one respect, this reinforced the value of Aboriginal culture by proving it had market appeal. It also trivialized authentic cultural works to both indigenous and non-indigenous Australians. This impacted on how Aboriginal people saw their culture, and themselves (*ibid.*). However, as Verhelst and Tyndale (in Eade, 2002: 13) note: 'It is not purity which is most important in a culture, nor necessarily its antiquity, but its ability to adapt and be creative, and to screen and select from the many outside influences that it must confront.'
- *Commercial abuses of the symbolic.* This includes appropriation of cultural designs (including spiritual symbols) and crafts by those other than the symbol 'custodians', with no recognition or payment being made to them. Manufacturers may not comprehend the significance or relevance of the designs they use, and their treatment of certain images can be highly offensive and disempowering.
- *Removal of cultural treasures.* In Papua New Guinea, this has largely been deterred through the National Cultural Property (Preservation) Act (1965) which regulates the exporting of artifacts (Wasori, in Lutkehaus *et al.*, 1990). Papua New Guinea's harsh environment and relentless insect life are also not conducive to the preservation of antiquities. This has caused some people to make fakes, and tourists are sometimes duped into believing they are buying authentic, old works (pers.comm. with tourist guide, 2001). This can also reinforce the notion that the works produced in villages now, are not 'worthy'.

Additional to the above, Kleymeyer (1994: 209) notes the issue of intellectual property rights and ownership:

Can anyone simply expropriate a song, a herbal cure, a design, a seed variety, or an antiquity and market it for profit? At the local level, who has the right to use these forms for their own benefit? Can it be any insider, or must it be the collectivity? What about special outsiders, such as dedicated professionals or the members of other ethnic minorities? And who has the right to decide how the forms will change? Should it be limited to a local cultural elite, often self-appointed, to choose when to rewrite a song or dramatise a folktale or transform a traditional dance or festival? It is too easy to say that 'the people will decide.' Which people? Who speaks for the people in these instances? (Kleymeyer, 1994: 209)

On the other hand, the use of symbolism can be extremely empowering. Kleymeyer (1994:32) asserts its role, through culture, in '[energizing] participants and [instilling] in them strong feelings of group pride, reaffirmation, optimism, collective strength and vitality. It is especially effective in calling forth and directing group energies toward shared goals'

7.8.3 The societal

In common with the symbolic, the societal shows the complexity of issues and should be understood alongside the knowledge that every context is different. It also reveals the dilemma of an aid agency trying to establish whether or not a project is appropriate without having internal knowledge of community dynamics. It is in assessing the appropriateness, perhaps, that the contribution of partner agencies with regular involvement in the community proves most valuable. The following lists some of the issues that aid agencies need to be aware of when considering what is fitting, or 'right' concerning the introduction of microenterprise.

- Activities should complement local system dynamics. Verhelst and Tyndale's societal refers to the patterns and systems present within the family and community (in Eade, 2002). The family/community constitute a 'group', which, according to Smelser (1973:526) is a system of interactions between 'actors'. It is in interaction that positions and roles are expressed (*ibid.*: 526). Role theory locates role expectations in the culture of the larger society in which interaction occurs. Thus, prior to interaction, people have assigned to them obligatory roles established according to institution and grounded in societal values. When these roles become disturbed, or when an external 'actor' enters the scene, this can disrupt efficiently functioning systems. Discussions on sustainable livelihoods in Chapter Six (6.3) reinforced the importance of maintaining 'local system dynamics' in development initiatives (Chambers and Conway, 1992). Thus, the importance of working through the structures present is clear, even where there are conflicting rationalities (see 7.2.1).
- The above presents a dilemma when it promotes or exacerbates inequities. Chambers calls the powerful 'uppers', whom others relate to as 'lowers' (Chambers 1997: 76). Sometimes, going with 'local system dynamics' reinforces the 'upper's' power, supporting or creating inequities against 'lowers'.
- Adoption of a cash economy is, itself, controversial. Barrett (in Robinson, 1999) says: 'The jealousy created through capitalism and a cash economy can destroy relationships and does not encourage a collective approach.'
- What is being introduced to a community includes unfamiliar and socially incompatible concepts such as private property, the encouragement of competition over cooperation, management and employment in the work place, access to and control of credit, capital and commodity flows and the observance of human civil rights (Breslin in Kleymeyer, 1994: 39-40).
- An enterprise activity might impact on an ability to fulfill productive, reproductive and political functions in the family/community. A venture might significantly increase the hours spent on productive activities, leaving little time for reproductive responsibilities, for instance.

7.8.4 The Technological

Appropriate technology, as stated (Section 7.8.1) must 'fit' the conditions of the environment into which it is being introduced. This not only refers to ensuring a community has the technical capacity and infrastructural capabilities (fuel access, money to pay for repairs etc) to operate the technology, but that it can deal with the socio-cultural impacts that might result from the introduction of the technology (Jones, 2000; Chatterton and Waliawi, 1995). Of particular concern in Papua New Guinea are the following:

- Applying introduced technologies when local technology will do the job. Local technology may also be relevant to social and symbolic dimensions (Jones, 2000).
- Ensuring the accessibility of parts and the technical ability of local people to fix things when they go wrong. It is well recognised that when new technology is introduced to a rural setting, that training should follow .
- The potential for technological misuse. For instance, chainsaws could considerably aid communities in making it easier to get fuel and carving wood stocks, and might improve their quality of life by allowing villagers to improve their dwellings. In Kambot the village the floor planks of the new health centre were fashioned using a chainsaw positioned on a locally-designed frame. Chainsaws may not be used in such a laudable way, however. Ultimately, no systems can prevent their destructive impact if someone chooses to do damage.
- Some technology can be dangerous. It is simply not enough to supply a village with a tool such as a chainsaw without also providing safety training.
- Exposure to technology can create 'wants' beyond the means of those involved. This can also create jealousy. An example would be outboard motors used for transport along the Sepik River and its tributaries.
- Continuing the example of outboard motors, maintenance and running costs of technology can be a major problem. Fuel costs in the Upper Sepik are very high and serious maintenance requires transportation to Wewak, which can take a day or mores travel. Alternatives such as the modified diesel engines common in Indonesia do exist, but do not seem to be promoted in Papua New Guinea.

Maintenance costs are also not factored into pricing outboard hire. For instance, boat owners might accept a K25 per day to hire their outboard motor (the standard rate is K80-K100). When these kinds of prices are being negotiated, the fares generated are not enough to cover maintenance and afford the outboard owner a living. Eventually, this places the passengers' safety at risk.

7.9 SUMMARY

This chapter has highlighted some of the issues that aid agencies and communities should address before a microenterprise development is embarked upon. It starts by suggesting who, or what, constitutes a viable enterprise unit in Papua New Guinea. It concludes that the clan or sub-clan might, again, prove to be the most appropriate option given the closer allegiances felt at this level.

The practicality of an undertaking was then assessed by establishing 'is it do-able?' Using a conventional SWOT analysis paired with the categories of concepts, competence, connections and capability, options are assessed for their ability to be implemented, and the quality of this execution. A mandatory financial assessment follows.

Establishing the appropriateness of an activity requires a more sensitive analysis that considers likely symbolic, social and technological impacts, and involves debating these with the communities concerned. It relies on the communities themselves developing a critical understanding of the impacts of an enterprise, and establishing whether they are 'fitting' or 'right' for them.

These issues, when linked with considerations concerning sustainability, should present a holistic picture of a proposed project and its likely impact on a community. Aid agencies wanting to help empower communities and assist them financially into enterprises that offer secure livelihoods and open up opportunities for continuing self-help, can be guided by the concepts presented in this chapter. However, as Gambe warns: 'Zero risk doesn't exist. One course of action has x risks; an alternative course of action has a y risk factor. It's all about relative risk and the balance of risks' (Gambe in Shimmell, 2002; 81).

SUMMARY: PART TWO

Chapters Three to Seven have explained the strategy, supported by the Papua New Guinean government, of stimulating an informal sector in Papua New Guinea, particularly the rural sector through enterprise development. Aid agencies also recognise the importance of microenterprise development in their attempts to meet the Millennium Development Goals.

In order to stimulate microenterprise development, seed money is needed. In order to provide seed money, the appropriate channels must be in place to direct it to those who most need and want it. Typical channels, such as banks and microfinance schemes, are either not available, or not functioning effectively in isolated parts of Papua New Guinea. Microfinance and loans, when they are available, are hindered by a range of socio-cultural and infrastructural problems inducing a high propensity of repayment default. This renders them unsustainable, from an institutionalist perspective. Meanwhile grants, the only other formal option for sourcing money, are considered 'charity' when not supported by a package including 'participation' and 'empowerment' – whatever these terms mean to the implementing bodies concerned. It would appear to be standard that participation requires the presence of facilitators, a service typically provided by 'known' NGO partners or aid agency representatives. Such organizations are unlikely to exist in isolated areas and transportation costs, particularly in relation to the money applied for, restrict facilitators from venturing too far afield. This means that isolated communities wanting to source funding for microenterprise development are missing out on both access to finance, and empowerment support.

When these microenterprise ventures are to improve family livelihoods, yet another barrier is erected, with most aid agencies aligning with 'community' projects that are not profit-motivated. This is despite the recognition that the family is the unit best-placed to negotiate a sustainable livelihood. In Papua New Guinea, the definition of family extends to the sub-clan. In that country, this level has proven to be the most cohesive political and social entity through which development efforts might be focused.

For these reasons, many Papua New Guineans living in isolated communities, and wanting to pursue 'self-help' development, are excluded from the financial and empowerment assistance available to more accessible communities. Is there a solution?

The literature review, combined with my practical experiences in Papua New Guinea, has led me to suggest a way by which aid can be better directed to loner communities. This means lending support initially to a village, but recognizing that within the village the needs of the separate sub-clans or clans must be acknowledged and assisted.

I propose that a grant system be used to provide financial outreach. As 'improper' as this may be, the approach fulfills a purpose that cannot apparently be satisfied any other way. In order to extend outreach, aid agencies need to feel confident about disbursing grants to people with no project history. A means is needed to elicit information from the community, that will help funders decide where best to lend support. Further, this mechanism could be used to help empower the applicants as it gathers the information.

This leads to Part Three of this thesis, where I propose a practical tool to assist empowerment, while eliciting more fulsome information by which assessors can determine who and what projects to support. The content of the tool has been grounded in the literature presented in Part Two, representing my interpretations of 'best practice' concerning microenterprise development in Papua New Guinea.

Plates 5-10 Carving Styles from the Sepik

Workmanship and styles differ between *tok ples* groups, and often between villages. Promising markets include the homeware market, museums, and artefact stores.

Plates 5, 8 and 10: Keram River Carvings.

Plates 6 and 7: Bowls from Chambri Lakes.

Plate 9: a crocodile fruit bowl from the Middle Sepik



Plate 5



Plate 9



Plate 6



Plate 10



Plate 7



Plate 8

Plates 11-13 Handicrafts from the Sepik

With its 300-plus language groups, the Sepik's cultural diversity is reflected in its handicrafts. These bags, mask and jewellery are but a small sampling of the microenterprise initiatives taking place from people's homes. Marketing and design advice could expand markets, allowing many more producers the opportunity to meet their basic needs through their own endeavours.



Plate 11



Plate 12



Plate 13

Plates 14-17 Ecotourism

The prospect of attracting tourists prompted villagers from Yerakai and Wolfian to meet weekly in a bush clearing to re-learn traditional *sing sing* (singing and dancing) (Plate 14). Unique flora and fauna are the draw-card for a niche market for ecotourists (e.g. Plate 15, showing an endemic orchid). A guest house built on the shores of Lake Wagu is a self-initiated clan enterprise (Plate 16). In this case, access to finance to enable the purchase of utensils, mosquito nets and similar would improve services to tourists, and enable fees charged for staying at the village to increase from an estimated K12 to K25 a night (Huasi *et al* 2001). In Kambot (Plate 17), another village-initiated project saw the building of an arts and craft centre.



Plate 14

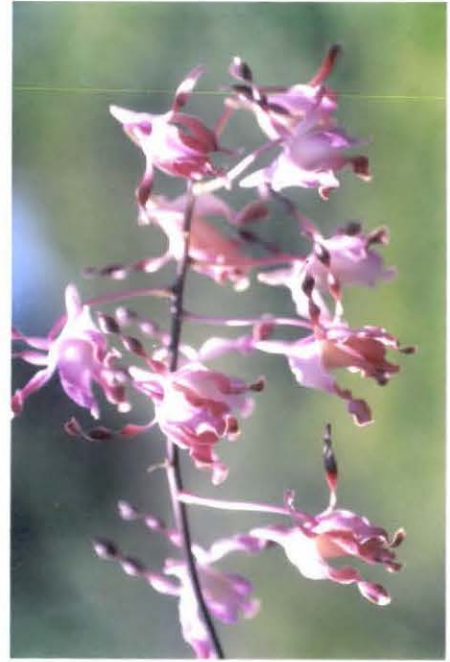


Plate 15



Plate 16



Plate 17

PART THREE

CHAPTER EIGHT

THE *SAVE* FRAMEWORK

8.1 INTRODUCTION

When direct contact between people applying for small grants, and the potential donors, is out of the question, communication between both parties needs to be particularly explicit. Assuming that aid agencies already communicating by paper have previously been through the exercise of designing robust questionnaires by way of application forms, I start this chapter by reviewing these forms. I consider what small grant funders supporting community enterprise projects, ask of applicants using mail as their main means of contact. I use best-practice guidelines as elicited from the literature reviews and case studies that inform earlier chapters, to direct the investigation. I also consider whether or not empowerment is factored into the relationship between agencies and applicants, by reflecting on my own experiences with carvers and the application process in Papua New Guinea.

Following this review, I then consider the concepts of knowledge and deliberation, and propose how these might be built into a framework to guide assessment of small grant projects in a way that reflects best-practice development understandings. This framework is designed to structure thinking and could be applied in a number of different development situations where focused thinking is required.

Chapter Nine uses the framework to direct the information elicited from applicants when applying for small grant funding.

8.2 THE APPLICATION FORM

8.2.1 Aim of the application forms

For aid organisations operating small grants schemes, the application form facilitates at least the initial transference of knowledge between them and a community. The applicant responds to a set of questions aimed at eliciting information relevant to building funder

knowledge about the project and community, and in order to see whether the proposed project might align with funder goals. Appraisal then follows.

8.2.2 Application forms by process

Appraisal is: 'the critical examination of a proposal, on the basis of agreed selection criteria, before implementation or approval for funding' (Kuby, 1993: 2.2). It is a process usually conducted by a panel of assessors who give the 'yay' or 'nay' to whether or not the particular funding agency, according to the criteria it stipulates, should lend its support to a particular project.

As described in the methodology (Chapter Two), surveys of funding agencies and my own direct experience as an applicant in Papua New Guinea and New Zealand, showed that when communities or NGOs have a need that requires outside assistance to finance, they embark upon a broadly similar process :

1. Information is sought regarding potential funders.
2. Contact is made with the funders and an application form is requested. Some communities do this by way of a letter or expression of interest, which constitutes a 'first screening' by agency personnel.
3. Applications not likely to gain funder support are advised at this point not to proceed; others are sent official application forms. These forms come under the names of Application Form, Project Proposal, Information Required, or Proposal Guidelines. They are usually accompanied by a description of funding criteria.
4. Upon receipt of the form, applicants complete a number of questions and fulfill instructions (budgets, maps, timelines etc), collect price quotations and letters of support, and post the application back to the funding body.
5. Applications are processed through an assessment system. These systems differ from agency to agency, but usually involve a panel or committee of assessors bringing different development experience to the decision-making process. They may plot a project's qualification for support against a checklist to help guide decision-making. Some projects are assessed out-of-country by aid agency

regional offices. These applications are usually accompanied by a report or preliminary appraisal from the in-country representative or partner agency, who will most likely visit the project personally before making recommendations.

6. The project is either accepted, declined, or decision is left pending, subject to further assessment (such as an agency representative visiting the community).

Application forms are traditionally constructed in a question and answer style. This is because:

- It provides a framework for assessment, allowing funders to easily ascertain whether or not applications meet agency criteria. This leads to ease and speed of handling.
- Everyone is asked for the same material, which leads to a fair comparison for assessment. This also means that application forms must be broad enough to elude information relating to a wide variety of project types. For instance, the same application form may be used to apply for a water supply project, a training course or a rice huller.
- In-house systems can be set up to deal routinely with application receipts and responses.

