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STRATEGIES FOR SELF-RELIANCE:
CANADIAN NATIVE AND THIRD WORLD
COMMUNITY-BASED DEVELOPMENT

PREPARED BY:
DEVELOPMENT EDUCATION CENTRE
OCTOBER 1983

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EXECUTIVE SUMMARY

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I INTRODUCTION

Policy Context

A 1981 cabinet document entitled "Indian Economic and Employment Development" made arguments for major shifts in federal policy direction. Recognizing that successive government initiatives and massive expenditures had failed to lessen native dependency, a new strategic approach was proposed, aimed at enhancing native economic and social self-reliance.

Comprehensive, community-based approaches were seen as offering substantial possibilities for long-term benefits. Attention was paid to the potential of community-owned enterprises to foster native self-reliance.

The same cabinet document pointed out parallels between the problems of Canadian native communities and those of undeveloped and developing regions and countries elsewhere. It also stressed the relevance of overseas experience to the needs of native Canadians.

Terms of Reference

This awareness and a concern to identify success and failure factors for community-based programming led the Economic and Employment Development Branch of DIAND to frame Terms of

PRIDEPLS

Reference for a "Comparative Analysis of Government-Assisted Development Programs".

Methodology and Underlying Assumptions

In carrying out the study we moved beyond a narrow identification of success/failure factors for community-owned enterprises, to an analysis of conditions, relationships and structures conducive to community-based development in broad terms.

Rather than focusing on quantifiable or technical aspects of the development process, we have emphasized the quality of this process in the perception of community members as a primary test of the value of development programs. Throughout the study we have stressed that a sense of control and ownership of the institutions shaping their lives is indispensable to people's well-being.

We do not intend to present a blueprint or prescribe a model for successful development. Community development is a highly specific process emerging from particular conditions and aspirations.

Sample Selection and Structure of the Report

Being aware of the tremendous diversity of situations that could be addressed, we were compelled to limit ourselves to a set of representative case studies suggesting a range of possibilities.

The Third World case studies tend to be more analytical and focus on issues in the development process; the Canadian native case studies are more descriptive and dwell more on the concrete details of community experience. Despite these inconsistencies, many parallels have emerged.

The Tanzania case study examines a strategy for self-reliance implemented at the nation-state level. In Colombia, the Caqueza project for rural development demonstrates the impacts of large bilateral and multilateral aid programs. A case study of Local Development Agencies in the Caribbean illuminates an alternative approach to internal community process and relationships to an external development agency.

Big Trout Lake in Northwestern Ontario is an example of an isolated community in crisis and transition, with extremely high levels of unemployment and welfare dependency, and a varied experience in community development and Band-owned enterprise. Kingfisher Lake has opted for an approach emphasizing local control and minimal outside interference. The Nicola Valley Indian Administration (N.V.I.A.), a multi-faceted native-controlled development institution, is an interesting demonstration of "devolution" in practice. (Note: the NVIA case study is not included in the Executive Summary, but is appended to the main body of the report.)

We have chosen to present our conclusions and recommendations in full immediately following the Executive Summary.

II BACKGROUND SURVEY: THREE DECADES OF DEVELOPMENT ASSISTANCE

Development Models and the Third World, 1950-1980

In the 1950s development assistance to the Third World was equated with the emergency economic aid which had contributed to the reconstruction of postwar Europe. Such efforts failed because they ignored structural barriers to equality. Unequal access to productive land and the opposition of traditional power structures blocked any substantial participation on the part of the poor.

This approach was replaced by a growth-oriented strategy for development. Western governments stressed economic growth in the belief that it would catapult the Third World into the industrial age, transforming "backward" societies into "modern" societies, virtually overnight. The poor nations lacked only capital, know-how and infrastructure. Once these were made available, the benefits of industrialization would "trickle down" to the poor. This "deficiency-school" constituted a paternalistic reproduction of Western values. It hinged its approach on capital-intensive projects in agriculture and industry. These were export-oriented, concentrating on building infrastructure to facilitate foreign investment and economic growth. The widening gap between rich and poor nations -- and between rich and poor within Third World countries -- is testimony to the failure of this strategy. (One of the countries that best exemplifies this strategy is Brazil, whose "economic miracle" has led to a foreign debt of \$90 billion and widespread food riots in 1983).

Dependency Theory and the Process of Underdevelopment

The approach to development taken in the present study reflects a different analysis, one that sees underdevelopment as an historical process. It points out that one cannot attempt to explain why some people and nations are poor without examining why others are rich. "Dependency" theory sees development and underdevelopment as two aspects of the same global process whereby the Third World depends on the West for capital and technology while foreign corporations gain access to the raw material, markets and cheap labour of the Third World. The gross inequalities of wealth and power within the Third World have been accentuated by this process, as dominant elites benefit from the limited spinoffs of foreign ventures in their economies. They defend the internal social order with harsh measures to repress the demands of an increasingly-marginalized majority.

The Brandt Commission on North-South relations implicitly underlined the accuracy of the dependency approach when it recognized that the key issue of development concerns economic and political power. For development is not simply economic growth and better material living standards. In the words of one United.Nations report, "It also includes meeting non-material needs like the desire for self-determination, self-reliance, political freedom and security, participation in the making of decisions that affect workers and citizens . . ." In other words, economic development can only occur if the people involved have control over the development process.

Community Economic Development for Empowerment

This analysis has serious implications for relations between agencies working to facilitate development -- whether in the Third World or in Canada -- and impoverished communities. Outside agencies are institutionally powerful. Their administrative priorities can often determine the priorities of aid programs, so that projects can become instruments of external control rather than methods of local empowerment.

By contrast, effective participation of people at the community level in the initiation of projects helps to build a solid framework for projects so that they meet the felt needs of the people they are designed to assist. If projects have broad community support and spring from local understanding of political and economic realities; if they involve participant training to enable people to both assume responsibility and develop skills in democratic management; if they allow project participants to work through problems for themselves at their own pace, then projects are likely to be difficult to administer, evaluate and monitor using centralized, technocratic methods. But they are also likely to be successful in decentralizing control within the aid relationship. Such community-based projects will be likely to contribute to a sustained economic development process and allow people to improve their own material conditions.

The following case studies of economic development projects in the Third World and in Canada provide concrete background for this analysis.

III THE UJAMAA VILLAGE PROGRAM IN TANZANIA: A CASE STUDY OF
COMMUNITY ECONOMIC DEVELOPMENT IN RURAL AFRICA

In the 1960s, Tanzania, a poor, East African country, attempted an alternative strategy for rural economic development. The ujamaa village program, inspired by President Julius Nyerere, had as its goal the organization of Tanzanian peasants into villages where they could work and live, sharing agricultural production equally. Nyerere was committed to democratic participation in village decision-making, basing his ideas on traditional African communal practices.

But basing economic development strategy on African tradition had inherent problems. Agricultural production in the pre-colonial era had been based on individual cultivation and reciprocal exchange. This system was not without its hierarchical relationships and these were accentuated by the imposition of colonial rule. The British policy of indirect rule used traditional chiefs to implement the policies of the colonizers, thus distorting traditional African social structures.

A further difficulty was that the initiative for ujamaa came from above. Tanzanian independence from Britain was the political achievement of a group of teachers, traders, civil servants and entrepreneurs led by Nyerere. Ujamaa was not the result of peasant organization and agitation, for there was little mobilization of the peasantry. Instead, the history of ujamaa is characterized by two contradictory tendencies: the desire to give power to the peasantry in the development of

communal villages, and the desire of a technocratic administration to extend its control over the peasantry so as to achieve a series of quantitative production goals.

External Forces and Government/Bureaucratic Priorities

At first the process of "villagization" was voluntary, but soon the bureaucratic imperative for "better organization" and more production took over so that compulsory resettlement became the order of the day by the mid-seventies. Village level planning was largely controlled by forces external to local communities. If it had been successful in fulfilling Nyerere's dream of voluntary, co-operative development, ujamaa would have had to involve significant political support from below, from the rural agriculturalists whose lives were being affected. The ruling party would have had to mobilize the peasants and side with them against the bureaucracy. Instead the opposite happened, with the party and the administration gradually becoming indistinguishable.