As discussed previously (section 5.5.1) some aid agencies view the application form submission as a vital preliminary activity to offering project support (for instance, the Small Project Scheme supported by NZAID and AusAID's Community Development Scheme). Only in this way can the real needs of the community be established and appropriate support requirements ascertained. There is also a 'safety' element to this exercise. As one funder says: 'Who are these people... we don't know them from Adam? How can we trust them? How do we know there's not just one person behind the application playing for power? How do we know that they can do what they say they can? At the end of the day, it really pays to meet them' (Power, 2002a: pers. comm.).

Where meeting them is not possible, another way needs to be found to assuage donor concerns.

8.2.3 Application forms by content

Kuby (1993: 2.2) recommends that appraisals should ask questions such as:

- How has the problem to be addressed been identified?
- Does the proposed action address the problem?
- Do the people proposing to carry out the work have the capacity to do it?
- Which different interest groups have been involved in defining the problem and choosing the course of action?
- How are different groups of men and women likely to be incorporated or affected by the project (young/old, landed/landless, single-headed households)?

This is information-gathering at its most brief. In the Papua New Guinea Department of Planning and Monitoring *Information Kit, Accessing Project Funding* (July 2001) section titled '*Questions to aid thinking and writing of project proposals*', a checklist of 59 questions was supplied. A tally of questions in four applications forms reviewed for this thesis presented an average number of 34.

As explained in the methodology (section 2.2.8), forms were gathered from ten funders operating small grant schemes in Papua New Guinea⁵². Key questions from these forms were plotted, allowing my understanding to grow from each aid agency's 'better knowledge'. Where I felt they had asked a particularly good question, I noted this. I also recorded my general impression of the forms (Appendix A). Because these schemes all supported different types of projects, it was hard to make comparisons between the different material – although this was not the goal of the exercise at this stage.

The forms were then pared down to New Zealand High Commission's Head of Mission Fund (NZHOMF); the Australian High Commission's Head of Mission Direct Aid Programme (AHOMDAP), the Government of Japan's Grant Assistance for Grassroots Projects (GGP), and the Canada Fund. An explanation as to why these four were chosen has already been provided in Chapter Two (2.2.8).

⁵² A list of funders and how forms were obtained is included in Appendix A.

8.3 REVIEW OF APPLICATION FORMS FROM FUNDING AGENCIES

8.3.1 Explanation of the categories

The process of reviewing the application forms from the four donor agencies (NZHOMF, HOMDAP, GGP and the Canada Fund) also started as a learning exercise. I wanted to see what these forms contained that might instruct my attempts at developing a robust application form that would also contribute towards empowerment. To guide enquiry, I divided questions into two categories comprising common and key topics. These categories were a) practicalities, including such questions as project description, group details, budget provision and project timing, and b) the key issues relating to development practice – namely: women’s involvement in the project, the capacity of stakeholders to enact the project, queries concerning sustainable development principles, equitable distribution of benefits, and level of participation. I added land and resource access and control because it is of particular relevance to Papua New Guinea (Jennings, 2001). Government involvement was also included, it having been noted as a one of the key ‘lessons’ from the earlier application form analysis (Appendix A).

The resulting ‘grid’ gave me a good feel for what was being asked – and not asked – by the various funding agencies (see Appendix C). The following is a summary of my findings.

8.3.2 Consistencies

As expected, there were several segments common to all application forms, such as:

- *The group’s (NGO or community group’s) history and contact details.* The forms were fairly consistent in the basic background information asked, including requests for maps (3 requests), access instructions (1 request), registration details (2), previous funding assistance (2), the purpose of the organisation (3) and group history (3).
- *A project description.* All forms asked the group to specify the project’s objective or purpose, and requested a project description.

- *Costs.* All funders requested project costs (although AHOMDAP asked simply for quotations) but only two provided a format to list budget information.
- *Project timing.* These questions ranged from: ‘How long will the project run for?’ ‘How long will it take to complete?’ And simply the word: ‘timing’.
- *Benefit distribution.* All but the AHOMDAP asked at least one question regarding benefits. However, only NZHOMF linked the number of beneficiaries with the community population. The Canada Fund asked how many people in the group, how many people affected by the project, the number of people earning cash incomes and the number of beneficiaries listed as men, women and children. It did not ask for the community population, nor was there any way of linking these questions.

8.3.3 Women’s involvement

The NZHOMF and Canada Fund were the only funders to ask specific questions concerning women’s involvement. This is interesting given that most development agencies demand attention be paid to gender in an attempt to reduce the inequalities between men and women. Indeed, gender analysis is a standard component of project design. It is recognised that women ‘are still relatively disadvantaged in Papua New Guinea when compared to men, and hence... a disproportionate burden of ‘deprivations’ or ‘poverty’ falls on women’ (NZAID, 2002a). These same two agencies were also the only two which inquired after children, despite most agencies’ commitment to child rights issues.

8.3.4 Capacity

The Canada Fund was the only organisation that asked for an explanation of the skills the community group or NGO would bring to the project. NZHOMF required this for the project coordinator only. Yet the capacity of a community to be able to understand and deal with the demands of a project naturally affects their ability to successfully implement a project. This is the case even if the extent of the ‘ask’ is a water tank or other static need. It is even more important when what is being requested has to do with a business initiative, even when it is as simple as a coconut oil press or ten

sewing machines. Any business initiative must also have someone with 'know-how' (Oala-Rarua, 1969). Sharma *et al.* (2001:13) recommend stakeholder skills inventories be made up, based on what participants feel they do well. Kaplan (1999) contends that capacity has more to do with 'robust capability' and not what skills any individual stakeholder possesses. He says: 'It is a relentless quest for quality and self-awareness which enables organisations, rather than an emphasis on securing quantifiable indicators of organisational functioning' (*ibid.*: w).

8.3.5 Sustainability

The Canada Fund was the only organisation to enquire after the social, economic and environmental details of the community and project. This is remarkable, considering that the concept of sustainable development – which stresses the link between these sectors – has been influencing thinking for at least fifteen years (Chapter Six). This indicates that the questions of 'whether' and 'how' a project is sustainable is not regarded as a concern of the agencies. An outcome of the World Summit on Sustainable Development (WSSD) in Johannesburg stressed the need for an institutional framework for sustainable development that would facilitate and promote the integration of the environmental, social and economic dimensions of sustainable development into the work programs of United National regional programmes (Johannesburg Summit, 2002). Sustainable development was reaffirmed at the Summit as a central element of the international agenda (*ibid.*).

8.3.6 Government support

Three organisations enquired after government support for the project. The NZHOMF even went as far as asking that a feasibility report be prepared by the provincial government, complete with official stamp (applicants were told that this was not compulsory but that it would be of great assistance to their application). The NZHOMF also asked what support the Provincial Government would give the group, if they thought the project was realistic, and why it could be considered in line with provincial development plans. The involvement of the government is relevant for a number of reasons. For a start, the government official is a point of contact for the funder. Through

this contact the aid agency can verify the credibility of the application and confirm details concerning their capacity. However, the official may write a supportive letter because it is also read by the community – working in isolated areas requires good relations are kept, and people in government are cautious to preserve harmony, especially where their vote depends upon it. A telephone call or personal letter from the funder directly to the official might solicit a more honest response. This reiterates earlier propositions made in this thesis, that the processes of checks and balances are done as much to ensure that the criteria insisted upon by parent funders are adhered to, as to gathering genuinely useful data. Auditing by an aid agency's parent government, for example, would include proof that host government agencies were involved in the decision-making process. This in turn may help to maintain good relations between parent governments, donors and host governments, and have little to do with ensuring the efficacy of aid.

Government officials can also provide the necessary networking support, including guidance with marketing and management that isolated communities may be short of. As well, government agencies might provide an appropriate channel through which to direct funds to the applicant, given that many community groups do not have a bank account.

However, the question asked by the AHOMDAP: 'Why should the Australian government fund a project that could be funded by the provincial government?' provides an interesting slant. The blunt wording of this statement indicates a general feeling amongst donors and NGOs. As long as they are called upon to prop up government services, they will be relied upon to do so. Limited NGO or donor funds should not be used to cover government misspending. However, it is still the neediest communities who are most excluded from access to finance, and the AHOMDAP's question is easily answered by a standard retort: because government doesn't have the money and if you don't help them no one will. Thus: should such a question be asked of a local NGO or community group? Would they have the necessary information to answer such a question? Such a question may be more appropriately directed at the provincial government than the community.

8.3.7 Community earnings

It would also seem obvious to ask how the community currently earns its money, and how much. This would indicate the ability of the community to fund its own projects, or contribute to the project. As mentioned, the Canada Fund was the only agency to do this directly. While the NZHOMF and AHOMDAP asked how a community would pay the recurrent costs of a project, and three agencies asked what contribution the community would make to the project (in cash or kind), this does not supply the information that most assessors would render crucial for decision-making.

8.3.8 Land and resource access and control

Land ownership and use poses a considerable threat to a project, because land is one of the most significant causes of conflict in Papua New Guinea (Dorney, 2000). Although so much of the country rests in customary ownership, not everyone can claim ownership to land or water resources. Those who do not own land acquire rights from their, or other, land owning clans (Kalinoe, 1999). The tenure and terms can vary considerably from place to place. Conflicts commonly occur when landowners perceive others to be abusing their rights, or making claims they are not entitled to. Yet it is not easy to identify who the rightful claim rests with as most land has not been recorded or registered, and very little has been surveyed (Dorney, 2000). This needs to be addressed in any donor-recipient negotiation.

The importance of land ownership is an issue recognised by all four (although the Canada Fund merely indicated this as a box to tick, if including information regarding it as a possible addendum). Again, it is a difficult issue to establish on paper via a question-or-two. When faced with the question 'Are the landowners aware of the project, and happy with it going ahead?' (AHOMDAP) it is hardly likely the applicant will answer 'no'.

8.3.9 Power and control

It is also important to establish issues concerning power and control in a community. For instance, it would be helpful to know if the people driving the project are the village leaders. Even the best-planned and conceived-of projects can be thwarted by the intrusion of a powerful opposer. The difficulty is, these opposers may cause trouble for any number of reasons: genuine opposition to a project, intra-village power plays or jealousy, for instance. Where women's projects are concerned, the men in the community may have excessive sway over the success of a project, especially where their customary role as the family provider is supplanted (DCD, MFAT, 1998). This has been addressed in some microcredit schemes by involving the men and children in planning and drawing up 'family improvement plans', enabling them to see how they will gain by supporting women (*ibid.*:4). Church ministers, too, can have considerable influence. For instance, the Seventh Day Adventist minister may say 'no' to trading on Saturdays, the busiest market day of the week.

The Canada Fund are the only funders who ask anything in this regard. Their request is for a listing of 'important community leaders in your village/area'. This is sensible, but only if it is accompanied by some description of their roles (i.e. landowner, big man, village councilor, village warden, minister, teacher, women's group chairperson etc) and some indication of their support. Simply naming them (as the instruction requests) constitutes a wasted question for long-distance assessors. How are these names relevant to the project? Do they support it? Admittedly, in the case of the Canada Fund who do tend to assess their projects first-hand, the list allows them to approach a community with names of key villagers and stakeholders already supplied.

8.3.10 Participation

No questions were directed at finding out the degree of participation within communities prior to submitting an application, or if there had been any public discussion concerning the project. Application forms could provide an opportunity to indicate community support: names and signatures/markings of supporters, for instance, might indicate participation. Neither was it determined whether any relationship was wanted with the

funding agency after the funds had been awarded. This is not a facility currently offered, but in recognition of the importance of participation, perhaps it should be. As the importance of relationships is becoming increasingly recognised, the benefits of networks and support understood more, and the 'charity' flavour of grant funding being consciously avoided, agencies (even embassies) will need to reconsider the role of application forms as an important stimulant of ongoing participation and indicator of community involvement.

8.3.11 General assessment

Overall, the application forms reviewed gave the impression of being perfunctory documents, eliciting the 'bare bones' of detail from which to make assessments. The Canada Fund, however, did fare well in its attempts at obtaining a holistic picture of the community. Ironically, the Canada Fund is also the only one to visit applicants prior to a funding decision being made. It is possible that the poor representation of questions relating to current best practice development, has to do with the forms emanating from embassy offices, where staff may not be 'development' trained. A 2001 ministerial review found that New Zealand Official Development Assistance (NZODA) was often managed by people without development backgrounds. The report notes:

Development assistance is a profession with its own academia, literature, field expertise, history, and management approach. A high quality aid agency will be staffed with skilled and experienced development professionals who design and manage the aid programme. It will have the right mix of skills to build 'centres of excellence' within the agency, to support the sectors and approaches required by partner country needs (NZODA, 2001: 75).⁵²

⁵² Note that this review of New Zealand's ODA structure resulted in the setting up of NZAID, a semi-autonomous arm of MFAT.

Designing appropriate application forms also requires an understanding of the people likely to be applying for small grants, and realising the difficulties they face in making a submission. I shall use my experiences in Papua New Guinea to explain.

8.4 APPLICATION FORM ANGST

8.4.1 Literacy and language barriers

While standardised application forms are convenient and edifying (however minimally) with particular reference to the specific criteria of the agency, they have the effect of alienating those they are designed for. This does not encourage the establishment of trust deemed so crucial to development success. As a clear example, only two out of ten grant application forms forwarded to me from Papua New Guinea included *tok pisin* (pidgin) translations (none of the four reviewed, incidentally). All remaining forms were in English. While *tok pisin* forms may be available, I was never asked concerning a language of preference.

The number of languages listed for Papua New Guinea is 832. Of those, 823 are living languages and nine are extinct (SIL on <http://www.ethnologue.com>). *Hiri Motu*, *Tok Pisin* and English are the official languages, with English dominating business and commerce. In rural areas, English is a third language after *tok ples* (the language of the area) and pidgin. In order for there to be participatory discussion between a community or group members submitting an application, this form would have to be translated into *tok pisin* or *tok ples* to be understood. Because *tok pisin* has a vocabulary of only around 1300 words, much relies on the ability of the speaker to put across the correct 'word picture' to adequately describe a translation. Given that many of the words used in the form defy direct translation (output, input, evaluating, consequences, monitoring etc) the funder risks misunderstanding or mistranslation. Expecting someone from within a community to do the translation is also an unfair request to place upon people, as their translation ability will be scrutinized by others in the community and could bring them shame.

This leads to the assumption that application forms written in English may act as a type of pre-screening mechanism to cull-out grant applicants below a certain educational/capability level. Notes one development worker: 'Only the educated (and well educated, at that) could respond to the application form in a way coherent and robust enough to pass muster. In effect, this makes the application form a screening process' (Power, 2002a: pers. comm.).

If the community is fortunate to have someone literate and capable of completing an application, this person's power is reinforced. Their word is ultimately what is transmitted to the funder, and their knowledge may be totally relied upon to supply the information needed.

8.4.2 External ring-ins

For communities without internal capacity, the services of an outsider are called in. My personal involvement in assisting local people with application forms, and my discussions with other expatriates who have done the same, confirms that help is frequently sought. In the Solomon Islands (and perhaps elsewhere) a few educated locals turn it into a business, charging villagers ten per cent of the grant money received to prepare a project application (Scheyvens, 2002, pers. comm.). Calling in 'outsiders' where money is not involved may require committing to other reciprocal obligations. Usually, only the most powerful from within a community, and most likely only males, would have the networks to call upon for this kind of assistance. This reinforces control over the application by powerful males.

My enlistment in helping fill out application forms was because of my English language skills, my resources – which included typing up letters of support on behalf of several people, including government officials who did not have access to a typewriter – my camera, phone, and my knowledge of *waitman's tingting* (white man's thinking).

In effect, funding applications are like sales pitches. Funder decisions are influenced by how the applicant couches their response, which in turn makes it easier for the donor to justify to its funding source why they gave a particular group money. Rowlands

(1997:138) notes that 'organisations looking for funds are quick to identify trends in funding criteria, and will strategically (or even cynically) include in funding applications currently "fashionable words", in order to obtain funding.' Rural people have limited ability in understanding the nuances behind 'right' (saleable) or 'wrong' (un-saleable) paraphrasing. This is particularly the case for people communicating in a second or third language, and often cross-culturally to expatriate funders.

The 'sales' quality of applications can be demonstrated by the experience of a contemporary in Papua New Guinea. The New Zealand High Commission asks the question in its Head of Mission Fund application form: 'How will women in particular benefit from the project?' The response to this is obviously a key determinant in making the 'sale', given that Point One of their criteria states that priority will be given to activities or projects that 'enhance gender equality and increase the equitable participation of women in development.' The group my colleague was helping was declined funding on the basis of this point. They resubmitted the same project simply with a different 'pitch' to the answer regarding women's participation, and the funding was then awarded (Riach, 2002: pers.comm.).

8.4.3 Western-system intimidation

Application forms also force applicants to operate within the confines of Western expectation and procedures. Such things as feasibility studies (NZHOMF) and written budgets are foreign concepts to rural people. In placing these expectations on applicants, even while acknowledging agency accountability, funding institutions are perpetuating a situation of dependency and dominance. The documents become an intimidating 'ask', reinforcing people's often negative experiences with officialdom, bureaucracy and form-filling elsewhere. When people are made to feel incapable, they will think that they are incapable. A 'do-for-me' mind-set follows (Wzorek, 1987).

8.4.4 Cost

Cost is another factor hindering applicants. Submitting an application may require considerable outlay. This is illustrated by the experiences of the carvers I was working with. For instance, hardware stores in Wewak charge K10 to provide a written quote, so

quotes from two hardware stores cost K20. The group then needed to register its name (not considered a necessity, but an advantage). This cost K75. A post box was deemed important – another K35. One of the carvers made a trip back to the village to obtain letters from various people (the teacher, preacher, and local politician). This cost K40 (on top of the K40 spent the first time to come into town). Photocopying cost a further K10. Phone calls, another K10. Altogether, it cost around K230 to get to the point of simply submitting an application, a major imposition on people with little or no cashflow – which is why, of course, they are asking for help.

8.4.5 Expectations

Some agencies obviously recognise the extent of the ‘ask’ being made of applicants. The Canada Fund and German Development Service (whose form was not included in the review because their focus is on training), responded to my request for application forms with the suggestion that I might like to check the project with them before completing the forms, to avoid communities wasting their time. Letters written by communities explaining the proposed project in broad terms are a good idea as a first contact. The advice of these funding agencies also acknowledged the unhelpful practice of building up community expectations. It is impossible for agencies administering contestable grants to support all projects, but the pressures on agencies brought on simply by applicant numbers may not be understood by rural peoples. The Grant Assistance for Grassroots Projects administered by the Embassy of Japan, claims to receive more than 1000 project proposals each year, and only ten to twenty receive GGP funding (Japan ODA, 2001). Rejection letters, especially standardized correspondence, again reinforce feelings of disempowerment.

8.4.6 Presentation

Even the presentation of applications immediately conveys a sense of exclusion for rural people. The question-and-answer format photocopied onto white A4 paper conveys school-room or office – places many rural people are overawed by. These clean white papers are usually dealt with in dirt-floored meeting places – at least, this is where agencies espousing participation should *want* these forms to be dealt with.

The implication of ‘application-form angst’ is that it influences the relationship of applicant (and potential recipient) and donor. Rural people feel disempowered from their very first dealings with aid organisations, and the power relationship is then set in place. Notes Power (2002a, pers.comm.): ‘Any changes to the present way of doing things are held back by personal and institutional inertia. You come up against bureaucratic pressures, but also issues of power and control.’

Clearly, the current system does not follow best practice and offers limited direction in achieving the goals of this thesis – that is: extending empowerment outreach and allowing funders confidence in decision-making regarding supporting communities they do not know. The challenge, then, is to bring about a change in the modes and relationships of power and structure, as it applies to community/funder communication.

8.5 THE STARTING POINT FOR CHANGE

8.5.1 Clarification of intent

The Community Development Resource Association (1999:w) says that:

For the bureaucrat and for anyone distanced from the field, the complexity of a truly developmental practice will seem a high price to pay when confronted with the demands of facts, figures, short term accountability and efficient delivery of their specific product. But there are grave dangers when our own procedures take precedence over the actual development processes of those whom we serve. We have to introduce new ways of working; some integration of approaches is required. Simply becoming conscious of what we are really doing constitutes a major beginning and a new departure. All development processes....entail some form of loss, and the taking on of new responsibilities and attitudes.

From this quote I have taken the following sentence: ‘Simply being conscious of what we are really doing constitutes a major beginning and a major departure’. This is where I

shall start in my attempt create a tool that will allow donors operating at a remove to more confidently assess loner communities for small grant funding, while also encouraging community empowerment.

8.5.2 Being conscious

‘Reflection’ is the process of experiencing a problem, standing back from it, and taking time to purposefully and carefully review it, deliberate upon it, and construct meaning from it (Doyle, 2000; Coles, 2002; Yost and Mosca, 2002). Reflection is vital to professionalism, which Coles (2002) suggests requires not just finding the ‘right’ answer, but the ‘best’ answer, for any given situation. In development, reflection is process promoted mainly in participatory rural appraisal (PRA) writings where it is sometimes called critical self-awareness (Chambers, 2002). PRA’s catchphrase: ‘Use your own best judgement at all times’ (Chambers, 1997:216), also hints at its importance.

Finding ‘best’ answers requires a particular way of thinking, and Coles explains this as praxis. Praxis is the knowledge required to make decisions about ends and means (if we want to achieve X, what might we do to achieve it?). It is also at the base of Freirean methodologies (Burstow, 1991). This differs from poesis (if we do Y, X *will* happen). Good praxis requires a degree of ‘intuitive knowing’, leading to practical wisdom (known as phronesis) (Coles, 2002; Gunder, 1998).

Coles (2002:w) argues there are four areas in which professionals make judgements, each characterized by similar, but vastly different, questions.

- Intuitive judgement asks: What **do** I do now?
- Strategic judgement poses: What **might** I do now?
- Reflective judgement inquires: What **could** I do now”?
- Deliberative judgement asks: What **ought** I do now?

Coles (*ibid.*) claims that deliberate judgement is the closest to praxis. Deliberative thought ‘characterizes those judgements that are truly professional as it focuses on the

contestable issues endemic to practicing as a professional' (Coles, *ibid.*). Deliberation is more than 'reflection' because it is linked with the critical reconstruction of a continuously evolving practice. It involves seeing holistically; it necessitates knowledge being constantly reinterpreted and revised; and acceptance of differing views to all be taken on board (*ibid.*).

8.5.3 Knowledge

The question is: how can the concept of 'deliberation' be built into development practice? I propose it can be achieved through a conscious pairing with three divisions of knowledge. Gosling (1994:1) claims the ways of knowing our world include:

- *Formal knowledge*: represented by academic theories and scholarship.
- *Common knowledge*: our routine understandings informing the day-to-day decisions and actions people take.
- *Perceptive knowledge*: explained as 'all that we know but cannot tell'.

Each of these knowledge divisions can force deliberation if applied to the application process via a framework. Creation of a framework ensures that structured thought is given to the issues of key importance, at each of the differing levels of knowledge. So, an issue of importance is thought about informed by the *formal knowledge* theories understood and continuously built upon by the professional development practitioner; it is also considered at a *common knowledge* level, with this level of information the focus of the application form; and again, it is deliberated upon using *perceptive knowledge*.

The three knowledge divisions will form the vertical axis component of the framework, to be presented later in this chapter. The horizontal axis will be made up of the concepts of sustainability, appropriateness, viability and empowerment (SAVE), which generate the concerns that aid agencies need to deliberate on. The resulting grid (Table 8.2) generates the specific issues as agencies consider *SAVE* through the lenses of formal, common and perceptive knowledge. The following expands on the components of the vertical axis.

I have called the framework the *SAVE* framework (sustainability, appropriateness, viability and empowerment – pronounced savvy, as in pidgin for ‘to know’), and this framework not only guides assessors when making judgements, but directs the content of the application form.

Table 8.1 The *SAVE* Knowledge Framework – empty grid

	Sustainability (S)	Appropriateness (A)	Viability (V)	Empowerment (E)
Formal (F)				
Common (C)				
Perceptive (P)				

8.6 VERTICAL PARAMETERS OF THE KNOWLEDGE FRAMEWORK

8.6.1 Formal knowledge

Formal knowledge is the type of knowledge that is typically acquired academically (Gosling, 1994). This makes it a privileged knowledge and elusive to all but a very few educated and well-read rural Papua New Guineans. Formal knowledge involves understanding the world of theories, matrices, data, concepts and prescriptions. Subscribing to this knowledge requires conscious nurturing, drawing upon academic literature, workshops and peer dialogue to constantly update and re-inform understandings. This process should be both self-initiated and, for development personnel, supported by agency employers.

As an example, theories of sustainable development (as discussed in Chapter Six) constitute formal knowledge. The many dimensions and contradictions present in sustainable development theory cannot be appreciated without a well-informed understanding. Because the aid agency must take a position on where they stand concerning sustainable development (for instance do they support weak sustainability or

strong sustainability stance), the development practitioners should apply this formal knowledge to their thinking and decision-making.

Eventually, formal knowledge transfers to common knowledge. For example, the theories of gravity and light, which started as formal theories, could now be considered common knowledge in some parts of the world. The Education Strategy developed by fieldworkers in the World Wide Fund for Nature's Kikori Project and used in WWF's SCLC project, is a good example of how the regular presentation of consistent, digestible messages from field-worker to community transfers formal knowledge understandings about sustainable development to common knowledge practice (Power, 2002*b*: pers. comm.). These messages are presented to fieldworkers in a guided framework, allowing the workers quick reference – not so much to down-pat messages, but indicating what the promotion of a certain topic hopes to achieve. Topics include definitions of sustainable development and sustainable resource use, logging, eco-enterprise biodiversity etc. The document notes:

Education is an important component of any conservation and development initiative. For the purpose of this strategy, when we talk about education, we are referring both to informal and formal methods of education. If designed and carried out properly, education processes help the staff work with local people to become more aware of their issues, understand them, become motivated to plan what to do about them and, ultimately, to act on them (Kikori ICAD, 2002).

As a process that starts slowly and becomes more detailed over time, this 'social learning' (Tonn *et al.*, 2000) is important. Claims Tonn *et al.* (*ibid.*), environmental decision-making is made more difficult because people are lacking in common understandings about the factual basis for, and the appropriate means of, making environmental decisions.

Gosling (1994:2) says:

Scholars and academics naturally believe that formal knowledge is the most important way of knowing, and perhaps in the long-term, on the time-scale of the rise of civilizations, they are right, yet even so it is not formal but common knowledge which informs nearly all the day-to-day decisions and actions people take, even the most learned among them.

8.6.2 Common knowledge

Common knowledge is as determined by its social dimension as it is time-dependent. A rural Papua New Guinean in 2001 will have quite a different common knowledge now to what they would have had ten years ago. Yet a rural Papua New Guinean now would also have a different common knowledge to a Port Moresby-based contemporary. Common knowledge cannot be anticipated *carte blanche*. What we know depends on where we are, at a particular point in time. Thus, common knowledge is the body of knowledge that regulates our lives (Gosling,1994). Application forms need to solicit the common knowledge relevant to the project, while also appealing to the assessor's common knowledge relevant to the project, people, area etc. This lends strength to the importance of bureaucrats spending time in the field, over-nighting with locals, sitting, talking and collecting such knowledge. It is in search of common knowledge, and the perceptive knowledge discussed next, that PRA is based upon. It follows from many project failures related to incorrect knowledge formation and bad misperception, and a past tendency to rely on formal knowledge (particularly economic theories) to direct development projects (Chambers, 1997).

In line with the philosophy of PRA, a proposed project requires assessors to acquaint themselves with local knowledge in an effort to gain as much as possible an emic, or insider's, common knowledge. Suggests McKinney (2000:4), 'In order to discover the emic perspective, ask questions such as: what is going on, who are the actors, why are they behaving as they are, and what is the significance of their behaviour?'

Getting to the point of establishing common knowledge requires a previous understanding of culture and societal make-up. For instance, the common knowledge directing relationships in collectivist societies is quite different to the common knowledge understood in individualist societies. Although impossible to generalize, Brislin (2000) comments that individualists and collectivists, when faced with a similar dilemma, will often handle the situation quite differently. Papua New Guineans are from a collectivist society, thus their way of dealing with self-concepts, relationships and ‘other’ judgements differs from Western individualist notions⁵⁴. The different characteristics of individualists and collectivists are explained in Table 8.1.

Table 8.2: Individualist and Collectivist Values

	Individualism	Collectivism
Concept of self	Independent (identify from individual traits)	Interdependent (Identity from belonging)
Life task	Discover and express one’s uniqueness	Maintain connections, fit in
What matters	Me – personal achievement and fulfillment; rights and liberties	We – group goals and solidarity; social responsibilities and relationships
Coping Method	Change reality	Accommodate to reality
Morality	Defined by individuals (self-based)	Defined by social networks (duty-based)
Relationships	Many. Often temporary or casual; confrontation acceptable	Few, close and enduring; harmony required
Attribute	Behaviour reflects one’s personality and attitudes	Behaviour reflects social norms and roles

Source D.G. Myers (1995:660), adapted from Schoeneman (1994) and Triandis (1994).

The characteristics indicated for collectivist societies in Myers’ chart, above, clearly influence the way people’s common knowledge is shaped, and their understandings of why X leads to Y. However, as Brislin notes, not all collectivists will share the same view, as some people’s common knowledge understandings may have altered due to different place/time inputs. This is made particularly clear by the following example.

⁵⁴ This reinforces discussions in Section 5.6 concerning different ‘rationalities’.

8.6.3 Perceptive knowledge

Perceptive knowledge is the most difficult knowledge to access, because it is so personally relevant (see Box 7.1). Experiences, assumptions and expectations, determine our 'perceptual set' or mental predisposition, allowing us to make hunches (Myers, 1995: 205). The ancestral bird heard by the Bahinemo as they enter the bush is an example of perception at play (Chapter Four). The Bahinemo claim to understand the bird – it talks to them. One villager told me he was alerted by the bird that his child was drowning. He turned home to find it was true. The bird is their reality. Because I do not believe birds speak, I cannot fathom the importance of this bird. As Myers (*ibid.*) explains: 'Once we have formed a wrong idea about reality, we have more difficulty seeing the truth'. But, whose reality was the truth – mine, or theirs? Chambers claims there are 'multiple realities' (1997: 58). Earlier discussion on perception (regarding perceptions and finance in Chapter Five; and perceptions and symbolic/social dimensions under 'appropriateness' discussions in Chapter Seven) suggest its importance to development because it cuts beyond the actual (physical), to the thoughts and feelings of individuals (Chambers, 1997: 57). Chambers refers to this as personal (or individual) social realities, influenced particularly by interpersonal relationships. He compares it to personal physical realities which align with the perception of 'things' formed 'mainly through sensory experience of the predictable, regular, Newtonian physical world' (*ibid.*: 58).

The three divisions of knowledge discussed above form the horizontal axis of the framework I now propose. As I shall go on to explain, these knowledge divisions link to and direct the content of the application form (Chapter Nine) by cross-referencing to a list of 'named' issues under the best practice categories listed on the vertical axis.

8.7 THE VERTICAL AXIS OF THE KNOWLEDGE FRAMEWORK

8.7.1 'Naming' issues

Yost and Mosca (2002) claim that issues need to be 'named' in order to be properly deliberated upon. Once something has been given a 'name', it is drawn into the light and

Table 8.3 The *SAVE* knowledge framework – full grid

Issues ▶ <hr/> Knowledge type ▼	Sustainability	Appropriateness	Viability	Empowerment
Formal knowledge (What does the academic literature say?)	Deliberative pointers (examples): •Sustainable development – agendas: brown/green, •Sustainable livelihoods, •Carrying capacities, •Basic needs, •Participatory monitoring and evaluation •National policy	Deliberative pointers (examples): •Equity, •Human rights, •Globalisation, •Fair trade, •Individualism/collectivism, •Capitalism/reciprocity, •Ethics, •Culture and Spirituality, •Commoditisation	Deliberative pointers (examples): Markets Resource use (cross-links to sustainability)	Deliberative pointers (examples): •Participation, •Capacity building, •Gender and development, •Conscientisation
Common knowledge (What needs to be considered concerning the daily realities of people and places?)	•Local biodiversity •Local culture •Resource access and availability	•Symbolic •Technical •Societal •Productive/reproductive responsibilities	•Concepts •Competence •Connections •Capability •Financial viability •Land access and control	•Power- to whom? •Social capital status – trust / goodwill •Cultural energy Ability to plan, analyse, act •Basic needs
Perceptive knowledge (How do people understand the world?)	•Cultural relationship with the environment •Social values and mores	•Rationale •Motivations •Spirituality •Relationships •Ethics	•Expectations •Enthusiasm •Commitment •Experiences	•Sense of worth •Trust in others •Cultural pride

exposed. This ‘naming’ takes place in each cell of the *SAVE* framework, under the following four best-practice categories, which include:

- Sustainability: Is it socially and environmentally acceptable?
- Appropriateness: Is it fitting / right?
- Viability: Is it do-able?
- Empower-ability: Will it empower?