Administrative goals of increasing cash crop production for export and foreign exchange earnings came to dominate national policy, so that agricultural credit was not extended to ujamaa villages as a matter of priority. Rather, credit went to private farmers and parastatal corporations oriented to the export market. But the country found itself in serious economic trouble by the mid-seventies as prices for agricultural exports declined while energy prices and the costs of other vital imports rose rapidly. Tanzania found itself facing food shortages and spiralling food import bills.

Ujamaa villagers, under administrative pressure to produce more, responded with passive resistance and a return to individual production of subsistence crops. The government frequently blamed peasant ignorance and intransigence for continuing problems. One rural farmer summed up the situation:

They see us as children without enough brains. If they were to recognize that we had sufficient ideas, that we could think about something together with them, and just sit down and decide with us, maybe they wouldn't do it this way" (i.e. impose an unworkable solution on the village).

The folly of the top-down approach to ujamaa was that people came to be seen as obstacles to their own development.

As Tanzania's debt grew along with its economic crisis (debt to the World Bank rose sevenfold between 1967 and 1972) government policy became subject to the dictates of foreign institutions like the World Bank. The Bank oriented its lending activities to the private sector production of tea and tobacco for export, regarding the ujamaa efforts around collective agriculture as premature. Both the Bank and the state administration approached rural economic development as a technical, bureaucratic process, concentrating on short-term goals of increased production.

The failure of the ujamaa effort at community economic development cannot be separated from the lack of political structures and community animation programs aimed at engaging people in the slow process or education for political empowerment. Against this background, the over-development

of the central bureaucracy overwhelmed local communities. The villagers were powerless to resist and set their own course. This led to peasant apathy and resistance as rural producers saw themselves as mere passive objects of externally-directed policies rather than as active subjects of their own destinies.

IV THE CAQUEZA PROJECT: A CASE STUDY OF EXTERNALLY-DIRECTED RURAL DEVELOPMENT IN COLOMBIA

The Caqueza Project provides an example of a district level initiative. It was designed to stimulate economic development through an agricultural extension program bringing Green Revolution technology to Colombian peasant farmers. Co-sponsored by Canada's International Development Research Centre (IDRC) and a Colombian agency, this Integrated Rural Development project was aimed at increasing domestic food production by providing credit and technical services to rural producers. In this way, farmers would become integrated into the commercial agricultural market and dependent on domestic and international agribusiness for modern farm inputs. These Green Revolution initiatives have been backed by the Inter-American Development Bank and the World Bank.

The Caqueza project was undertaken against an historical background of postwar rural violence which crushed independent peasant political organization. Rural Colombian society is characterized by rigid social structures and the concentration of the best land in the hands of a powerful oligarchy. Most of the peasantry are marginalized, confined to very small plots of land. Integrated Rural Development projects have generally

excluded the millions of smallholders and landless peasants.

But the Caqueza scheme prioritized the small-scale farm sector, hoping to transfer technical know-how to farmers and bring them into modern credit and marketing systems. If local farmers could take the economic initiative themselves, higher returns would be stimulated by higher crop yields resulting from new technology. The project sponsors claimed a measure of success in meeting these goals, so the Caqueza model contributed to the design of a Colombia-wide integrated rural development plan. However, the project failed to reach the mass of small rural producers who remained separate from the modern methods promoted by the project's backers. Why the failure to mobilize farmers to achieve the obviously desirable goal of increasing productivity?

External Control and Community Participation

The Caqueza project was conceived and implemented by outside institutions which set priorities aimed at promoting the adoption of new agricultural techniques. Since these bodies had a vested interest in making the project a success, they ran things with this in mind, never questioning dimensions of external control. The project evaluation itself admitted that local participation was always marginal and what there was resulted from staff initiative. The majority of the community members saw the project as "an image of government."

The new agricultural technology promoted by the project increased cash outlay by three times over traditional growing

methods. Although yields were higher, this gamble did not make sense to cash-poor and land-hungry peasants who risked losing their land if they borrowed on it. Government credit was unreliable, so farmers had little confidence in the project. They saw it as someone else's show, over which they had no control. Those who participated saw the loans that did come through as salaries being paid by someone else rather than as their own capital.

The sponsors of the Caqueza project failed to identify the real need of the peasants -- access to land. The unequal structure of land ownership meant that the best land was owned by a few people, but the project did nothing to challenge this fundamental inequality. Rather, it promoted new production methods which most peasants could not afford - or could afford only by risking what little land they had. Even if the people were willing to participate, they had to work under the direct supervision of outsiders.

The Caqueza project ignored the fact that successful development involves more than technological change. It is a matter of involving people in identifying their own needs. A planning process that involved peasants from the beginning might have avoided the isolation of the project from the community and provided it with indigenous roots.

V LOCAL DEVELOPMENT AGENCIES (LDAs) AND COMMUNITY ECONOMIC
DEVELOPMENT: A CARIBBEAN CASE STUDY

A look at development efforts in the Caribbean focuses on the activities of local development agencies and their relationship to community economic development. The programs of the Canadian University Services Overseas in two Caribbean countries, St. Vincent and Jamaica, are examined.

Both islands have a legacy of plantation colonialism. Their agricultural economies are still dominated by large plantations exporting products like sugar and bananas. The small-scale peasant sector also depends on such crops for cash, while cultivation for domestic consumption has been neglected. Unemployment (particularly among young people) and rural landlessness are the hallmarks of these dependent societies. Between 1970 and 1980 real income declined by 40 per cent. In the Commonwealth Caribbean as a whole, the lowest 40 per cent of wage earners received 10 per cent of national income while the top 20 per cent received 55 per cent.

Rural Animation and the Experience of LDAs

In St. Vincent rural community development efforts emerged in the 1970s in response to this situation. A rural animation group successfully established roots in one community, setting up several projects including a collective farm for unemployed youth and a pre-school program. The success of this Local Development Agency (or LDA) stemmed from its vital relationship with the community. Projects were not imposed but emerged from

people's expressed needs as part of a community-controlled process. The pre-school program, for example, resulted from a series of meetings with village women.

In Jamaica an LDA emerged from animation work with sugar co-operatives established on large plantations under the government of Michael Manley. This LDA conducted training programs in co-operative management, budgeting and other technical matters vital to co-op endeavours. It attempted to involve co-op members in an action-oriented, problem-solving process. The LDA continued its activities even after the sugar worker co-ops were scuttled by the Seaga government after 1979.

The Aid Relationship and LDAs

In the mid-1970s CUSO re-oriented its Caribbean program to stress skills training and job creation through community production co-operatives. It sought to localize its support for community projects through Local Development Agencies, recognizing that long-term employment projects are best planned and supported by local people familiar with local social and economic circumstances. This decentralization of programming has been a successful basis for donor/recipient accountability and an equitable sharing of development experience.

CUSO has supported the LDAs in both St. Vincent and Jamaica. In St. Vincent the LDA has consistently made successful efforts to ensure that projects are controlled by those involved at the community level. It has avoided the development of an institutional rationale and program separate from its base. The agency has also emphasized a popular

education process as a key part of its work. Projects are seen not as ends in themselves but as vehicles for continuing education for popular participation in the development process. As far as the relationship with the funding agency (CUSO) is concerned, the St. Vincent LDA had maintained its own autonomy and priorities. The LDA initiates projects and then approaches CUSO for support.

In contrast, CUSO was involved with the formation of the Jamaican LDA and has continued to play an initiating role in project development. This tends to reinforce a higher degree of dependence of local projects on the LDA, and a distance from community animation, the foundation for effective community projects.