Under each of these categories, a list is formed by the assessor, relevant to the category head, that has significance to the project being proposed. I have called these ‘deliberative pointers’. These deliberative pointers are ‘reminders’ of the things he/she needs to consider, relevant to the particular application being assessed. Their ‘naming’ needs to be followed by deliberation on the particular point they identify.

Thus, a framework for an application received for a carving initiative might prompt someone to come up with the framework shown in Appendix H. Important for its use is its ability to be quickly sketched, and easily remembered thanks to the dual meaning of the *SAVE* acronym header.

The important thing to put across to assessors, or anyone in development work, is that this framework doesn’t take much time (as Figure 8.1 indicates), but allows for focused and channeled thinking within a best practice-based framework.

8.8 SUMMARY

The benefit of the *SAVE* framework is that it acknowledges and activates the formal knowledge of the development professional in a deliberative manner. It also gives respect to the common and perceptive knowledge of applicants, to which assessors are not privy, asking: ‘tell us what *you* know, think and feel about...,’ to add to the assessor’s own: ‘Ah, yes, *now that I think about* it this is what *I* know, think and feel about...’

However, while it allows better information to be fed into the application 'ask' and decision-making process, it needs personal and institutional commitment for its use. The assessor, who might exercise a high degree of phronesis, might recognise that certain things won't get supported, simply because they do not concur with the strategy of the organisation they are working within. When this happens, Hukkinen (1996:6) suggests decision-makers adhere to 'cognitively dissonant mental models to rationalize their decision-making.'

The intention of the *SAVE* framework is to improve the quality of information/understanding/knowledge to make it more likely that a good decision is made by assessors when they receive a project proposal. The tool itself cannot change the relationship between the assessor and his or her organisation (and the institution from which it arises). It might, however, raise the awareness of the degree of cognitive dissonance involved in decision-making.

Because the *SAVE* framework impacts on the way of thinking about and assessing applications, the information that is supplied when an application for funding is submitted must complement the framework. This means that the application form needs to be appropriately tailored to elicit the information needed to feed the framework. The information required of applicants is their common and perceptive knowledge relating to sustainability, appropriateness, viability and empowerment. How to elicit this information when confronted with the problems of isolation, poor literacy and no aid agency representative presence, and while endeavouring to encourage empowerment, is dealt with in the next chapter.

CHAPTER NINE

THE BUK *SAVE*

9.1 INTRODUCTION

Having developed the *SAVE* framework to guide application forms from an agency 'need-to-know' perspective (i.e. what 'knowledge' do we need to adequately assess this project?), application forms need to be considered with regard to the intent of empowerment (how can this document enable people to share, analyse, plan, and act) in order to fulfill the thesis aims. The empowerment perspective is also of benefit to the aid agency. Including empowerment exercises within a tool will, like participatory rural appraisal (PRA), allow for a more insightful and sensitive understanding of a situation and the communities involved. This, in turn, will make the information received more robust.

I have approached this chapter in the following manner.

- Firstly, I determine the medium via focus group research, supplemented by literature reviews into participatory communication.
- I then seek to understand the participants. This requires determining who, from a community, should be involved in an application/empowerment process and what the constraints in reaching these people are likely to be.
- I finish by contemplating the nature of the content, given that the application form will serve two agendas: an assessment agenda, and an empowerment agenda. I include some of my own ideas, while insisting that this is to provide an indication only. Content must be generated as a result of workable ideas being provided by indigenous 'content designers', who are, or have been, isolated, rural villagers (men and women) with poor literacy in Papua New Guinea, supplemented by extensive testing and refining by villagers in-the-field.

9.2 DETERMINING THE MEDIUM

9.2.1 Focus group research

A focus group of six development professionals chosen for their mix of backgrounds in development work in Asia, Africa and the Pacific (see Chapter Two: 2.2.10) was coordinated for a creative thinking exercise that sought to challenge the concept of 'outreach'. They were presented with an initial task. Splitting the group in half, I gave each group a piece of paper and a pen. The groups were asked to communicate with me that, a) they wanted the chocolate bar in my hand and b) explain why they deserved it. However, they were not allowed to talk to me or have any direct contact with me, and they could not use the written word on paper.

This exercise, used to warm the group up and put them in the right frame of mind for the exercises to follow, produced interesting results. The first group made a basket from the paper and inside the basket, paper hands reached out in a plea for the chocolate bar. The approach they took was one of sharing and unity. The second group presented a pictograph. From their sketches alone, I was able to decipher the tragic story of a malnourished, orphaned child in Africa desperate for food. They appealed to my sense of compassion. These 'pitches' were deliberate and contrived but, the groups admitted, they were 'appealing to one of their own' and could anticipate my response to their approaches. Poor people do not have the advantage of knowing who they are appealing to. Even more debilitating, this communication is often cross-cultural.

The exercise was also an attempt to register how individuals asking for assistance felt. 'Vulnerable, challenged, pressured, confused at trying to find the 'right' answer and concerned at a lack of skill,' were some of the feelings put forward.

These examples highlight some of the hurdles of communicating with people in isolated rural areas of Papua New Guinea and many other places in the world. There is the psychological hurdle: when they (communities and funders) envision who they are talking to, who are they conjuring in their minds? White men? Indigenous women? With

no 'face' it is difficult to know what to say. There is the logistical hurdle: distances are vast, terrain often rugged. There are no telephones, no electricity, few two-way radios. And then there is the capacity hurdle: poor literacy is a considerable impediment to development. It holds back people's opportunity for learning, communicating and doing business with the outside world (ActionAid, 2002).

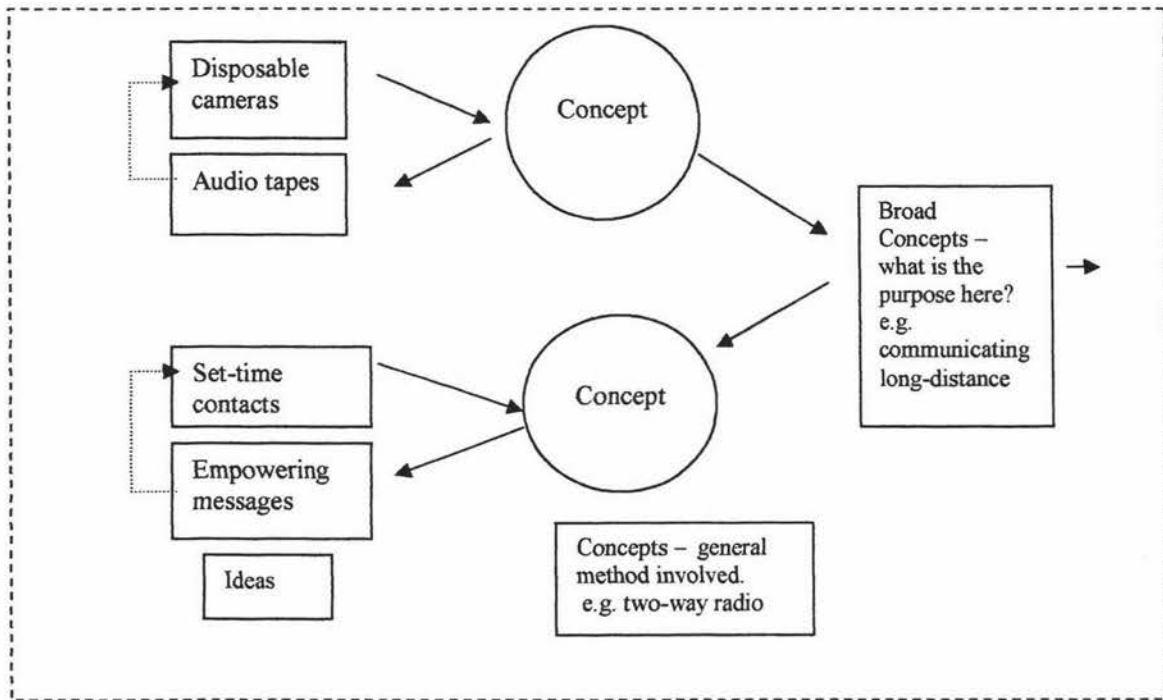
Mail is one of the few options available for long-distance communication, even though letters may take a long time to reach their destination. Written correspondence is already a valid means by which funding agencies communicate with potential and actual recipients, as evidenced in their paper-based application forms. Letters come from isolated villages, usually asking for help. Responses are sent back by post. There may be another transfer of information: an application form filled-in and returned; a response from the agency and desirably, in closure, a report on completion of a project from the village. It is a brief and procedural correspondence, characterized by forms and formalities. There is no 'face'.

Just because paper-based communication is currently used and *seems* to be the only option by which logistics can be dealt with, does not mean that other opportunities should not be considered and explored. De Bono (1992:69) says: 'The key point about improvement is to look at any procedure or method and suppose that there might be a better way of doing it.' This suggested the need to draw together the focus group, in search of innovative alternatives or improvements to the outreach problem.

Lateral thinking is concerned with changing concepts and perceptions. It is usually considered a creative process, but certain 'tools' can be applied systematically to thinking in order to 'open brain-doors' (Patterson, 2002: pers. comm.) and stimulate new ways of thinking about problems. Using de Bono's concept fan technique (Figure 7.1), the focus group centred on the communication problem. A fixed point is determined: in this case, we started with the concept of 'communicating long-distance'. Alternative ways of satisfying this fixed point are put forward by answering the question: what is the purpose here? The solution then becomes the next fixed point. By going from the idea (for

instance, two-way radio), to a concept (set-time call-ins); the set-time call-ins then becomes the fixed point. And so the process continues.

Figure 9.1 The Concept Fan



Source Adapted from De Bono (1995:130)

The focus group came up with a range of ideas relating to communication between an aid agency and a community, constrained by distance. These ideas were then discussed and analysed. They included:

- Two-way radio contact. This requires that villages already have a radio, and was discounted because most don't. Those that do are possibly already involved in other programmes of assistance.
- Another option building on this idea was email correspondence using two-way radio channels and solar power. This system is currently being trialed in West Africa (Marshall, 2002: www.Linux).
- Pre-recorded audio tapes and battery-run tape recorders could be sent to villages. This would allow for groups to listen, en-masse, to communications, and for village meetings

to be recorded and sent back to funders. Villagers could be supplied low-cost tape recorders and sent battery supplies with each correspondence. However, bush-material houses with their inevitable wildlife (spiders, ants, geckos) are not ideal settings for mechanical equipment. The 'cargo' element of tape recorders was also off-putting, as was tape misuse. Use of a tape recorder might also prove technically challenging for some communities.

- The idea of villagers being able to choose their own means of communicating with donors was appealing. However, this might not produce explicit enough answers to funder questions, affecting donor ability to make sound judgements.
- Photographs taken on instamatic cameras would have been one way for communities to communicate with funders about their situation without using words. The group realised how selective this tool could be, but acknowledged that all long distance communication is vulnerable to the masking and fudging of information. This is one reason, we deduced, why personal contact, with representatives spending time to get to know the community through such methodologies as PRA, is still by far the best option.
- There was consensus that all correspondence between organisations and recipients or potential recipients should be empowering. Indigenous knowledge should be supported in this transfer.
- The idea of a relationship based on the reciprocal exchange of information had merit. A type of pen-pal/correspondence partner association, delivering two-way written requests/support was considered to fulfill the participation and empowerment criteria. The low level of literacy was a concern and fear that the relationship might support powerful individuals who could read and write, and who would keep information to themselves rather than share it (this was a problem WWF found when distributing information at landowner meetings – the information would often not find its way to the broader community).

In summary, the focus group concluded that in the particular circumstances of an isolated community needing one-off assistance and having limited literacy, a simple, paper-based communication tool that could be distributed by mail might still be the most appropriate form of communication. Somehow this document needed to address the low literacy

while still 'empowering' (see 9.3.2, below). It was suggested that it might be possible to adapt some PRA techniques to a correspondence document. This could later lead to a more intense and supportive relationship between donor and applicant. Rather than attempting innovation of a medium itself, the challenge was therefore in improving the existing medium. This led to an investigation of how a range of communication mediums have been developed to incorporate the participation/ empowerment ethos.

9.2.2 Participatory communication

Use of the media as a stimulant for sociological change arose in the 1950s and 60s. Its role was considered important in 'modernising' traditional peoples towards Western desires and behaviour (School of Global Studies, 2001: 131.701). Toffler (1980:176) noted critics' concerns that the media was 'pumping out' standardized images in order to create 'mass minds'. He says: 'Today, instead of masses of people all receiving the same messages, smaller de-massified groups receive and send large amounts of their own imagery to one another.' Freire (1972) was one of the main promoters of the use of dialogue for community development. Dialogue promoted conscientisation, essential to the development of self-actuated, self-determining individuals (Jacobson and Servaes, 1999: 2). The philosophy behind participatory communication is an extension of what Freire promoted in his work with oppressed communities in Brazil in the 1970s, only through mass media, the boundaries of the dialogue have been considerably extended. In common with the philosophies of PRA, participatory communication allows people to share with one another their realities, needs, understandings and dreams (Dagron, 2001). This encourages 'social learning', which has the impact of inspiring, motivating and educating participants (Jacobson and Servaes, 1999).

Table 9.1 identifies some of the key differences between conventional development communication and participatory communication. This is followed by Table 9.2 which lists some of the characteristics, strengths and interesting uses of various mediums and their value as a tool for participation. What comes through from these presentations is the

Table 9.1 Conventional development communication versus participatory communication

Conventional	Participatory
Vertical	Horizontal
People as passive recipients	People as dynamic actors for social change
Campaign	Process
Top-down campaigns that mobilize, not empower	Community-led, participatory and democratic
Short term	Long-term
Focus on results for external evaluation	Focus on long-term appropriation by people
Individual	Collective
Targets individuals	Targets collective, majority interests
For	With
Externally devised communication	Designing messages with the community
Massive	Specific
Same techniques applied universally	Group-specific communication
Donor's musts	People's needs
Donor-driven to suit donor needs	Community-based dialogue defines needs
Access	Ownership
Access conditioned by social, political, religious	Community owned, equal opportunities for all
Persuasion	Consciousness
Persuasion for short-term behavioural changes	Consciousness-raising about social reality, local problem identification and solutions.

Source Adapted from Dagron, 2001: p34-35

clear 'voice' that emanates from the communities, to be heard by others who speak the same language of poverty, passion and commitment to change. This has interesting implications for a print medium soliciting specific information from a community.

What is also clear from Table 9.2 is that there is very little that qualifies as participatory communication in the medium of print. A book featuring 50 case studies on participatory communication projects included 20 examples using radio, 13 video, 7 theatre, 4 internet, 3 multimedia (with one using printed booklets to reinforce TV and radio), 2 radio and internet, and one telephone (Dagron, 2001). This suggests the need to remind the development world of the value of print, given its ability to allow information to be retained and referred to beyond the single exposure of many of the other medium. Print messages can also be 'absorbed' at the pace of the reader/viewer in their own home setting. This can be supported by my observations of villagers with very low levels of literacy, still spending hours deciphering, sentence by sentence, the Bible and old newspapers. Printed material was often placed on the walls of houses, allowing for increased exposure to the messages being conveyed. And while low literacy is often cited as a reason for print's non-use, pictures can communicate a great deal of information. This led Fuglesang (1982, in ActionAid, 2002:w) to ask:

What medium may enable the community to evaluate its own reality in a way that will precipitate new judgements or formulations about it? What medium will trigger in the community a dialogue about its reality that will possibly lead to actions to alter that reality? In my experience the issue of literacy and social transformation must start with the picture. The picture is the visual environment of the word.

Print is also relatively inexpensive and does not require the use of video cameras or other technology.

Using Tables 9.1 and 9.2 as guidelines, I now focus on producing a paper-based participatory communication tool to fulfill the goals of effective information gathering and empowerment, as specified in the aims of this thesis (Chapter One).

Table 9.2 Communication Media for development support

Medium	Characteristics	Strengths	Innovative uses
Radio	Small. Local stations play cultural music, dedications to enhance social networks, and health, skills and education-related programmes.	After initial investment, the project is cost effective to run. Serves illiterate areas well. Relevant to local culture. Good outreach. Can be used alongside internet.	A Sri Lankan radio stations receive listener requests for information, sources it on their behalf from the internet and broadcasts it in the local language. Politicising songs.
Video	Emphasis can be on: The process before the video product; The end result; The process after the video product is complete. Health/educational programmes travel with portable generator/player.	Increasingly compatible with internet transmission. Instant playback enables continuous participation and immediate feedback. Subjects/filmmakers can have equal power of visuals; images are trustworthy, motivational. Has intrigue value.	Giant screens attracting hundreds of viewers broadcast entertaining, educational programmes in Brazil. In Cuba, video letters are sent from children to children in other parts of the world.
Internet	E-mail links. Web-based debates. Web-based correspondence courses. Access, language (English dominates) and little relevance to 'Indian peasant'. This widens the 'knowledge gap' between North and South.	Ability to connect with markets. Creation of websites in local languages – could assist in building internal networks. Information access to global knowledge.	PC's connected to HF radio in Guinea (Marshall, 2002) or cellular phones in India. Email contact with volunteer advisors. Training courses over the internet.
Theatre, puppets, dance, music	Small drama groups spread health/education messages in ways locally adapted to situational contexts.	Accessible. Builds on what's there: people, culture, tradition and language. Impact can be evaluated immediately. Locally relevant. Cost effective. Live dialogue can be established. Learning using all senses.	The Lilac Tent in Bolivia combines a large, circus-like show with small-group activities and games inside the tent, while outside run videos, puppet shows, musicians etc.
Print	Posters and comic books use translatable pictures to tell stories. 'How-to' books.	Step-by step pictures and information can be slowly absorbed. Medium has a long life-cycle.	PAEM in Honduras circulate a booklet with stories of women's empowerment; motivation and prayer (Rowlands, 1997) Clear-file village pride books.
Direct mail	Brochures promoting schemes, health messages etc	Audience can be targeted. Cost effective.	Newsletters; pen friends.

Source: Collated and added to from Dagon, 2001.

9.2.3 Recommendations concerning the medium

The idea that grew out of the focus group and the literature reviews concerning participatory communication, was that a workbook should be developed in place of the 'form' style documents currently used by applicants when applying for funding. Importantly, as stated in the introduction to this chapter, the workbook template would need to emerge from ideas developed by representatives from poor, isolated communities with low literacy in Papua New Guinea. So, while I make observations here, these provide a starting point only for further discussion and research. I have named the workbook the Buk *SAVE* (*tok pisin* for 'knowledge book'), a name that also links it back to the framework, while still allowing the document to stand alone at a community level.

Features of the workbook could include:

- The use of words/symbols that appeal to people's reality and 'touch' commonality.
- The use of pictures and illustrations to stimulate discussion about issues of relevance to the people themselves. Plate 18 (Appendix J) was an attempt to commission just such a culturally appropriate 'picture'. It is entitled 'a village in trouble'. This title was simply given to the carver (via an intermediary who was asked not to elaborate), and the carver was asked to interpret it. His description of the scene is included in Appendix J. This type of illustration could constitute a Freirean-inspired 'codification', to be used as a politicizing influence to spark discussion and debate. It is important, in the absence of a moderating influence (a role generally adopted by the facilitator), not to provide too contentious a codification, as this might fragment a community rather than encourage cohesion. This is while recognizing that some fragmentation might be a typical community response to new ideas or activities, including the challenges being asked of it through the workbook.
- The incorporation of cultural symbols and illustrations throughout the workbook to stimulate unity and pride to 'lock in' to cultural energy (Kleymeyer, 1994). In the case of Papua New Guinea, it would be important to incorporate a broad mix

of symbols from different cultural groups, so as not to be seen to be favouring one group, and thereby alienating the respondents.

- Including exercises that are fun (Chambers, 1997).
- Providing 'road maps' that show by example and challenge communities to work and plan together.
- Drawing women into the process so they will be active participants by designing certain workbook exercises to be specifically carried out by them (i.e. by the women of a sub-clan).
- Sensitively handling power situations. Literate activators within communities are needed, but must not be allowed to dominate. Warns Lalley (2002: pers.comm.):

What will end up happening is that the person who reads and writes the best is appointed (often self-appointed) to do the correspondence. That person is *always* a male and usually, finding himself in such a position, will abuse it. The villagers become frustrated, accusations are thrown around – and now the amount of energy that should be put into the enterprise is put into the village dispute.

Some control might be exercised over the 'beasts' of envy, greed, ego and ambition (Barrett in Robinson, 1999:104) by dividing-up tasks and pre-assigning them to certain groups from the community to complete.

9.3 PARTICIPANT IDENTIFICATION

9.3.1 Participant structure

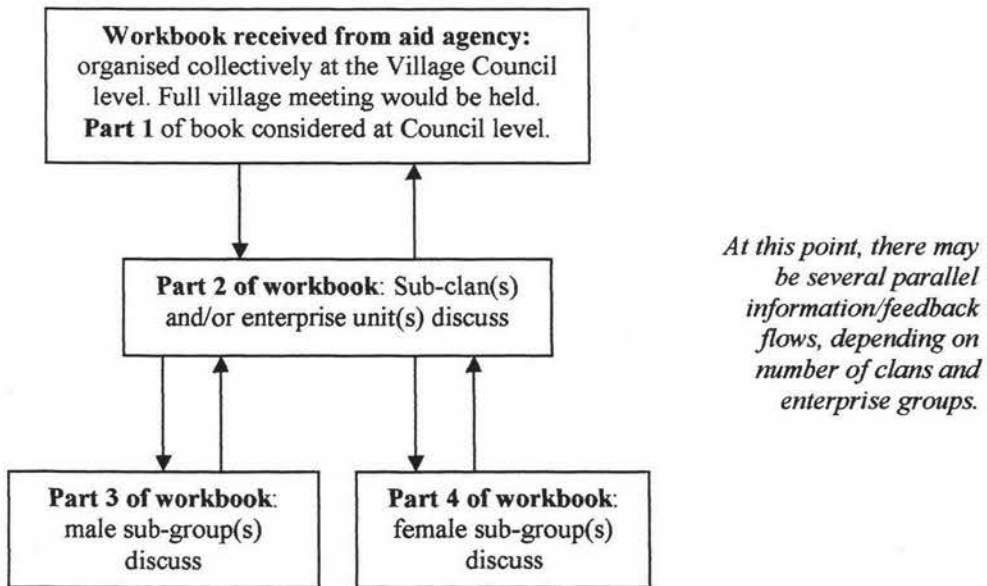
The structure that was suggested in Chapter Four (Figure 4.3) concerning who best to lend empowerment support to, and Chapter Five concerning finance for enterprise support (5.5), directs the structure of the workbook. To accommodate this, the workbook could be broken into four sections.

Part One of the workbook could be aimed at the organized collectivity (such as the village council, a church group or NGO). This is the overseeing body and they would be given exercises that must be completed with the involvement of the community. To

encourage this, some of the activities could include recording hand counts for particular questions, or breaking into four workgroups and registering the answers from each workgroup. At this level, a community plan would be developed, including contributions from the community.

Part Two of the workbook might be aimed at the enterprise units (the clans or sub-clans or other sub-group). The clans should also be encouraged to develop their own ‘clan plans’, including microenterprise activities and an identification of livelihood improvement needs. Parts Three and Four of the workbook would be channeled separately to women and men of the clan, thereby ensuring that the women’s voices, which might otherwise be stifled, are heard. Figure 9.2 demonstrates such an approach. Note that the village council level is the contact point for the aid agency, and distribution and feedback mechanisms would be decided by the villagers. Thus the actual flow of information may (would) be less linear, and would likely differ from that presented. However, the objective is to provide workbook (Buk *SAVE*) Parts that encourage the type of information flow presented. Full village council meetings are held prior to distributing the Buk *SAVE* Parts, and again once the villagers have had a chance to respond to the relevant Parts. One aim is to ensure the input of all is acknowledged. The responses are then fed back to the aid agency via the village council.

Figure 9.2 Participants involved in each of the four parts of the Buk *SAVE*. Arrows denote information flow and feedback mechanisms.



9.3.2 Participant constraints

Literacy is a considerable problem in Papua New Guinea. The country's 2000 census indicates that 54.3 per cent of the population aged ten and over are literate in at least one language (Guy, 2002). On a province-by province basis, the lowest literacy is 19.4 per cent for females in the Western Highlands Province, and 26.6 for males in the Southern Highlands Province (these figures are based on the 1990 census (EFA, 2000) – 2000 figures not available). The East Sepik Province does not fare as badly, with a literacy rate of 30.5 per cent for women, and 41.9 per cent for men (*ibid.*). The bias towards male literacy is echoed in every province.

The average number of years of schooling in Papua New Guinea stands at only 2.1 years (*ibid.*), suggesting that any tool requiring literacy would have to aim at between Grade 3 and Grade 4. This places them at an 'easy to advanced easy-reader' stage of reading (just the next step up from picture books). With this in mind, any form of written communication faces restrictions on word usage, line length and sentence structure (Horning, 1997:138). The challenge is achieving this while still putting across relatively sophisticated concepts. These impact most obviously on the use of instructions, explanatory statements, discussion-starters and the lay-out. The translation into *tok pisin* must also be borne in mind – a short sentence in English may be verbose in *tok pisin*.

Freirean techniques use pictures as prompts to generate discussion in a group situation. These pictures, or 'codifications' represent concrete, oppressive situations and are used to stimulate a 'grappling together' as the group reflects on their situation and seeks to understand it (Burstow, 1991). It is co-learning as opposed to teaching, and the ongoing learning process results in conscientisation (Freire, 1970; Burstow, 1991; ActionAid, 2002).

Traditionally, the codifications are established after a lengthy research process involving professionals and community representatives (just as I propose for the workbook). Burstow (1991:196) quotes three guidelines for codification construction:

- The situation must be familiar to all people in the group.
- The meanings must not be too explicit or too vague.
- The codifications must open up into multiple themes.

It is vital that the situation, whether presented as a story or pictures, is familiar to the group being worked with but the intended meanings should not be so explicit as to encumber dialogue. Facilitators lead groups through this dialogue, helping them to slowly feed back to the group their understandings of the codification. The codification allows people to step back from their own experiences, exposing them for examination and reflection through dialogue (decodification). This results in the politicization of the group (*ibid.*; ActionAid, 2002).

This approach has been adapted for use as an adult literacy teaching tool. 'Reflect' (Regenerated Freirean Literacy through Empowering Community Techniques) uses codifications created by the literacy group (or 'circle') themselves by drawing on the ground using whatever materials are available. Words are introduced to these graphics, thereby introducing reading and writing, while discussion stimulates social change (Archer, 1998; ActionAid, 2002). By the end of the Reflect programme villagers have produced a portfolio of around 30 maps, matrices, diagrams or calendars relevant to their community. This provides the grounding from which they can do their own analysis and planning (ActionAid, 2002). Similarly, PRA also relies on visual 'tools' to prompt thinking and allow paper-based communication by those with low literacy.

Thus, the Buk *SAVE* will rely heavily on visual prompts to stimulate discussion and direct activity. I suggest three components on each page, dependent on need and space (see Appendix I). These include:

- A statement, story and/or picture to stimulate community discussion;
- An instruction for the community, or identified members of the community (i.e. women or men) to act upon;

- An example of a completed exercise to demonstrate what another community had done.

This last point is important because not only does it clarify instructions, but it allows for the reality and voices of others to be heard, thereby helping to make the document less of a top-down directive, and one more aligned with producing a portfolio of shared experiences, encouraging the community to add their input.

This approach may also help overcome the problem of cognition, which impacts on the way information is given and received. In looking at record systems in developing countries, Hawthorne (2002) observed two distinct communication dichotomies characterized by the different worldviews of 'Northern' and 'Southern' peoples. Hawthorne claims that people from the North approach communication from a reductionist position. This means that, when asked a question about something, they are likely to cull-out and supply only the information directly relevant to that particular event or subject. Their focus is on 'the part'. Papua New Guineans, on the other hand, have a holistic perception presenting, instead, 'the whole'. All information is passed on in the information transfer, in the understanding that some of the information will be discarded later. Notes Hawthorne (*ibid.*): 'Under the reductionist viewpoint, cognizance of information takes place in terms of its techno-economic utility. Under the communal approach, cognizance of information takes place in terms of its position in a universal spatial-temporal domain.' This makes a difference to what is considered significant in any information transfer. Importantly, Hawthorne stresses that people can't change to fit systems. It is the systems that must change. The use of codifications to help participants establish a context to the questions or exercises will aid in this regard, as will the provision of examples.

9.3.3 Recommendations concerning participants

The Buk *SAVE* structure needs to be simple. This is a challenge given the seemingly complicated nature of the participant structure, and the inability to use complicated words and concepts. Clear segments, the use of colour coding, and the inclusion of examples as

supplied by other communities are likely to provide the key to the workbook's easy use. To supplement recommendations made above, Horning (1997: 142-148) supplies the following characteristics for use in early-reader books:

- Simplistic vocabulary without too many surprising descriptors or multisyllabic words.
- Relatively short sentences (eight-or-so words), presented in a direct and uncluttered way. This includes alternating long sentences with short sentences. Sentences should avoid using dependent clauses.
- Brief episodes that stand out to the reader.
- Content compelling enough to hold interest but not so complicated that it is hard to follow.

9.4 THE BUK *SAVE*: A DOUBLE AGENDA

9.4.1 Assessment agenda

The primary agenda of the funding agency is to gather sound information from a community, so that it can reasonably assess the viability of a microenterprise, the perceptions of the participants, and by which it can feel confident that no unacceptable harm is going to come as a result of an activity they might endorse. They also need to be sure the project will have an empowering effect on the community: socially, psychologically and economically.

As well, it must be remembered that the Buk *SAVE* is to supplement, not supplant the basic questions already asked by funders in their application forms. The *who, what, when, where, how, why* questions are still necessary, and there is no way around this. The agency's role is to decide where their emphasis lies. It needs to name the deliberative pointers that it feels are relevant under each of the issues on the *SAVE* Framework, and design its own PRA-by-correspondence techniques to solicit the information needed for better 'deliberative' appraisal of projects.

However, the need to assess a project's viability suggests the inclusion of the questions derived from the Viability Analysis in Chapter Seven, alongside a rudimentary financial assessment. Questions that might provide technological, societal and symbolic insights relevant to the culture and perceptions are more likely to develop from some of the more participatory exercises that are included in the workbook, such as the question relating to the environment and sustainable development, suggested in 9.5, below.

Determining what it is that the agency requires from the Buk *SAVE* as an application form is the first step in taking the ideas presented in this thesis further. One thing is certain: the use of the *SAVE* framework to direct the content of the application form (which has now developed into a dual-purpose workbook), will ensure a more thorough approach than is currently applied, as established in the application form review (Chapter Eight).

9.4.2 Empowerment agenda

The aim of the workbook in its empowerment function is guided self-mobilisation (as defined using Pretty *et al.*'s participatory framework, Table 4.2). Empowerment will be encouraged by way of the 'personality' of the exercises included in the workbook and the degree of participation that is required for their completion. The workbook fulfills a guidebook function because it provides direction to those completing it, while still allowing wide scope for them to share, analyse, plan and act (Chambers, 2002:2). This means that it might be a good idea to provide two books – one to be retained by the community and the other to be sent to funding agencies. This would also ensure the process is not extractive but that the community will, indeed, be able to follow the plans they have set. It may also guide them in setting future plans as they find the need for self-analysis.