The Caribbean LDA experience bears out that skills training should not be separate from the vital internal process of involvement and an equal sharing of responsibility for project direction. There can be no substitute for LDA workers living and working in a community. Only by being close at hand can they maintain meaningful contact and encourage the self-confidence of indigenous leadership. This is what the St. Vincent LDA has been able to achieve.

On the whole, CUSO as a funding agency has attempted in its Caribbean program to prevent local projects from developing dependent relationships. This has been based on a recognition that project evaluation and accountability must follow from a commitment to community self-direction and control. Evaluation is structured to encourage local self-evaluation as part of the process of popular education.

At the same time, CUSO has allocated funding for LDAs on a three-year basis, allowing for effective long-term planning and flexibility.

But project success or failure is also mediated by external forces such as government action and macro-economic forces. These are factors which control people's lives -- what they produce, the prices they receive for their goods, whether they have a job, whether they have any effective political power. If LDAs contribute to an alternative development process which has as one of its main goals the empowerment of people within their communities, they are assisting the communities to organize themselves and take political action at a broader level.

VI BIG TROUT LAKE: OBSTACLES TO EFFECTIVE PLANNING ON A
NORTHERN RESERVE

Big Trout Lake, an isolated reserve community in Northwestern Ontario, has about 700 residents. The community as a permanent settlement has scarcely existed for more than twenty-five years. It is home to a large number of people (especially young people) who can neither survive as their ancestors did nor gain secure wage employment in a dependent economy. Sixty per cent of the working age population is unemployed. Since the turn of the century a relatively self-sufficient economy has been transformed into one heavily dependent on transfer payments and government services.

A Community Employment Strategy (CES), initiated in 1976 by CEIC and the Ontario Ministry of Labour, stressed the need for

community planning, training and development programs. Though a certain momentum was created in these areas, CES was terminated in 1980, revealing the weakness and vulnerability of externally-initiated measures subject to budgetary and policy changes. A look at the fortunes of the BTL Furniture Shop which was started up during the CES period reveals the difficulties faced by a community-owned enterprise in this context.

An Experiment in Community Enterprise

The Big Trout Lake (BTL) Band became interested in setting up a furniture shop in 1974 in the hopes that the furniture needs of people in the community could be supplied locally using local labour and raw materials. This could stop capital leakage and create jobs. Company of Young Canadians and Opportunities for Youth funding got the shop to the point where a building existed.

LEAP funding was then secured but there were problems with training. A white trainer who was technically qualified was hired, but he lacked teaching experience. There was also the problem (not identified in the feasibility study) of the lack of electricity in the shop building. DIA hired an industrial designer who recommended the production of sophisticated furniture requiring non-dimensional lumbers. Such material was unavailable locally. Funding for a planer was to be provided by DIA, but due to administrative delays took eighteen months to arrive, jeopardizing the shop's credit rating.

By 1980 the shop was operating with a staff of four,

including a local manager. Further funding was secured. But wood supply was a problem, as the consultants who had done the initial feasibility study failed to appreciate the fact that local spruce and jack pine are unsuitable for furniture-making. If they are used, they must be kiln-dried. No drying facility had been arranged, so the shop had to depend on pine and plywood flown in from Thunder Bay and Winnipeg.

Marketing has been another area of concern. It was not until after the third year that the shop recognized the local market was inadequate to support its operations. Although Health and Welfare nursing stations have been a major customer, DIA has failed to purchase furniture and cabinets for new schools and teacherages in the district. The shop has not been allowed to tender for DIA contracts and was not even asked to bid on supplying a new school in Big Trout Lake itself. The shop offered to make its facilities available to the school's industrial arts program. The Department failed to respond. And though one DIA Economic Development Officer has purchased furniture for coffee shops on reserves, no orders have been forthcoming for the DIA-funded tourist cabins in the area.

The problems of the furniture shop - an enterprise that continues to operate, and the problems of the community planning process in general in Big Trout Lake -- give rise to several conclusions. The establishment of a permanent co-ordinating mechanism under local control, with stable and adequate funding

is necessary if the kind of momentum achieved during the CES is to be sustained, and long-term employment created. Feasibility studies and long-range market surveys must be pragmatic, taking into account cultural factors (getting the right advice and instructors), supply factors (ensuring adequate raw materials exist locally) and economic factors (identifying solid potential markets). These areas are of crucial importance if the goals of increasing the flow of money from outside through local production, supplying local needs locally, generating secure employment and, more generally, establishing viable endeavours, are to be met.

The BTL case study shows that the potential for community-owned enterprise does exist. But if that potential is to be realized, native-controlled operations must overcome significant institutional obstacles as well as difficulties in competing in markets dominated by far larger and more powerful enterprises.

VII KINGFISHER LAKE: COMMUNITY-DIRECTED DEVELOPMENT AND SELF-RELIANCE

Like Big Trout Lake, ninety miles to the north, Kingfisher Lake is an isolated reserve. The community has 250 members and is inaccessible by road or scheduled aircraft. There are limited opportunities for paid employment, and the reserve depends on government transfer payments and outside goods and services.

The Kingfisher Band has taken an energetic and original approach to economic development, seeking as much control as possible over its own affairs. Band members carried out a

careful process of self-education over several years, learning as much as possible about DIA and its programs. They concluded that they could not entirely trust government-initiated development programs and resolved to work out an approach to economic development appropriate to their circumstances.

Community Control through a Non-Profit Corporation

In 1980 the Band established its own non-profit Socio-Economic Development Corporation (or SED) with a view to purchasing the local Hudson's Bay Company store -- the community's sole retail outlet. This decision was the culmination of a long period of community animation and study. A survey revealed that the Bay was taking out 85 per cent of all monies coming into the community.

Local people prepared an extensive feasibility study at Band expense for a store take-over and secured LEAP funding for wages and operating expenses. The Band also approached DIA for a loan and grant from the IEDF for inventory purchase. They rejected DIA suggestions for a co-op structure, fearing external control might result from being tied to existing co-op structures. "The emphasis was not to be on lowering present prices, but rather on having local control of the business and keeping the profits in the community," according to the LEAP proposal.

The Kingfisher Development Corporation has a broad mandate, reflecting the Band's view that development is not a narrow, purely economic activity but a multi-faceted process involving every aspect of people's lives.

Once the SED gained control of the store, the Band members also gained access to an independent fund of capital (the store's profits) with no external strings attached. Using this money, the community as a whole has undertaken several other ventures. A community laundromat, funded with retained earnings and a LEAP grant, opened in 1982. It created employment and, just as importantly, eased the burden of the women of the community, who no longer have to fetched water, heat it, wash clothes by hand and hang them out to dry. This is an especially onerous task at -30°C. The corporation has also established a mechanics/repair shop where people can repair motors and skidoos in a well-equipped, heated building. There is a small fee for use of the shop and local mechanics are on hand to assist in repairs or undertake them on a cash or exchange basis. A similar carpentry shop is planned. The Corporation also runs the community coffee shop and plans to build a new retail store. The community has accomplished all this within three years.

The activities of the SED are geared towards finding sustainable alternatives to the traditional pursuits the community fears are in decline. The SED hopes for a smooth balance between its activities and traditional work so as to avoid dividing the community into traditional and modern enclaves. The Corporation's activities are guided by annual meetings where community members express their preferences for projects. Good accountability is seen as the key to successful planning, along with good accounting.

Yet it has not been the structure of the corporation that has in itself assured success. The Band has taken a comprehensive, extremely careful approach to its development as a human community. Social cohesion has been emphasized, along with a commitment on the part of the leadership to remain involved in a broadly-based development process. The people at Kingfisher Lake have concentrated on community involvement for community control, and have stressed the vital non-monetary aspects of their own development.