The difficulty of the workbook and its use long-distance is that, while the exercises can provide directives to ensure wide participation, there is always the opportunity for the powerful to take control of the process. A degree of selectivity within the community will inevitably take place when determining who participates in the exercises. As well, some

people (and most likely the least powerful) will approach the exercises with caution and may be fearful to respond honestly. It is also impossible to protect against deception. While these are issues aid agency representatives have to deal with even when they are working directly with communities, they may be aggravated when there is no physical presence to account to. Signatures from politicians, church ministers or the village magistrate may put in place a safety check, but there is still no guarantee of their honesty. It is, simply, the nature of written correspondence that there is no 'observation', which Chambers lists as one of the main checks of rigour (Chambers, 1997: 159). This has to be understood and accepted, as it presumably is by some small grant funders already (including the Head of Mission funders). At some point trust, the key indicator of social capital, has to be applied.

9.4.2 Practicalities of the Buk *SAVE*

An explanation of the possible practical dimensions of the Buk *SAVE* might aid comprehension of what I am envisaging. The document I propose needs to be capable of being dispatched by standard mail. This means it should be no larger than A4 size. The intention is that it will also be used in a village setting, in situations with dirt floors and poor lighting. This should be built into its design in terms of the paper quality and layout.

The workbook might be 4-colour, but the graphics should use colour to direct and guide rather than create a document that overwhelms. Pages could be perforated, so work sheets can be torn out for distribution and later re-collated for sending to the funder. Paper must be no less than 130gsm so that pages are sturdy enough to be worked on separately from the book, with allowance for a 16-side (8-leaf) or 24-side (12-leaf) document. Binding could be a slide-grip, flat enough to send through the post. It should be enclosed in a plastic sheath, to protect it from the harsh conditions it is likely to have to endure on its way to a post box.

9.5 ADDITIONAL BUK *SAVE* RECOMMENDATIONS

The following comprise my list of preliminary ideas for the Buk *SAVE*, presented only to stimulate discussion as to potential content for a workbook. These are supplemented with

two rough sketches of ideas, which might provide a starting point for the 'content designers' (Appendix I).

- **Touching reality.** Sayings, parables and true-life stories are the means by which real life can be accessed on paper. These should provide the starting point for storying. Examples: a story is included about a community who had a great project but jealousy sabotaged the project's success. The community is asked: 'What would you do to solve the problem?' and is given a number of options. The number of people who side with each option might be recorded. This would lead on to another question that challenges social issues, as a sort of cross-reference. Personal stories that move, anger, humour and prompt insight and accord would be useful inclusions.
- **Culture.** Cultural signals should be incorporated into the book demonstrating a wide tribal mix. Examples: Keram River storyboards (Plate 18, Appendix J), Highland *bilums* (bags), Sepik carvings, sago thatch, etc could communicate that culture is important and respected, and bring the document closer to the people. This is not so much of an assessment issue as a design or a 'feel good' point, but still an important inclusion.
- **Road Maps.** One of the exercises might include drawing a village plan in a similar way to the chart I developed with my carving friend, discussed in 4.5.4 and illustrated in Appendix E. To understand how this might be translated in the workbook, see the tree in Appendix I. Assessors will be able to see how the project fits within a broader village plan. Clans could develop similar plans.
- **Fun.** Group exercises, encouraging a sense of 'doing things together', should make the process enjoyable. The exercises must not be the kind suggesting 'right' and 'wrong' outcomes. Their intent is to generate discussion. Example: rip-out, lick-and-stick priority sorting cards. This would allow assessors to see where villager needs sit.
- **Storying.** It is hoped that storying might grow out of every exercise. The importance of participation is that the community converses with one another. It should be irrelevant whether or not this is observed by an outside facilitator. The

agency needs to know that collective discussion has been generated, and gain an indication of the quality of that discussion. One area where it would be good to encourage storying is in relation to the environment. Rather than asking a question such as: 'How will this project impact on the environment,' provide the quote: 'The earth is not ours to keep; it has been loaned to us by our grandchildren', then ask: 'how will the forest, earth, water and food your grandchildren have be different to the forest, earth, water and food you have now, if this project goes ahead?'

- **Codifications.** Freire's codification techniques should be used as suggested already, prompting villagers to identify concepts relating to issues such as marketing and distribution. For instance, a photographic montage might feature a woman coming back from market. Her produce has spoiled. Villagers might be asked to discuss why the produce went bad. The photographs will feature a number of reasons, and the community will identify these reasons. Their ability to determine these reasons might alert assessors as to where the community might need extra help.
- **Women's involvement.** Some pages must be designed specifically for women to fill out. The benefit of the tear-out pages is that women can take these away and work on them in their own meeting space. Percentage-wise, women have lower literacy than men, and therefore their exercises should rely more on pictograms. However, these pages should not be the only ones women are involved with and attempts need to be made at the clan and village level of the workbook, where women and men must come together to discuss requirements.
- **Power:** Activators are important. These activators may represent those with power in a community, or they may be those simply with literacy skills (my experience was that males in their early twenties were likely to be called upon to read and write in the villages). The community needs to appoint these literacy supporters (which would be included as the first instruction in the Buk), and their role should be clearly identified in the Buk *SAVE* so that everyone involved knows the degree of their input in the document.

9.6 SUMMARY

The Buk *SAVE* straddles the questionnaire/participatory communication divide. It proposes how to transform the application forms currently used by small grant funders into documents of empowerment. For the assessor, it is an aid to praxis, allowing them to supplement their formal learning with the applicant's (as well as their own) common knowledge and perceptions. It provides a more holistic picture of a community; and it can empower that community in the process by acting as both catalyst and guide. Empowerment is a process that needs to be allowed to occur for the benefits of aid to operate long-term. The Buk *SAVE* is likely to increase the chance of this happening, while recognising that it is but a drop-in-the-bucket of what ought to occur.

Completion of the workbook creates a condition whereby successfully securing project finance is only one outcome. While initially the community will still focus on this, the process may open up other opportunities – including identifying alternative funding sources. Inevitably, a donor organisation using this method should establish a relationship with the community being funded. In this sense, and in the sense that one-off aid grants do *not* work very well (Kleymeyer, 1994; Entrena 1981, and as WWF concluded), the use of this tool in a one-off situation is transitory. While the tool should improve remote relationships (and this is why it was designed), its very use reinforces the preference for face-to-face contact. However, although the Buk *SAVE* should be designed for use by loner communities, the concept could also be used by aid agency representatives and in partnership with civil society organisations. Other ideas that might grow out of the Buk *SAVE* have been listed in Appendix K.

In practice, aid agencies will continue to request and process one-off applications – in which case, the Buk *SAVE* will improve the likelihood of getting quality information to aid good decision-making. But it has the double advantage of empowering and encouraging participation of the applicants, and this is good practice, for any purpose.

CHAPTER TEN

CONCLUSION

The line of enquiry for this thesis was initiated by observations made in Papua New Guinea, including:

- The absence of government and civil society aid channels, and therefore aid assistance, from some of the poorest and most isolated communities.
- The desire in these communities to start small, income-earning ventures to improve the community situation, and their personal livelihoods.
- The difficulties met in finding finance to initiate microenterprise development.
- The problems encountered in applying for grants.

These observations were supported and enlightened by literature-based research in Chapter Three. Restrictions faced by isolated loner communities, and encountered by aid agencies extending reach to them, are summarised in Figure 10. This indicates why aid agencies, with their pressing demands from other sources, can qualify exclusion of the remote poor, perpetuating an inequity caused by isolation.

Figure 10 Restrictions of the isolated poor and restrictions of aid agencies

<u>Isolated poor</u>	<u>Aid agencies</u>
<ul style="list-style-type: none">• Isolation from services• Inability to save• Inability to source loans/grants• Political rationality• Pressing needs (schooling, health etc)• Needing new 'road maps' to navigate capitalism• Widening urban-rural divide• Low literacy• Perceptual differences concerning aid/loans	<ul style="list-style-type: none">• Competing demands for limited funds• Protection favoured over promotion• Technical and ethical rationalities• Agriculture favoured over non-agricultural• Commitment to concepts of equity, participation• Institutional pressures: accountability, monitoring• Outcome-based• Image cautious

Literature reviews in Chapters Four and Five determined empowerment and finance as the 'pillars' on which enterprise development rests.

- Empowerment, to strengthen the 'power from within'.
- Finance, as a means by which enterprises are seeded.

The isolated, rural poor are unfavourably placed to receive either of these incentives.

Balancing these pillars are the concepts of sustainable development, viability and appropriateness (Chapters Six and Seven). Investigation into best practice in each of these areas resulted in the following conclusions.

- Sustainable development necessitates clarification from all stakeholders as to their interpretation of 'sustainable', and of 'development'.
- Viability must be ascertained in order to minimize risk, on the part of both the donor and enterprise group initiating the microenterprise. This includes establishing the practical feasibility of an initiative by applying the viability matrix and a financial assessment. The workability of the enterprise unit must also be considered, and for this reason this thesis places emphasis on the clan.
- Appropriateness needs to establish the symbolic, social and technological 'rightness' of an activity before it is pursued.

These best practice understandings were brought together with finance and empowerment in an effort to topple the isolation bias, recommending that small grants (in the absence of anything better) be awarded to appropriate enterprise units through the organized collectivity of 'the village'.

A means of assessing grant applicants was then devised, combining best practice sustainability, appropriateness, viability and empowerment understandings with three tiers of knowledge: formal, common and perceptive (Chapter Eight). The *SAVE* framework that resulted allows for:

- better donor knowledge about the enterprises, enterprise units and the community proposing the activity/activities.
- better knowledge and support within and between enterprise and/or family units and the village collectivity concerning goals, priorities and action plans.
- praxis, to be introduced to the assessment process.

A mechanism was then required that would elicit and relay back to small grant funders the information required to feed the *SAVE* framework, through which assessment would be made. A requirement was that the mechanism could be used by loner communities with low literacy, disadvantaged through isolation. Instructed by participatory communication literature, I conceived of the *Buk SAVE* – a workbook-style application form full of exercises encouraging communities, and clan groups, to analyse, plan and act (Chapter Nine). I call this guided-self mobilisation.

Backgrounding the thesis is its position in a global initiative. That is, attainment of the Millennium Development Goals. It is based on the idea of extending outreach in a small but powerful way. As the Chinese proverb says: ‘Enough shovels of earth – a mountain. Enough pails of water – a river.’ The time to get busy with shovels and pails is, indeed, now. But the tools must be taken up at every level – from the old woman in the Sepik, to the local NGO; from bilateral funders to the head of the World Bank.

RECOMMENDATIONS

The following recommendations come out of this thesis.

- That an aid agency develop the concept of a Buk *SAVE* as a print-based participatory communication tool, in place of application 'forms', for use by those with limited literacy. This should be created in conjunction with Papua New Guinean 'content designers' who, themselves, have experienced the restrictions of low literacy, isolation and disempowerment. Exercises should be tested and refined by extensively trialing the workbooks in loner communities.
- That the *SAVE* framework be adopted as a useful tool for development practitioners, not just for use in assessing applications for grants / microfinance for microenterprise set-up, but to be called upon whenever praxis is required. The *SAVE* headers could be changed to suit the context, with the three knowledge tiers remaining fixed.
- That the village collectivity, overseeing clan-based enterprise units, be investigated as a structure for community development in Papua New Guinea. This would place the household at the centre of development efforts, within a broader community development project. This may improve the chance of a project's success and survival.
- That the search for innovations should continue into developing more effective channels for the delivery of aid money at the grassroots level. In Papua New Guinea, such a model should consider opposing rationalities and the socio-cultural motivations of 'root crop' peoples.
- That inequities caused by isolation become considerations that are deliberately and thoughtfully addressed in all aid agency programmes.

APPENDICES

Agency/fund	Comment	Key questions	Key issues	Standout questions	General impression
<p>The Community Development Scheme (CDS) (An AusAID financed scheme)</p> <p><i>Documents consulted:</i> PNG Handbook for Core Groups and Fieldworkers, November 2002: Expression of Interest, and Project Plans (sent by email)</p>	<p>NGOs/CSOs unite to form a Core Group. Expressions of Interest are vetted by Core Groups; those approved work with a fieldworker (Core Group approved and CDS commissioned personnel) to work with the applicants to complete a Project Plan. Project Plan is assessed by CDS Board comprising local public/private CSO and govt. representatives</p>	<p><i>Expression of interest:</i> Who, where, history of group, composition of group, reason applying?</p> <p><i>Project Plan</i> What are main problems project will address?</p> <p>What benefits? To whom?</p> <p>What risks? How to manage?</p> <p>What outputs? What indicators?</p>	<p>Output and activity table (simplified logframe)</p> <p>Resource and budget</p>		<p>63pp handbook. Demonstrated good understanding of local problems, situation – felt as if put together by someone who understood the culture. Form presentation not really relevant (community works through fieldworker).</p>
<p>South Pacific Project Facility (Managed by the International Finance Coporation)</p> <p>Proposal Guidelines; Information booklet</p> <p>(obtained in PNG)</p>	<p>SPPF is a business support facility, not a grant scheme. Helps small and medium private sector enterprises to raise finance through banks and financial institutions.</p>	<p>Project description and rationale. Who is involved: experience? Occupations? Expected contributions?</p> <p>Market description: size and how derived; competitor analysis and competitive advantage?</p>	<p>Costs and financial prospects</p>		<p>High level of ability required to fulfill proposal. Example supplied (good idea) and copies supplied in pidgin.</p>
<p>Global Environmental Facility Small Grants Programme(GEF/SGP) (UNDP)</p> <p>Project Proposal (sent by post and email)</p>	<p>Supports small scale activities that address biodiversity conservation, climate change, prevention of global warming and protection of international waters.</p>	<p>Description of project by goal, objectives, outputs, inputs. Community participation including women's involvement. Nature of activity. Who will benefit? How carried out? Context of activity – what else is</p>		<p>What other support is needed from GEF?</p> <p>Why is the activity needed and warranted?</p>	<p>Intensive document. Should present good understanding and challenges applicants to work through issues as submitting. Daunting for first-timers.</p>

		going on? Anticipated project results? Capacity to report; how will evaluation happen? How does your project fit our criteria?		Does the activity relate to local culture and practices? How?	
NZAID Small Project Scheme Application Form (sent by email)	Facilitator works with community to develop application. Highly participatory. Project must contribute to social and economic well-being of most disadvantaged.	Project description, dates, costs, target group. Management: formal details; audited accounts required. History of group: aims/objectives; detailed listing past projects and achievements. Project details: objectives, who is involved, time, reporting arrangements. Outcomes: what are proposed outcomes. Monitoring and evaluation: how and by whom? How evaluated?		Who, if anyone, is working in the same field locally? How do you intend to work in with them? How will outcomes be measured/achievements evaluated?	This document has to be read with the knowledge that someone will be working with the group when it is used (e.g. uses difficult language in relation to applicants). Heavy emphasis on measurement, reporting systems.
German Development Service (DED) Community Training Program Question Guide (sent by email)	Focus is on community training and awareness.	Tell us about the group. Tell us about the work you've done so far. Tell us about what you plan to do now.		The application has to be signed by at least three group members, including at least one woman.	No-nonsense approach, simple language. Appeared to recognise constraints and tried to simplify as much as possible.
AusAID Small Activities Scheme (SAS) Project Section Criteria ; Application Form (obtained in PNG)	Supports communities' helping themselves'. Emphasises health, literacy, water and youth and women.	General group info: who, why, when. Info on proposal: aims/objectives; beneficiaries including how women will benefit.	20 per cent cash or kind contribution required.	Where will the project actually take place. What is the name of the nearest town? How do you get there from your provincial capital?	Emphasis on 'who' excellent – prompts group to give proper thought to this, and 'naming' people makes people more responsible. Heavy systems

		How will the activity contribute to national, provincial, district and local plans and programmes?		What exactly do you need from AusAID for this activity to take place. Who will manage the activity? Write reports? Look after \$? Prepare budgets? Implement the activity? After project's completion, who will do it?	emphasis in document, however.
Australian High Commission Head of Mission Direct Aid Program (HOMDAP) Guidelines for funding ; Application form (obtained in PNG)	Project must be developmental and of a self-help nature, preferably supporting disadvantaged groups including people in less developed areas and women.	Information about community group – listing of names/positions. Project description: purpose; plan; time frame; who's involved? Does the provincial government know about the project? Can they tell us about the group? Has the technical and economic feasibility been assessed?		Are the landowners aware of the project and happy with it going ahead?	Exam paper format/feel. Boxes supplied suggest all that is required is three or four lines on each topic.
New Zealand High Commission Head of Mission Fund (NZ HOMF) Application Form (sent by email)	Poverty alleviation focus. Prefer supporting projects enhancing gender equality, disadvantaged which may include people with disabilities, ethnic minorities, young people	Information about applicant organization. Information about project: description; location; new or existing; describe.	Budget summary. Implementation plan.	Provincial government endorsement or DAL/ agriculture (for ag. Project) or education dept. for school project etc.	Heavy emphasis on endorsement from authorities. Good attempt to establish distribution of benefits.

	and communities in remote areas who have not otherwise received assistance. Will not support 'for profit' ventures under the control of an individual.	Project resources and financing: land ownership; resource and tools; labour and payment. If income generation – who will buy products and how much? Who will receive income and what will it be used for?		List of names for project participants. Number of men, women, boys, girls in project. How many total will participate in project? How many men, women, boys, girls in community? Who will benefit and how? How many women will benefit? Provide reference letters from the buyers of your product, or describe the market arrangement of product.	Same format to HOMDAP. Exam paper feel. 3-5 lines allowed for answer.
Government of Japan Grant Assistance for Grassroots Projects (GGP) Application Form (sent by post)	Must be an organization/NGO/LLG carrying out self-help projects to promote economic and social development. Will not support profit-making activities. Will support sewing machines, grinding mills etc through vocational training for poverty relief category.	Applicant details broken into type of project being applied for. Project details: title; location; site ownership; objectives; description; expected effects; expected population to benefit; cost of entire project and what is required from Japanese government.	Equipment, materials and cost breakdowns.		Another of the 3-4 lines per question forms (although 18 lines allowed for project description).