CONCLUSIONS AND RECOMMENDATIONS

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Based on the foregoing assessment of approaches to international development assistance, and specific case studies of Canadian native and Third World experience, we present the following conclusions and recommendations:

Close attention should be paid by the Department of Indian Affairs to the dynamics of the aid relationship, and efforts made to minimize their negative consequences. Third World experience bears out that donor contributions of capital, material and human resources can have disruptive and inhibiting effects on the recipient community; can create, further accentuate or rigidify class divisions, thereby leading to heightened exploitation and marginalization of the poor; and plainly, can reinforce long-term dependence on external assistance, with all that this implies in terms of cultural and political subordination. How to support and assist without controlling, dominating and manipulating is the biggest challenge facing an aid institution genuinely interested in the liberation of marginalized and impoverished peoples.

This frank and thorough assessment of the negative impacts of aid, equally graphic with regard to the DIA and native people in Canada, suggests the need for radically different structures and relationships. Such recommendations have been made in the past; if they are not heeded, enormous waste, deteriorating conditions and increasing social and political unrest will ensue.

Community-controlled development agencies ("LDAs") as mediators between sources of funds and community projects, hold out some promise as vehicles for comprehensive, self-reliant development. Key issues in the community development process are control, accountability and evaluation. When a state agency or external NGO, no matter how beneficent, relates directly to community programs, significant control (over planning, decision-making, etc.) remains vested in the donor, leading to alienation, interference and mutual cynicism; accountability is mainly vertical and external (to the controlling donor) rather than horizontal and internal (to the community members) -- this accelerates elite formation (those who relate to the outside institutions) while diminishing grass-roots participation and sense of "ownership"; and evaluation is carried on according to imposed and largely inappropriate criteria, leading to further alienation and repetition of past mistakes.

An LDA is ideally controlled by the communities at its base, accounts directly to community members, and evaluates the success or failure of its activities according to the perceptions and by the consensus of the participants themselves.

This model, though, cannot be applied as a formula in a predetermined way. Conditions vary tremendously from community to community. Rather, the underlying principles of this community-based, comprehensive approach can be built on to increase the effectiveness of development programs.

In light of 1 and 2 above, the DIA should concentrate efforts on supporting the consolidation of native-controlled

development institutions at the local community, district and regional levels. Such support should be flexible and long-term, and make allowance for inevitable failures and misjudgements. While accountability to the Department and ultimately Parliament for development funds must be maintained, primary emphasis should be placed on accountability to the community as a whole. This can be accomplished through regular audits for community review, open and regular communication between leaders and community members, and participatory evaluation processes. If thorough audits of all community programs and enterprises are carried out primarily for community review, the vital aspect of grass-roots participation and sense of ownership and control is reinforced. At the same time, external accountability requirements are met.

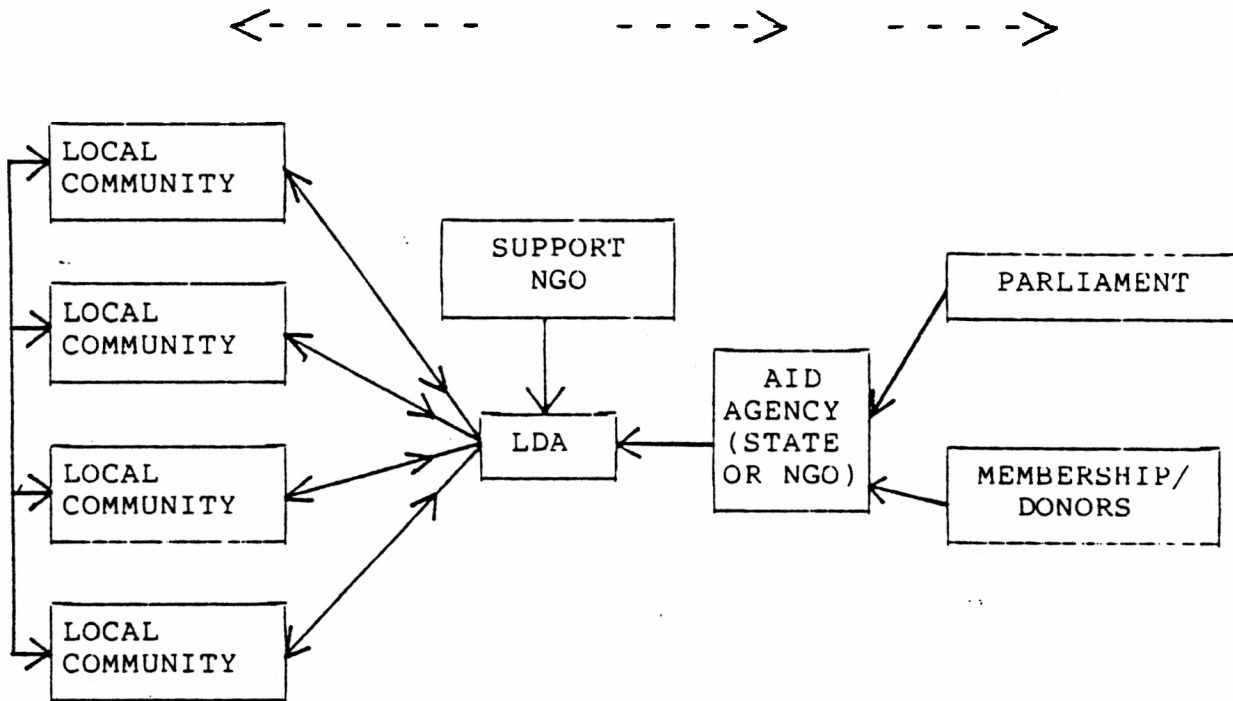
The tendency to place primary emphasis on the short-term accountability requirements of the external donor institutions (DIA, World Bank, etc.) disguises long-term waste and ineffectiveness.

Development is not merely the allocation of a cluster of benefits to impoverished and marginalized social groups. Nor can it be externally induced by the injection of material, technical or financial resources and led through a series of discrete and predetermined stages. Non-material values are of vital importance in people's evaluation of their own condition, and a sense of control and ownership of the institutions that shape their lives is indispensable to their well-being. This is not to suggest that material conditions can be disregarded or

transcended. Rather, we wish to stress that for material changes to be truly beneficial, they must be brought about as part of a process of empowerment and social transformation, and under the control of the people whose lives they most directly affect.

This process of animation (community education, empowerment, social transformation) is best initiated by a locally-controlled development institution of the kind we have described above.

Any intervention (e.g. technical assistance, training) by an outside agency must be handled with utmost sensitivity if the support relationship is to function positively from the community's point of view. How and when such an intervention should take place is best determined by the LDA in consultation with community members. In many cases, the LDA may not have within itself the needed resources or expertise. In these circumstances, an NGO capable of drawing on people with diverse skills and preparing them for cross-cultural exchanges might function most effectively. For an external "aid" agency itself to provide these human resources could easily reproduce certain negative aspects of the aid relationship outlined above. (While this recommendation is not based specifically on our case studies, it is consistent with their findings.)



GENERAL MODEL FOR AGENCY-COMMUNITY RELATIONSHIP

----- Primary Direction of Accountability
_____ Lines of Support

WORDS OF APPRECIATION

Without the support and co-operation of numerous people and organizations, this study could never have been completed. We gratefully acknowledge their contributions. Any deficiencies and inaccuracies remain our own.

Particularly, we would like to thank the Bands who participated in the study through interviews, and made documentation for the case studies available to us. Similarly, we are indebted to the NGO development workers who shared with us their insights into overseas development experience.

A southern advisory group provided critical assistance and helped shape the framework and the overall conclusions of the study.

The Economic and Employment Development Branch of the Department of Indian Affairs and Northern Development has been very helpful.

Finally, many thanks to Lynn Snowden for her unflagging efforts at typing and proofreading.

INTRODUCTION

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Policy Context

A 1981 cabinet document entitled "Indian Economic and Employment Development", made arguments for major shifts in federal policy direction. Recognizing that successive government initiatives and massive expenditures had failed to lessen native dependency, a new strategic approach was proposed: "simply to encourage development of, and provide financial and technical support for Indian community conceived and directed developmental plans aimed at enhanced Indian economic and social self-reliance" (Indian Economic and Employment Development: Memorandum, p. 5).

Comprehensive, community-based approaches were seen as offering substantial possibilities for long-term improvements and benefits, and were contrasted to externally-controlled initiatives, and strategies based exclusively on individual or private corporate enterprise. In this context, attention was paid to the potential of community-owned enterprises to increase native self-reliance and to foster the comprehensive development of whole communities.

The same cabinet document pointed out that "[t]he needs and problems of Indian communities are comparable to those of undeveloped and developing regions and countries elsewhere" and that "[w]orldwide and Canadian experience with development programs have brought about a refinement of concepts, principles and techniques which can be adapted to Indian needs"

(Indian Economic and Employment Development: Discussion Paper, Appendix B).

Terms of Reference

This awareness of the relevance of Third World experience and a concern to identify success and failure factors for community-based programming, led the Economic and Employment Development Branch of the DIAND to frame Terms of Reference for a "Comparative Analysis of Government-Assisted Development Programs".

The complete Terms of Reference within which the present study has been undertaken are appended.

Methodology and Underlying Assumptions

In carrying out the study we moved beyond a narrow identification of success/failure factors for community-owned enterprises, to an analysis of conditions, relationships and structures conducive to community-based development in broad terms. Our reasoning in so doing was that economic enterprises cannot be separated from their social/political/cultural context; that non-economic factors play a major role in determining the effectiveness of development initiatives; and that non-material benefits are of fundamental importance to the participants in development activities at the local level. Rather than focusing on quantifiable or technical aspects of the development process, we have emphasized the quality of this process in the perception of community members as a primary test of the value of development programs. This is not to suggest

that material conditions can be disregarded or transcended. Rather, we have stressed that non-material values are vital to people's evaluation of their own condition, and that a sense of control and ownership of the institutions shaping their lives is indispensable to their well-being.

Two important questions emerge repeatedly in the following analysis. What kind of economic development? How can outside agencies (both governmental and non-governmental) best make a contribution? These are questions of some debate.

We do not intend to present a blueprint for successful development. Such a gesture would be both naive, futile and irresponsible. There is no single pattern, structure or set of relationships that can be applied across the board. Community development is a highly specific process that emerges from particular conditions and aspirations. These can differ markedly from community to community, even when close to each other geographically and sharing a similar physical environment.

Sample Selection and Structure of the Report

The choice of examples for a study so broad in scope is necessarily somewhat arbitrary. Being aware of the tremendous diversity of situations that could be addressed, we were compelled to limit ourselves to a set of representative case studies suggesting a range of possibilities. From these we have drawn general observations regarding the development process. Our research is by no means exhaustive; nor, we must repeat, do we intend to prescribe a model or blueprint. Instead, we hope to provide information and analysis that will raise issues and

help define problems to be grappled with by people concerned with fostering self-reliance and improvements to the social and material well-being of communities that face several obstacles in breaking out of the syndrome of dependency and underdevelopment.

The reader will quickly become aware of differences in the level of discussion between the Third World and the Canadian native case studies. The former are more analytical and focus on issues in the development process; the latter are more descriptive and dwell more on the concrete details of community experience. In carrying out the Third World case studies, we had access to extensive critical documentation and evaluation reports, as well as the insights of NGO project officers and other development workers with direct involvement in overseas programs. With the Canadian native case studies, by contrast, little documentation or written evaluation of this nature was available, and our assessments have been made on the basis of limited field trips and information provided primarily by Band officials. Despite these inconsistencies, many parallels have emerged.

In general, we have worked more by inference than by direct mapping of one experience on to another. Preceding the case studies is a background survey of past approaches to international development assistance, including definitions of some of the key concepts to be used in the ensuing discussion. Certain themes and issues are drawn out in the background survey, and are then explored through the specific case studies.

Tanzania's ujamaa village experiment is representative of a strategy for self-reliance implemented at the nation-state level. The Caqueza project for rural development in Colombia is a graphic demonstration of the impacts of large bilateral and multilateral aid institutions on local communities. And the case study of Local Development Agencies in the Caribbean illuminates internal community processes, and external relationships to a supportive developmental agency, that are conducive to sustainable, comprehensive development.

The two case studies from the Kiyahna Area in Northwestern Ontario are highly localized, but broadly representative of marginalized and impoverished reserve communities throughout Canada. Big Trout Lake is an isolated community in crisis and transition, with extremely high levels of unemployment and welfare dependency, and a varied experience in community development and Band-owned enterprise. Kingfisher Lake, while subject to many of the same constraints, has opted for a different approach emphasizing local control and minimal outside interference. Through a community development corporation structure it has realized many positive local benefits. The Nicola Valley Indian Administration is a multi-faced, native-controlled development institution that has effectively taken over the functions of the DIA at the District Level. As such, it is an interesting demonstration of "devolution" in practice. (The latter case study is far more descriptive than analytical, and while we have presented it in its entirety in the body of the report, we have not included it in the Executive Summary).

BACKGROUND:

THREE DECADES OF DEVELOPMENT ASSISTANCE

AN INTRODUCTION TO THREE DECADES OF DEVELOPMENT ASSISTANCE

Despite several United Nations sponsored Development Decades and an enormous transfer of economic and human resources from the industrial countries to the Third World, poverty continues to define the life experience of a growing majority of people in Third World countries. A recent Report of an Independent Commission on the prospects for development in the Third World for the 1980's estimated that there are 800 million people living in absolute destitution, an increase from 700 million in the early 1970's. The Report, North-South: A Program for Survival, describes the living conditions for these millions:

Many millions of people in the poorer countries are solely preoccupied with survival and elementary needs. For them work is frequently not available or, when it is, pay is very low and conditions often barely tolerable. Homes are constructed of impermanent materials and have neither piped water nor sanitation. Electricity is a luxury. Health services are thinly spread and in rural areas only rarely within walking distance . . . Permanent insecurity is the condition of the poor. There are no public systems of social security in the event of unemployment, sickness or death in the family . . . The combination of malnutrition, illiteracy, disease and high birth rates, underemployment and low incomes closes off the avenues of escape. . .
(Brandt, p. 49)

The Commission has called for massive economic transfers through grants and concessional loans in the order of \$50 to \$60 billion annually by 1985 from the industrial countries and the international agencies to avert a major human catastrophe in this decade.

But the history of development assistance over the previous three decades reinforces a pessimistic projection for the success of the Brandt Commission's proposals to improve socio-economic conditions for the poor. A short review of this history can only refer to some of the major approaches to development assistance in these decades, the changing priorities to meet the basic needs of the poor, and the issues which now define the development programs of the 1980's. Indeed, the very term "development" has come to assume a range of meanings in the literature. Its definition in the context of this history will establish the parameters for the evaluation of three case studies of external assistance projects. In turn, the case studies will provide a specific context for identifying and analyzing the factors which have affected the success or failure of development objectives.

A I DEVELOPMENT MODELS AND THE THIRD WORLD, 1950 - 1980

For Canada, as with other industrial nations, development assistance was originally conceived as a series of emergency measures arising from the need to reconstruct Europe after the Second World War and from fears of rising Communism which underpinned the "Cold War" of the early 1950's. (For a detailed history and incisive critique of Canadian development assistance programs, see Carty and Smith, 1981). Following the War, Canada made a substantial contribution to the Marshall Plan and to similar United Nations technical assistance programs for the reconstruction of Europe. By 1950, with the success of the Communist revolution in China, the outbreak of the war in

Korea, and unrest in Southeast Asia, Canada participated with other Commonwealth leaders in the Colombo Plan for Cooperative Economic Development in Southeast Asia. By 1958, a modest bilateral assistance program for the Commonwealth Caribbean and Africa was added.