<p>Canada Fund</p> <p>Application Summary Page; Information Required (sent by email)</p>	<p>Support projects which aim to alleviate poverty through improving access to health, family-planning, nutrition, education, employment and decision-making. Priority is to help communities help themselves, have a substantial local contribution and increase participation of women, are environmentally sound and enhance good governance. Also supports institutional capacity building.</p>	<p>Background information on organization: purpose, and why? No. people in group and no. affected by project.</p> <p>Description of the project area: village, facilities, churches, stores, schools etc</p> <p>Description of economic and community life: how many earn cash incomes: Where and how do they do this?</p> <p>Project: what, why, what will happen if nothing is done, what knowledge and understanding will be needed, what skills?</p> <p>What aims, objectives outputs, outcomes, expected results?</p> <p>Implementation and monitoring etc</p> <p>Who controls funds and what are their qualifications for doing so?</p> <p>What other groups are in area? How will project be monitored? What risks are there to implementing project?</p> <p>Women's involvement – what %; what role?</p> <p>Impact on environment – positive and negative; improved or worsened.</p>	<p>Full budget including costs of capital expenditures and recurrent expenditures.</p> <p>Outline the project implementation problems/risks and what you will need to do to overcome them.</p>	<p>What do you expect to happen as a result of project?</p> <p>Why did your group decide to address this problem? Are there possible undesirable consequences? If so, what are they and how can they be avoided?</p> <p>Summarise the project benefits. Include economic, social and other benefits. List in order of importance.</p> <p>What will happen if nothing is done?</p> <p>What knowledge and understanding will need to be gained before you can begin the project?</p> <p>How many in your community earn cash incomes? Where and how do they earn this?</p>	<p>Questions were kept to a single piece of A4 paper, making it clear they could be written and expanded upon to any length. Very clear, well worded (not too many difficult words). Questions were also relatively simple (some could have been simplified further).</p>
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APPENDIX B
PAPUA NEW GUINEA FUNDING AGENCY MATRIX

Funding Agency Matrix

	Government				Donor Schemes							
	Project Formulation Document	ORD Social & Rural Development	Tax Credit Scheme	PNG CDS	AusAID SAS	NZ SP	Canada Fund	DED Micro Fund	Incentive Fund	UNDP GEF	HOMDAP	Japan GGP
Funding level												
less than K15,000				✓		✓	✓	✓		✓	✓	✓
less than K50,000				✓	✓		✓			✓		✓
K50,000 - K300,000		✓		✓			✓					✓
over K300,000	✓	✓										
over K1 million									✓			
Eligible Groups												
Community groups				✓	✓	✓	✓	✓	✓		✓	✓
NGO				✓	✓	✓	✓		✓	✓		✓
CBOs in association with Government		✓							✓			✓
Government Agencies	✓	✓			✓				✓			✓
Private Companies			✓						✓			
Type of Project												
INFRASTRUCTURE												
Government infrastructure	✓	✓	✓	✓	✓				✓			✓
Transportation Infrastructure	✓	✓	✓						✓			✓
Resource Development Infrastructure			✓	✓					✓			
Utilities - water & power	✓	✓	✓	✓	✓	✓			✓			✓
Furniture/equipment			✓	✓	✓							✓
SOCIAL or COMMUNITY												
Income Generation	✓			✓		✓	✓		✓			
Community Development	✓			✓	✓		✓		✓		✓	
Capacity Building	✓			✓			✓	✓	✓	✓		
Environment	✓			✓	✓				✓	✓		✓
Integrated programs	✓			✓			✓		✓			

Source: Papua New Guinea Department of Planning and Monitoring
Information Kit: Accessing Project Funding, 2001

APPENDIX C

APPLICATION FORM REVIEW: CONTENT GRID

Issues addressed	GGP	HOMDAP	NZHOMF	CANADA FUND
TYPE A - PRACTICALITIES				
Group history	✓		✓	✓
Purpose of establishment	✓		✓	✓
Constitution	✓	Registration details	Registration number	
Group membership	✓	✓ List executive positions	✓	✓
Role Definitions		✓	✓	✓
Accountable persons			✓	✓
Location	Draw map	Draw map	How do you travel to your location? Map.	✓
Village profile				✓
History with funders			✓	
Budgets	✓ plus quotes	Quotation only	✓ plus quotes	✓
Objectives/goals	✓		✓	✓
Activities/inputs	✓		✓	✓
Purpose	✓	✓		✓
Project description	✓	✓	✓	✓
Expected outcome / effect	✓		Why does this deserve funding?	✓
Activity timetable	Project duration only	✓	✓ show key tasks	✓
Accountable persons			✓	✓
Budgets	✓ Submit three quotes from different suppliers	Submit quotations Has economic feasibility been assessed?	✓	✓
Involvement of other funders	✓	✓	✓	✓
Contribution – cash or kind		✓		✓
Monitoring/evaluation				✓
Recurrent costs		✓	✓	✓
TYPE B KEY ISSUES				
Women's involvement			✓	✓
Community involvement	How many from group/community involved?		How many in community and who will benefit?	

Environmental implications				✓
Skills/capacity			Project manager – acquittal required	What skills will be needed? How will you get these skills?
Benefit distribution	✓ Estimated population to benefit		Only in relation to income generating projects	✓
Cash availability				Who earns \$ in community and how?
Expectations			Exactly what do you want from NZAID? Why do you think this project is realistic?	
Risks and risk management			What are the major problems that might affect the project?	Are there possible undesirable consequences? Outline project implementation problem/risks and how you will overcome them.
Technology	Design specs – buildings	Has technical feasibility been assessed?	What tools/equip do you need – how do you propose to get them? Submit simple design, if for building.	
Land ownership	Explain relationship with landowners	✓ Are landowners happy with project?	✓ Do you have land? Is it disputed?	
Government support		✓ supply letter	✓ supply letter What assistance can Provincial Govt.	

APPENDIX D

FOCUS GROUP SYNOPSIS

FOCUS GROUP PARTICIPANTS **Prue Smith** Visual concepts specialist; children's book editor; language teacher; grassroots assistance to squatter settlements in South Africa including small grant application experience. **Michael Riach** Education and curriculum advisor; experience heading community-based organizations working with poverty alleviation in developing countries, NGO advisory work, experience in Papua New Guinea and Cambodia; teacher and headmaster. **Grant Power** Community Employment Group (CEG) advisor, working with community based organizations in grant application process. The CEG grant process is acknowledged for its particular model of 'participation'. **Stephen Knight** Environmental scientist and lecturer, Planning Department, Auckland University; policy advisor, integrated conservation and development, Papua New Guinea. **Lynne Patterson** Direct experience with isolated Papua New Guinean villages, collecting information for People and Plants project (WWF); community development manager; motivational trainer, expressive arts and language teacher. **Andy Thomson** Strategic advisor, community planning and policy, working with African communities at the local government level.

- Meeting details:** 9.30-11am, home address, Auckland. 20 October, 2003
- Proceedure:** Sit people on floor to improve dynamics for sharing.
Provide coffee/tea/juice/muffins.
Explain reason for session: why are they here?
Explain process: brainstorming rules (no 'put downs'); format for session, concept fan (use butcher's paper to draw fan).
Tape record / take notes.

EXERCISES

1. Warm up exercise – 10 mins

Group size / props: Two groups of three. Crunchy bar.

Purpose: Warm-up group. Break down barriers. Put them in an empathetic frame of mind – what is it like for isolated people who cannot read or write.

Exercise: You have to convince me that a) you want this bar, and b) that you're worthy of it, without using the written word or talking to me, and no visual contact. You have a pen and paper. At end: get them to present. How did they feel? Explain purpose of above.

Analysis: Good warm-up. Taken very seriously, and competition between groups interesting. Lots of laughter at presentation. Good ice-breaker. (See over for pictogram example).

APPENDIX D
FOCUS GROUP SYNOPSIS cont...

The pictogram supplied by Group 1.



2. Concept Fan – 15 mins

Group size / props: Two groups of three. Butchers paper/felt pens at front of group.

Explanation: Even when something appears to be working reasonably well, we get locked into using it and do not try to think of alternatives. Need to move from ideas through positive exploration (no stopping to judge if something's right or wrong – we'll go back to that later).

Exercise: Group leader draws on butchers paper in 'concept fan' style as ideas are put forward. Concept to start with: communicating from a distance.

Analysis: It would have been better if people were familiar with the concept fan in advance. Probably better after another couple of exercises, after brains had really 'warmed up'.

APPENDIX D
FOCUS GROUP SYNOPSIS cont...

3. Why, why, why again – 10 mins

Group / props: Two groups of three. Envelope enclosing ‘statements’. Tape recorders recording sessions.

Purpose: Idea is to get ‘behind’ assessor logic.

Exercise: Start with three statements in an envelope which are reasons an assessor might give for supporting/not supporting a project proposed in an application form. Pull out one statement at a time. The idea is to answer ‘why?’ to the statement on the paper; once the first person has answered ‘why?’, then the next person answers ‘why?’ to the statement just made by the previous participant. This round of ‘why?’ questions continues until the answers appear exhausted, at which point a new statement is introduced. The participants consider a scenario from a negative stance initially, and once the ‘why?’ issues have been exhausted, they then consider the statement from a positive stance (see statements, below). The idea is to move quickly from one person to the next, and say the first reason that comes into your head.

Statements:

STATEMENT 1: **Negative:** We supported a project like this before and it didn’t work, so I say ‘no’ to this project. *Why?* **Positive:** Even though we supported a project like this before and it didn’t work, I think we should say ‘yes’ to this one. *Why?*

STATEMENT 2: **Negative:** We don’t know these people from Adam. I say they’re too great a risk. *Why?* **Positive:** We don’t know these people from Adam, but I say we take the risk. *Why?*

STATEMENT 3 **Negative:** This application doesn’t involve women and so I don’t think we should support it. *Why?* **Positive:** This project doesn’t support women, but I think we should support it anyway. *Why?*

Analysis: The exercise wasn’t particularly enjoyed by participants... they felt constantly put on the spot. What it did reveal was that, at the end of the day, assessors are merely people doing a job, and self-protection (not wanting to take risks because it might cost them their job) plays no small part in decision-making.

APPENDIX D
FOCUS GROUP SYNOPSIS cont...

4. Indicators – 15 mins

Group / props: Two groups of three. Paper headed as follows:

Information required	Indicator	Means of acquiring
Community consultation		
Community cohesion		
Ability to anticipate and respond to problems		

Purpose: How might an assessor be able to gauge the degree of community consultation, community cohesion and the community's ability to anticipate and respond to problems, when they cannot establish this first-hand (i.e. determine indicators)? What questions or techniques might be included in a participatory communication tool to elicit this information (determine means of acquisition)?

Exercise: To discuss and make recommendations concerning the above.

Analysis: Lists (participants, stakeholders etc), maps and triangulation through third party sources dominated the responses to this exercise.

5. General discussion – 20 minutes

Upon the completion of these exercises, 20 minutes was left for general discussion. This was, in fact, the most enlightening part of the session. Many ideas emerged at this stage (most of which are included in section 9.2.1). The group were sufficiently inspired and at ease by this stage to put forward 'wild card' ideas.

CONCLUSION

Ideas feed off each other, and the benefit of the group situation is that the contribution of ideas is increased and enhanced. It would have helped had I tested the exercises and my instructions, prior to the focus group. Presentation – or facilitation – is important and I felt as though I floundered in my delivery of instructions. This probably wasn't helped by first time nerves. The overall contribution of ideas to the thesis would have been enhanced had I held two focus groups.

APPENDIX E
VILLAGE IMPROVEMENT PLAN



Source: Plan made with a villager in Papua New Guinea to demonstrate a simple planning model. My friend returned shortly afterwards with an 'actual' plan created by the village committee.

DESCRIPTION OF THE LIKLIK DINAU MICROFINANCE
SCHEME

PNG

Lik Lik Dinau**The Setup**

Lik Lik Dinau/Abitore Trust (LLDAT) was established as an NGO to ensure efficient credit delivery and savings mobilization for improving living standards of underprivileged women and their families in Papua New Guinea.

The founding members of LLDAT included various government departments, non government organizations, the Papua New Guinea Banking Corporation and UNDP. The government departments include the Department of Village Services and Provincial Affairs, Department of Religion, Home Affairs and Youth Policy coordination and Monitoring Committee. The NGO members of the Trust are the Foundation for Law, Order and Justice, and the National Council of Women.

LLDAT began operations in September, 1993 and provided its first loans in August, 1994. The project currently has two branches covering four districts. As of August 1997, LLDAT had 662 borrowers. Loans totalling Kina 175,000 (US\$130,000) have been disbursed and savings totalling about K61,000 (\$45,000) mobilized. Of this amount, K26,000 (\$19,000) are personal voluntary savings. LLDAT currently employs 15 staff. The repayment rate was reported to be 90%.

Target Group

All borrowers are disadvantaged women in rural areas who play an important role in the household economy and are responsible for looking after the whole family, particularly the welfare of the children.

Funding & Training

Funding and technical assistance to LLDAT has been provided by UNDP, Aus AID, Department of Provincial and Local Government, and Eastern Highlands Provincial Government. The project began with grant financing of K380,000 (\$280,000), one vehicle, a permanent technical advisor and overseas study tours for program staff. Board members of LLDAT as well as a Branch Manager and Senior Assistant of the project have received training at Grameen Bank. The Branch Manager and two Senior Assistants have also received training at Project Dungganon in the Philippines.

Methodology

The principal features of the lending procedure are based closely on the Grameen Bank approach (GBA):

- There is the group based lending. Groups of 5 self chosen members drawn from similar socio-economic background are formed. Each group selects its own chairperson and secretary, whose responsibilities include ensuring that all members attend the compulsory meeting. Groups are federated into centers. A center chief and deputy chief are selected from among the group chairpersons. The groups and centers are responsible for the approval, disbursement and recovery of loans under the guidance and supervision of the Trust staff.

- Loans are provided to individuals for different activities. Group liability and pressure substitute for collateral against loans. Groups are collectively responsible for the repayment of loans.
- Prospective members undergo comprehensive training for seven days. Before the group is recognized, members must satisfy Trust staff of their integrity and commitment, and their understanding of the principles of GBA and group responsibility.
- Loans are disbursed on a staggered 2-2-1 basis, with the two most disadvantaged group members receiving loans first. To be manageable, loans are repaid in small weekly instalments over a one year period. The upper limit of the first loan is K30 and the loan size is progressively increased with each loan cycle. The loan amount is determined by investment requirements.
- Savings: 5% of the loan amount deducted at the out set, goes into the group fund. The fund provides access to cash for individual members with the group's approval. In addition, each member makes a personal savings each week.
- The project is charging 20% interest at a flat rate per annum on the project loans with the objective of attaining financial sustainability.