Throughout the 1950's, development assistance was viewed by the Canadian government as emergency economic assistance, similar to the Marshall Plan for Europe, and corresponded with the independence of a growing number of British colonies. Aid was also closely tied to the political interests of the western nations to counteract Communist "influence" during the Cold War. This was never more succinctly put than by Lester B. Pearson during a House of Commons discussion of the Colombo Plan in 1950": "If Southeast Asia and South Asia are not to be conquered by Communism, we of the free democratic world must demonstrate that it is we and not the Russians who stand for national liberation and social progress" (Carty and Smith, 1981, p. 40).

The strategic political motivations for development assistance, while couched in humanitarian rhetoric, have never been far removed from Canada's wider economic and political priorities in its foreign and domestic policies (Freeman, 1980). By the end of the 1950's, the Third World had become increasingly important as a stable source of raw materials for the post-war economic boom of the western industrial nations.

In the context of global economic and political interests of the West, intractable Third World poverty became an endemic

crisis to which the industrial nations responded with permanent aid bureaucracies. Canada established a semi-autonomous External Aid office in 1960 under the aegis of the Department of External Affairs. By 1968 this had been transformed into the Canadian International Development Agency (C.I.D.A.). Development assistance to the Third World grew accordingly. In 1980, annual foreign aid disbursements had reached more than \$1.2 billion involving several thousand projects in 89 countries, CIDA contributions to projects supported by some 60 Canadian non-governmental organizations (NGO's) involved in Third World development, and technical assistance from Canadian development experts working in the Third World.

This growth of Canadian development assistance (including multilateral contributions to the programs of the United Nations and the World Bank), however, has brought little clarity to the meaning of "development" nor to its impact on poverty at the community level. Over the three decades, there has been an evolutionary growth in development theories which has influenced these programs and defined their priorities. It is out of this inter-relationship of development theories with the actual experience of programs in the 1960's and 1970's that one can begin to identify important factors affecting success and failure of community economic development.

(i) Third World Community Development in the 1950's

The notion that large infusions of emergency financial assistance (based on the approach of the Marshall Plan for Europe) would lead to the rapid development of the Third World

in the 1950's soon belied the expectations of the early aid proponents. The largely-rural societies of the Third World lacked the social, economic and institutional infrastructure of European society to absorb large amounts of aid. Nevertheless there was a community focus for a major part of this assistance which was modeled on the Western social welfare experience and on the Gandhian movement in India. By the late 1950's bilateral and multilateral project funds from western donor nations were supporting community development initiatives in more than 60 developing countries. However, by the early 1960's donor countries had become disillusioned with the repeated failure of these programs to affect the conditions of growing rural poverty and this approach was largely abandoned.

Community development was perceived by its practitioners in the 1950's from an optimistic, Euro-centric perspective which aimed to bring "backward" rural societies of the Third World into the modern era. As such they largely ignored the specific social, cultural and infrastructural context within which community development took place. In theory, village level control of the development process was emphasized. Community members participated in the identification of village needs along with external village-level animators who were to play a catalytic role in facilitating modern effective solutions to their problems (Holdcroft, 1978, pp. 5-14). But evaluations of these early community development programs revealed that they were largely unsuccessful in building stable "grass-roots" democratic institutions at the local level or in improving the

lot of the majority of rural people. In India, evaluators reported that the program was not accepted by local people, did not reach the rural poor, and was a top-down bureaucratic empire which ignored agricultural production (Ibid., p. 24). Central to the failure of these programs was their lack of attention to the structural barriers to equality and access to productive land and agricultural facilities at the local level. In fact, village level workers most often aligned themselves with the traditional village elites, strengthening the elite's social and economic position, and consequently discouraging the participation of the landless, the tenant farmers, and commercial farmers heavily in debt to local notables.

The failure and abandonment of these early approaches was followed in the 1960's by an exponential growth of development theory and the emergence of development experts within Western social science and public administration. The focus moved away from the community approach of the 1950's towards an emphasis on macro-economic growth, societal value structures, and increasing agricultural productivity through the chemical and technical inputs of a "Green Revolution." It was not until the 1970's, with the experience of integrated rural development focusing on the basic needs of the rural and urban poor, that development theory returned to the principles (and constraints) reflected in the community development experience of the 1950's.

II Growth and Modernization Theory of the 1960's

In Western political and economic thought growth and development are among the oldest and most powerful ideas. With

the added notion of "progress", the Western development paradigm mapped out a cumulative path leading from agricultural to industrial civilization with advances in science and technology and increased standards of living. The modernization theories for Third World development emerged out of this western experience:

Development was seen in an evolutionary perspective, and the state of underdevelopment defined in terms of observable differences between rich and poor nations. Development implied the bridging of these gaps by means of an imitative process, in which the less developed countries gradually assumed the qualities of the industrialized nations. (Hettne, 1982, p. 29)

Walt Rostow, in his Stages of Economic Growth, most closely reflects this approach; Third World development would flow almost automatically once these countries had reached an economic "take-off" point. Capital accumulation, achieved through savings, growth-producing resource and industrial investment, foreign aid and trade -- these are the key factors. The benefits of economic growth, once "take-off" was achieved, would "trickle-down" to the poor as they became more incorporated into the modern sectors of their societies.

During the sixties western social scientists elaborated a more systematic and sophisticated theory of modernization. Not only did Third World countries lack savings for investment and economic take-off, they also lacked western knowledge (technical, managerial, administrative) as well as achievement-oriented cultural values for entrepreneurial success. Development in its fullest sense, then, was a paternalistic

reproduction of Western values and culture. Cultural, educational and economic linkages to western industrial societies would, from the perspective of the "deficiency-school" of Third World development, reinforce positive cultural and social values for achieving take-off. Thus, large-scale transfer of resources through aid and investment from industrial countries, the transfer of western technology through transnational corporations, and western managerial training, would soon eradicate Third World poverty. It proved to be an effective rationale for Canadian international assistance. In its 1966-67 Annual Review, the External Aid Office reported that its aid was concentrated on "high priority projects in countries which are following general economic and financial policies conducive to growth and which are effectively mobilizing their own internal resources" (Carty and Smith, 1981, p. 76).

By the end of the decade, it was apparent that development assistance based on these "take-off" models had largely failed to meet the optimistic objectives reflected by its proponents. CIDA, in its development strategy paper published in the mid-1970's, recognized some of the contradictions of these earlier concepts.

Aid and development cooperation were undermined by false assumptions about the speed at which a developing society could be transformed or the ability of western science and technology to eliminate poverty . . . Many donors have pursued policies related more to their immediate self-interests than those of recipients, and have maintained an over-simplified view of the requirements of genuine development . . . A major misconception of donors was

the assumption that the relatively modest volume of resource transfers represented by aid flows could alone and in isolation eradicate poverty and guarantee development. (CIDA, 1975, pp. 6-7)

In fact, the major beneficiaries of the "trickle-down" modernization models of economic growth seemed to be Third World elites whose wealth increased at the expense of the poor as well as transnational corporations who invested heavily and under very favourable conditions in the Third World during the 1960's and early 1970's.

The almost universal experience of Third World countries with export-oriented corporate resource investments in mineral and agricultural commodities has been short-term economic growth in the GNP with few spin-offs for the local economy. The necessity of keeping down the price of raw material inputs for industries in the developed countries, has meant profits for resource transnationals based on low wages for the local population, and a stagnant food/subsistence agricultural sector as landlords extract rent and profits from the peasant cultivation of export and food crops. The example of Brazil, with an annual GNP growth rate of over 10% between 1967 and 1973, is indicative of an approach based on transnational investment. A confidential CIDA analysis recognized that

The development model outlined in (Brazil) is that of creating wealth first and leaving the problem of distribution for later . . . However, a recent estimate, attributed to the Brazilian Finance Minister, is that only about 5% of the population have benefitted from 5 years of unprecedented economic growth; 45% actually saw their standard of living go down; and the remaining 50% are relatively no worse and no better off than they were before the economic boom started. (Quoted in Carty and Smith, 1981, p. 82)

The Financial Post reported in a review of Canadian investments in Brazil, that "70% of the population, or more than 70 millions people, have no access to public sewage systems, 50% have no running water in their homes, 20% of the adult population is illiterate and there is a rising infant mortality rate of 100 out of 1000 live births" (Financial Post, October, 18, 1975).

The basic needs of the urban and rural poor have not been the investment priorities of transnational corporations. Western aid programs that support capital-intensive, export-oriented agricultural developments and infrastructural projects like port facilities, airports, and hydro-electric dams which facilitate foreign investment, may have produced short-term economic growth, but they have largely left behind a growing population of poor people who have become marginal to the "modern sector".

In the 1970's development theory has sought to explain the dilemma of deepening underdevelopment in the context of economic growth. Several important strategies have emerged from this analysis.

III Dependency Theory and the Process of Underdevelopment

Dependency theory has largely emerged from a Third World perspective. It is critical of the Euro-centric notions of modernization and growth. It stems from the work of a group of Latin American economists around Raul Prebisch and the United Nations Economic Commission for Latin America (Hettne, 1982, pp. 40 -46). The impact of dependency theory has been widespread; it replaced automatic and linear notions of

development with a more historical approach that emphasized the particular conditions and contradictions affecting development in the Third World. This perspective is the root of the analysis of donor-assisted community development projects employed in this study.

Dependency theory looks at underdevelopment as an historical process. It examines in detail the international and domestic social, economic, cultural and political structures which have perpetuated the underdevelopment of the Third World during the past two centuries. In marked contrast to the "deficiency school" of underdevelopment, it suggests that such deficiencies in "modern" values and economic structures have been more a symptom of the process of underdevelopment than its cause. Thus,

Underdevelopment is not rooted in providence, inferior personality traits, or traditional values. Rather it exists because the Third World has been the object of systematic subjugation action by the dominant nations. Following centuries of colonialism and neo-colonialism, a world-wide system has been "aided", "technologized", and "mutually securitized" into place. (Goulet and Hudson, 1971, p. 9)

To analyze development and underdevelopment, and to adopt appropriate strategies, one must first examine the historically-created economic and social structures of dependency between the rich nations of Western Europe/North America and their colonies/neo-colonies in Africa, Asia and Latin America. Underdevelopment has been the consequence of the widespread

exploitation of the resources of Third World countries by the modernized West (Kindervatter, 1979, pp. 20-30; Goulet, 1975).

The analytical emphasis is on the inequality of power relationships, both internationally and within Third World societies themselves, that underlie the integration of the Third World into western industrialization.

A specific and detailed analysis of the historical evolution of all aspects of the dependency relationship between the industrial and poor nations is beyond the scope of this review. However, several characteristics of this model of development/underdevelopment should be summarized.

- The most important obstacles to development are external to the underdeveloped society: they lie in the international division of labour.
- During the past several decades, the relationship between industrial and Third World societies has been largely defined by the role of transnational corporations based in Europe, North America and Japan. They have set the terms and pace for resource development in the Third World and have been responsible for a massive external drain of potential income for Third World countries through profit and interest repatriation, artificial pricing policies, and control over shipping.
- underdevelopment has been created by unequal trade relations between industrial and Third World countries. Declining prices for a few raw material exports and wild fluctuations in these prices in relation to manufactured and other essential imports, have made social and economic planning impossible.
- technology imported from industrial countries through transnational corporations has been often inappropriate to the needs of labour-intensive capital investment in Third World countries.

- during the past decade, mounting external indebtedness to foreign banks and multilateral lending agencies for financing trade imbalances and to sustain foreign investments, has reinforced dependency and external control of the development priorities of Third World nations.

- since development and underdevelopment are two aspects of a single global process, Third World countries must move to break their dependency links with the world market and strive for greater self-reliance in their development strategy.

From the perspective of dependency theory, the external orientations of developing countries have limited their ability to respond to the pressing needs of the rural and urban poor. For transnational corporations, profits are not generated by providing low-cost housing; they do not lie in inexpensive and nutritious locally produced food for local consumption; nor do they spring from village medical care. Transnational investments instead orient national development programs towards public expenditures on roads leading to major harbours, hydroelectric power for capital-intensive raw material processing, or incentives for the import of technology for mines and agricultural plantations.

External dependency also has had a profound impact on the internal patterns of social relationship in Third World societies. It has meant the growth of a small urban elite and middle class, serving the interest of the "modern" export sector. This sector has monopolized government services. It has allocated the best lands in the rural areas to export crops rather than to meet local food needs. The expansion of the

resource sector, (and more recently, manufacturing platforms for high technology exports) has been dependent on the availability of cheap labour, the result of widespread urban unemployment and increasing numbers of landless labourers among the rural poor. Gross income inequalities and a small wealthy elite have severely reduced the market for domestic production of cheap manufactures appropriate to the needs of the poor. At the same time the wealthy elite used valuable foreign exchange to import western luxury items. Meanwhile, small-scale peasant farming to promote food for local consumption has been limited by traditional social relations. Debt binds many peasants to landlords interested in production for the export market. In societies where survival has been largely dependent on the products of the land, increasing numbers of peasants have lost their land as landlords use state credit institutions to expand their holdings and to take advantage of Green Revolution technology. The result has been the marginalization and growing poverty of increasing proportions of the population. At the same time, an externally-oriented modern sector is further incorporated into global economic institutions and inculcated with western "consumer culture" values. More often than not, political and military repression, accompanied by gross violations of human rights, has been necessary to maintain internal social order.

Dependency theory has contributed to an understanding of the global situation of the Third World and the social, economic and political realities of the poor. This perspective has

permeated development theory in the 1970's. The emphasis has been towards a reinterpretation of the meaning of development as the transformation of the socio-economic environment within which Third World people live their lives. It has been reflected both in the relations of the industrial nations to developing countries in the last decade and in the orientation of small-scale community economic development projects.

IV Mutual Interests and Basic Needs Development

Dependency theory stimulated an international debate on the creation of a New International Economic Order. Beginning with the oil pricing crisis of 1973, there was universal recognition that development would occur only in the context of major transformations of the international economic and political relationships between the rich and poor nations. CIDA's Strategy 1975-1980, the report of the international Brandt Commission, and the Canadian parliamentary Task Force on North-South Relations -- these documents have all pointed to the mutuality of interest between the rich and poor nations in reaching new accommodations for trade, investment and the international financing of development.

But there has been little agreement on the nature of these accommodations. Battered by recessions, stagnant economic growth, and increasing unemployment, the industrial countries have successfully postponed any serious negotiations on restructuring the world order to increase economic benefits and control by the Third World countries over their own destiny

(Tomlinson, 1982). With the rich nations intent on maintaining their privileged position in the "old" order, the Brandt Commission identified the key issue of development as one of economic and political power. The Commission challenged the "political will" of the industrial countries to confront the realities of their relationships with the developing countries -- "the numerous ways in which economic and even military strength confers on countries, organizations, and corporations in the North the ability to manage the world economy in its own favor" (Brandt, p. 65).

The aid policies of most industrial countries and international institutions during the 1970's have in fact reinforced dependency relationships (Payer, 1982). Support for large infrastructural projects has continued throughout the decade. But international development institutions, particularly the World Bank, responded to the critique of their policies with programs aimed at specifically meeting the "basic needs" of the poor. The 1980 Report of the Parliamentary Task Force on North-South Relations also reflected this approach. In order to achieve development, "access to food, shelter, education, employment and health care are absolute values" and the "primary purpose of economic growth should therefore be improvement in the lives of the poorest people" (Canada, House of Commons, 1980, pp. 12-13).

One assessment has suggested that there has been little movement in allocations to meet these objectives since their announcement in CIDA's 1975-80 Strategy. Agriculture and rural

development made up less than 10% of Canada's total bilateral aid commitments in 1980 despite the preponderance of the poor in rural areas. The emphasis on large infrastructural projects has continued. The study concluded that "substantial Canadian investments in electrical power generation, transportation and water supply . . . seem very often to be of such a scale and sophistication that they have limited benefits in meeting the basic needs of the poorest people for food, water or energy" (North-South Institute, 1980, p. 10).