Noteworthy Features of LLDAT

According to the branch manager, Ms Karen Makeyu, personal savings are voluntary. There is no weekly compulsory saving. However, LLDAT has mobilized savings totaling K61,000. Of this total K26,000 makes up personal, and therefore, voluntary savings. This indicates the need for and attractiveness of a savings facility in the village for members, in addition to a credit facility. Other group and center funds include the Default Fund, the Mutuai Aid Fund and the Emergency Fund.

Since landlessness is not a problem in general in PNG, the means test for prospective members of LLDAT is based on a housing index, asset ownership and household income.

There was a possibility that the Papua New Guinea Banking Corporation (PNGBC), the only state owned commercial bank operating in PNG, will increase its involvement in the implementation of LLDAT's microcredit program. However, it was unclear what would be the extent of the involvement of PNGBC. A positive outcome of the involvement would be a greater professionalization in the management of finances and maintenance of accounts.

Reported: Lamiya Morshed, Grameen Trust.



A global initiative to give voice to creative and innovative people at grassroots

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Result Pages : 1 2

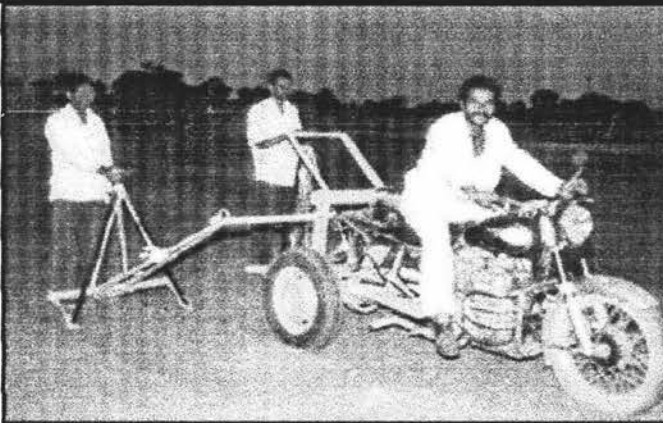
A page from the Honey Bee Network, a good example of participatory communication.



Mansukhbhai Jagani












About Innovator
Profile
District Amreli
State Gujarat
Country India
Email Mansukhbhai@honeybee.org
About Innovation
Title of Innovation: Bullet Driven Santi
Category: Agriculture
Status: Product

Summary: Farmers were finding it difficult to work with bullocks for farming due to the occurrence of drought in this region. Also urban migration had made it difficult to find labours for farming. Mansukhbhai Jagani decided to replace the traditional bullocks with a motorcycle (Enfield Bullet motorcycle, which is a common vehicle in the rural area). He converted the petrol motorcycle into a diesel, one driven by a 5.5 HP engine and developed a new unit called Santi that could be attached with motorcycle in order to perform various farming operations. The two wheels with attached axle replaced the rear wheel in this innovative Santi. It became an easy alternative for small farmers to those heavy and costly tractors available in market.



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APPENDIX H
EXAMPLE OF THE SAVE FRAMEWORK IN USE

	S	A	V	E
F	Sustainable harvesting	commodification of culture	Trade/legislation Export controls	participation Equitable distribution of \$
C	what tree used - stocks? Harvesting method? Replanting?	symbolic - what are they making? Any social rifts as results Tools - breakability sharpening/instruction safety	concepts - good competence - enhanced with tools Connections - letter from buyer needed? Capability - need commitment of buyers to visit.	0 - no benefit? + culturally empowering social/psych } power to whom? who benefits?
P	wood = carving = pride = value placed in forest.	valued activity? self-pride/identity jealousies - community of carvers all need chisels?	committed to schooling kids - good incentive	cultural pride = energy = social energy

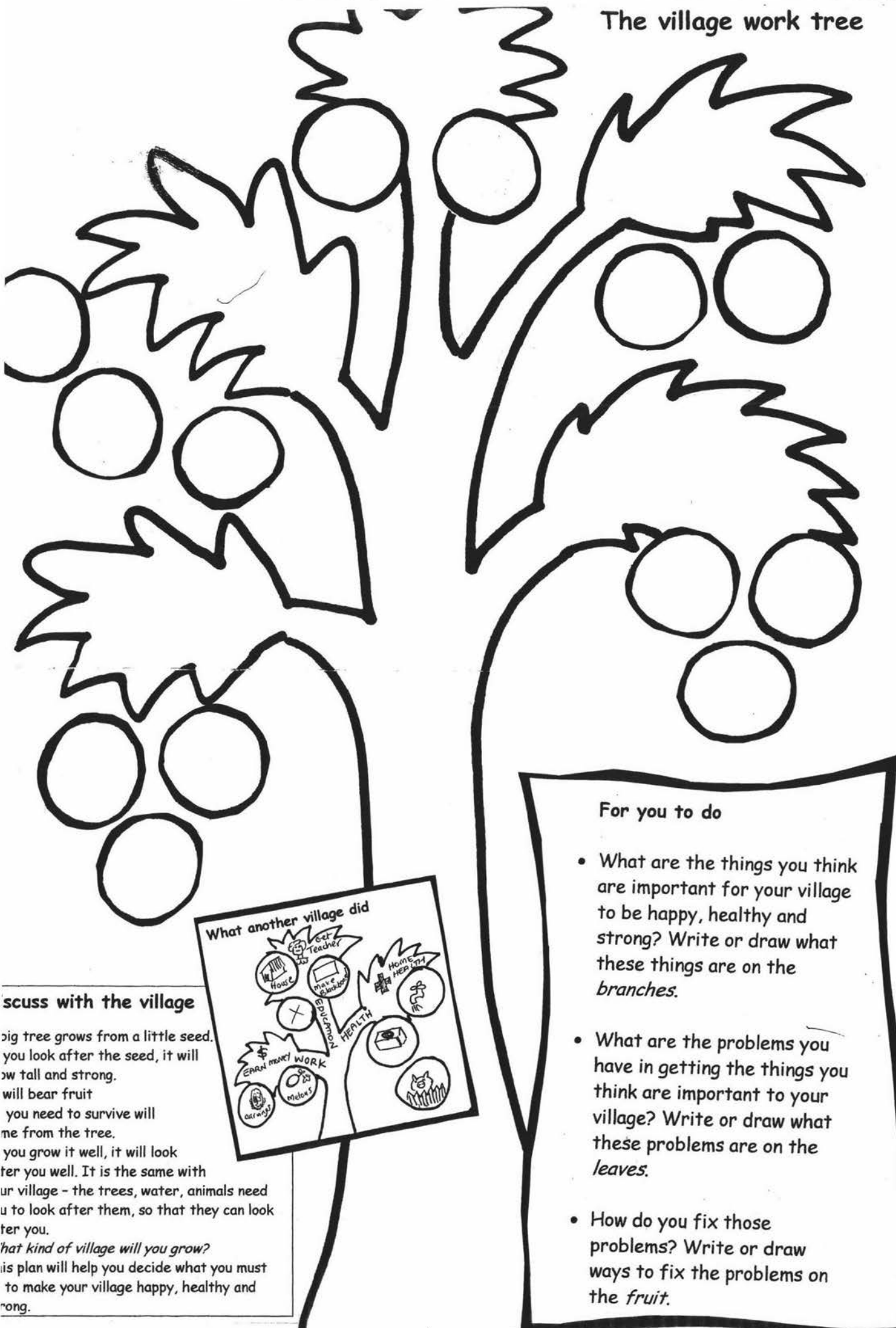
The *SAVE* framework, above, demonstrates how an assessor, or anyone needing to deliberate on aspects of a development project, can quickly structure their thoughts to encourage *praxis* when making judgements.

SAVE FRAMEWORK KEY:

- | | |
|-----------------------------|--|
| S - Sustainability | Will it do harm? |
| A - Appropriateness | Is it fitting/right? |
| V - Viability | Is it do-able? |
| E - Empowerment | Will it empower? |
| F - Formal knowledge | What does the academic literature say? |
| C - Common knowledge | What needs to be considered concerning the daily realities of people and places? |
| | How do people understand the world? |

EXAMPLES OF POTENTIAL IDEAS FOR BUK SAVE CONTENT

The village work tree

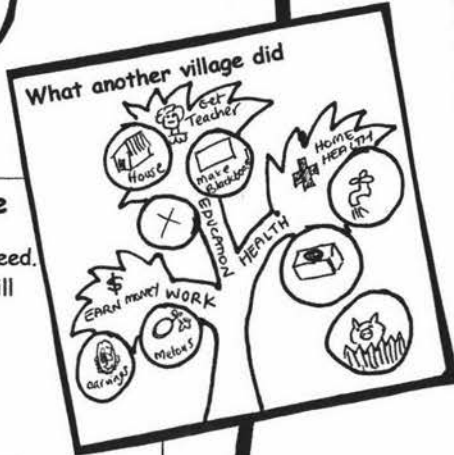


Discuss with the village

A big tree grows from a little seed. If you look after the seed, it will grow tall and strong. It will bear fruit. If you need to survive, you will come from the tree. If you grow it well, it will look better than you well. It is the same with your village - the trees, water, animals need you to look after them, so that they can look after you.

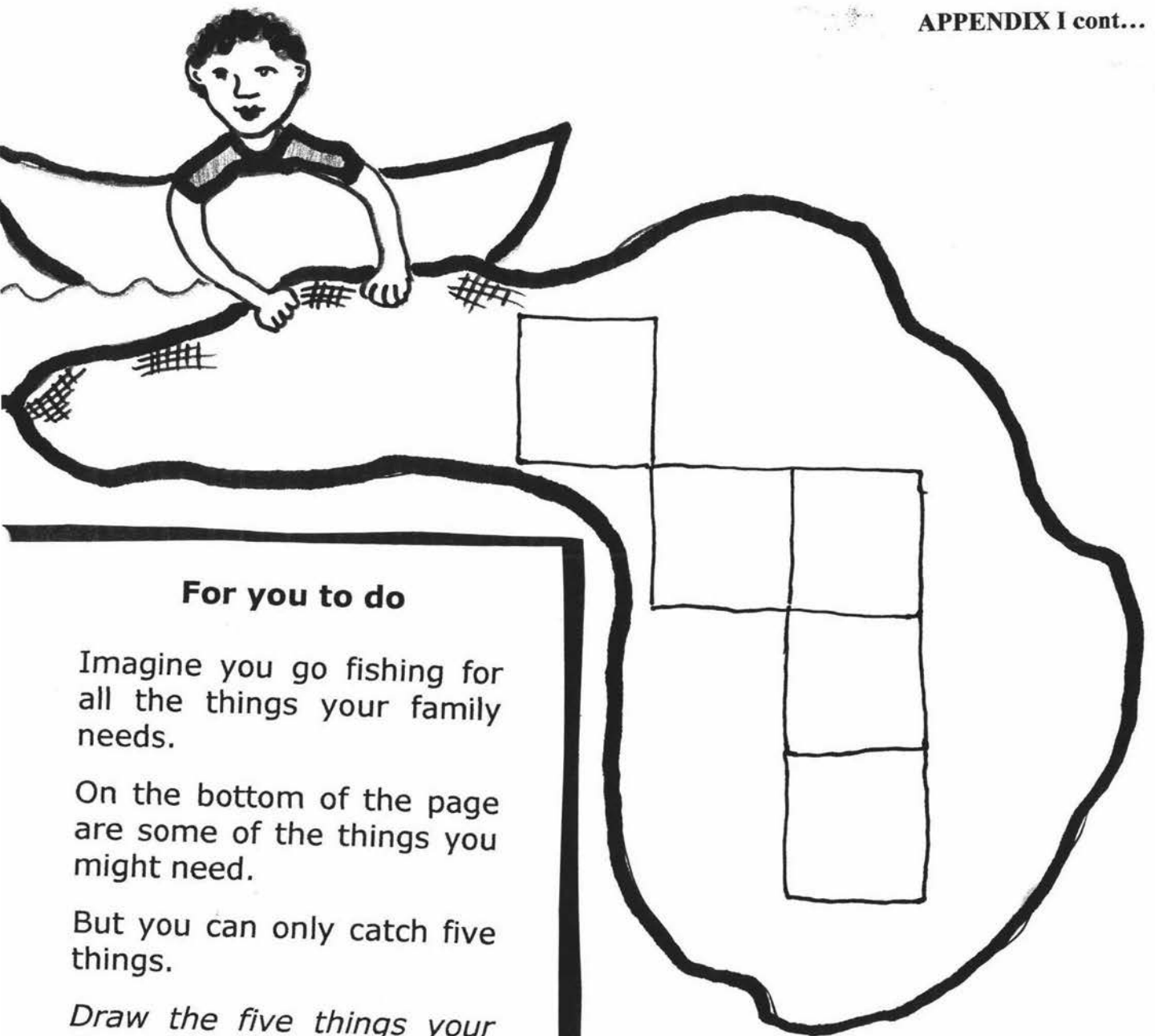
What kind of village will you grow?

This plan will help you decide what you must do to make your village happy, healthy and strong.



For you to do

- What are the things you think are important for your village to be happy, healthy and strong? Write or draw what these things are on the branches.
- What are the problems you have in getting the things you think are important to your village? Write or draw what these problems are on the leaves.
- How do you fix those problems? Write or draw ways to fix the problems on the fruit.



For you to do

Imagine you go fishing for all the things your family needs.

On the bottom of the page are some of the things you might need.

But you can only catch five things.

Draw the five things your family needs most inside the boxes in the net.

Choose your five most important needs

 MONEY	 PIGS	 BRIDE PRICE	 CHURCH	 SCHOOL	 WATER	 HEALTH
 MOSQUITO NET	 POTS + PANS	 RICE	 CHICKENS	 CLOTHES	 KEROSENE	 TOOLS
 BOAT	 TOILETS	 INOCULATION	 OUTBOARDS	 FUNERALS	 LITERACY	 PLANTS

APPENDIX J

A VILLAGE IN TROUBLE

STORY BEHIND THE 'STORYBOARD' (Plate 18)

As told by Samson Max, Kambot village, Keram River, Lower Sepik, to Sue Baker, Last Frontier Arts, Wewak, Papua New Guinea: November 2002.

On the left two men sit all day and talk about wanting TVs and other modern goods. They don't go out into the bush to hunt for birds and small animals to eat any more. They want tinned fish and rice, all modern foods which cost money to buy, not effort of everyday traditional labour. The *Haus Boi* (men's gathering place) next to them stands empty, the young people don't follow their elders ways and people's culture any more.

Further towards the right, the second building after the palm tree has fallen down, only the roof remains but the floor has rotted away because no one makes *limbum* floors any more or knows how to work the *limbum* (skin of certain sago trees) into flooring now. The lady in the canoe does not have money for a *motor* (outboard motor) though she dreams of having one to make transport easier. Her friend on the canoe cries with despair, life is getting harder, it was not so difficult and expensive in the old days, then everyone helped each other with traditional daily life, stomachs were filled each day.

An older man tries to carry on making sago the traditional way while his wife next to him squeezes the water through the sago pulp.

Two young men behind her plan to go to live in the city of Wewak, where there are cars, TVs, beer bars and exciting times. They don't understand how living in the towns costs so much money everyday, not like traditional village life. They do not understand that there are not many jobs in the towns and so thieving is the way to get food and money for beer or medicines. Meanwhile, the modern way is exciting to the young people and they do not bother to learn the traditional ways of living and farming so that they become dependant on money.... money that they do not have.

Plate 18 A village 'in trouble'



APPENDIX K

Other ideas for the Buk *SAVE*

Following is a list of ideas that could be developed from the Buk *SAVE* concept...

- A series of progressive workbooks based on the Buk *SAVE*, for use by communities or specialist groups (i.e. microenterprise development; starting an ecotourism venture; enhancing culture etc).
- A correspondence relationship enabling dialogue by letter, putting isolated communities in contact with support networks, technical advice etc.
- A regular newsletter that shares case studies and includes exercises that communities, families or groups might participate in.
- The storing of completed and returned Buk *SAVEs* to provide a data bank of communities by project and location, so that agencies / alternative trade organizations etc wishing to support a particular project such as carving might be able to immediately identify communities who have expressed their interest in the activity, and their location, thereby enabling coordinated assistance.
- A starting point for a village history book or a pride book, prompting attempts at recording traditional plant use and oral histories.
- A correspondence relationship between women's groups – a progressive 'empowerment' letter that is added to by women's groups, promoted through the Council of Women networks.

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