On the other hand, defining development in terms of a hierarchy of basic material human needs (food, clothing, health, sanitation, water, etc.) may in fact be only a refinement of the earliest "deficiency" models of modernization and development assistance if such needs are seen in isolation from the structures of underdevelopment suggested by the dependency school. The latter approach has defined an alternative model of development.

V Development and Socio-Economic Empowerment: An Alternative Model

During the 1970's the dependency approach led to the articulation of an alternative development model which incorporated growing dissatisfaction with the consequences of industrialization within the industrial countries themselves. It is an approach which goes beyond meeting the material needs of the poor to encompass "basic human needs". A Report of a United Nations Export Group on Human and Social Development

reflects these broader development dimensions:

The objective of development is to raise the level of living of the masses of the people to provide all human beings with the opportunity to develop their potential. This implies meeting such needs as continuing employment, secure and adequate livelihood, more and better schooling, better medical services, cheap transport, and a higher level of income. It also includes meeting non-material needs like the desire for self-determination, self-reliance, political freedom and security, participation in the making of decisions that affect workers and citizens, national and cultural identity, and a sense of purpose in life and work. (Quoted in Kindervatter, 1979, p. 40, emphasis added)

control
Understood in this context, development must reflect a fundamental restructuring of the relationship between government and citizens (and as we shall see between institutional donors and project recipients). It is, then, a process of social transformation at both a national and local level, involving fundamental power relationships. It is not merely a cluster of economic and social benefits "given" to people in need. The critical aspect of the development process becomes one of control over that process.

Social transformation at the community level is not only a question of encouraging greater resource allocations to the poor to alleviate economic and social inequalities. If development is also a social and political process involving greater popular participation in defining development "goals" for the community and the larger society, it must involve conscious human action to transform a given social and political reality, substituting one which is perceived to be "more human and just". Development is inevitably a normative term which cannot ignore qualitative

human value choices, how these choices are made, and by whom
(Goulet, 1975, Chapter 11).

The alternative model of development then returns to the issue of control over the development process, the "difference between being the agent of one's own development as defined in one's own terms and being a mere beneficiary of development as defined by someone else" (Goulet & Hudson, 1971, p. 19). The notion of self-determination is integral to the development process. The poor must have the political capacity to direct the course of development in their own communities. In this model, it is essential that people participate in relatively autonomous, locally-rooted institutions which can influence national and regional development policies that affect their lives. As such, local self-determination and participation mirrors the demands for a New International Economic Order to create an international environment supportive of national Third World policies aimed at restructuring economics in ways appropriate to Third World needs and resources. Full community economic development, encompassing both material and non-material needs, requires a self-reliant community praxis which challenges existing power relations. It would establish an institutional base for self-management and participation in decision-making by the people within each community who were formerly powerless.

While community development initiatives may create conditions for increased employment, increased agricultural productivity, or for greater material well-being for the poor,

they will not fulfill the above development objectives, if they do not sustain an empowering process in their implementation. Empowerment for development has been defined as "people gaining an understanding of and control over social, economic and/or political forces in order to improve their standing in society" (Kindervatter, 1979, p. 150). Evaluations of community economic development projects have repeatedly stressed the link between successful community economic development initiatives and an empowerment process of community education and mobilization. (See in particular the review of Caribbean community initiatives below.) A study by the Inter-American Foundation of hundreds of their projects in Latin America and the Caribbean,

. . . discovered that all of the projects that were successful from a production point of view were projects that were successful in building a process into them of education and of involving the people in decision-making. So that, even for strictly economic goals, it is quite clear that unless the co-operative movement or local economic development projects actually involve community people in planning and implementation, then the project is not likely to succeed even in achieving its production/economic goals. (Interview, November 12, 1982)

The programs of Canadian non-governmental organizations increasingly reflect the conception of development as a process of social transformation. In reviewing its development policies, the Canadian Council of Churches saw the need for "radical changes to be made in developing countries", not only in terms of human rights but "also in terms of incorporating these oppressed people, the poorest of the poor, in the decision-making structures within those nations". They

recognized the danger that their projects, in the absence of these fundamental changes, could easily "strengthen the existing structures, the concentration of wealth and power in small elites, and the poor will not benefit" (Canada, House of Commons, 1980b).

B. STRUCTURES OF EXTERNAL DEVELOPMENT ASSISTANCE AND THE
COMMUNITY ECONOMIC DEVELOPMENT PROCESS

An alternative development process aimed at economic development and social/political empowerment for the poor raises a number of issues for donor agencies, both private and governmental. Some analysts would argue that funding "self-reliance" with external resources is a contradiction in terms and most often brings with it new forms of dependency (Payer, 1982, p. 18). Moreover, their assessment of major government-assisted development efforts is that they have consistently imposed greater suffering on the poor, the very people they claim as beneficiaries. Large-scale resource projects, hydro-electric dams, the Green Revolution -- all have displaced large numbers of the rural poor from the land and forced many more into urban ghettos to seek menial wage labour at the margin of a modern sector.

Undeniably, the development efforts of the past three decades have tended to assist the elites of developing countries and the industries of the developed world rather than meeting the needs of the poor. But there are nevertheless major donors who are sincerely concerned about the distributive justice of their projects. Often these projects are located in countries

where socio-economic structures perpetuate gross inequalities and underdevelopment. While donors may claim some success for their individual projects, these should not be isolated from the overall impact of national and international development programs. The latter may be contributing to a social situation that sustains the structures of dependency and underdevelopment while "successful" projects are held up as justification for increasing such foreign aid. There is no doubt that projects must be analyzed "in the light of the full effect of such foreign aid and not on the basis of one or two successes" (John Briscoe, 1980, p. 67). A study of health projects in Bangladesh concluded that success for these projects depended more on the involvement of exceptional local people than the importance of external inputs (Ibid., p. 67).

Taking these cautions into account, our study suggests that community projects may be developed and sustained in such a way as to further a local (or even national) empowering process for the poor. But evaluations of such projects must not only take into account development as a process of internal social transformation. They must also analyze external relationships of dependency on donors from the perspective of the empowerment of the poor.

I Funding Poverty Focused Rural Development

Donor agencies face many practical obstacles in the selection of effective poverty-focused rural projects. Poor people in rural areas are hard to reach. Most often, they live in the remotest of areas. They are typically unorganized,

inarticulate, frequently sick and poorly nourished. The rural (and urban) poor lack basic skills and have minimal formal education. Sometimes isolated geographically within their communities, the poor, especially women and children, are "invisible" to urban-based (foreign) development officials.

We have already noted the tendency for the benefits of rural development projects to be captured by the rural elites for their own advantages. This effect is not only the consequence of unequal relationships of power within a community or region, but also derives from the fact that the poor lack the resources to contribute effectively to co-operative development efforts. They lack the time to participate, as their daily activity is taken up with basic survival. Their historical dependence on local "patrons" for land and credit to grow subsistence crops, as well as for the definition of their social position within the community, all limit the capacity of the poor to effectively alter social and economic realities. Nevertheless, Holdcroft pointed to the experience of several relatively successful community development programs of the 1950's which suggest "that (poor) villagers will participate when they perceive that the benefits of the program will accrue to them" (Holdcroft, 1978, p. 30).

II The Structure of Aid Relationships

The unequal access to development resources for the poor is also significantly affected by the structures of the aid relationship. In the words of one analyst, "there seems to be a general law that the greater the amount of money spent and the

shorter the period in which money has to be spent on a rural development program, the more likely it is that the rural elite will benefit disproportionately" (Chambers, 1978, p. 210). It is important to examine in detail relationships of dependency and accountability between donors and recipients of community project assistance, all in the context of the alternative model presented above. The following chart outlines the potential flow of power in the donor/community project relationship. The selection process for projects, the financing and accountability needs of donors, and the divergence of interests between donor institutions and countries and the community development process, may all reinforce dependency.

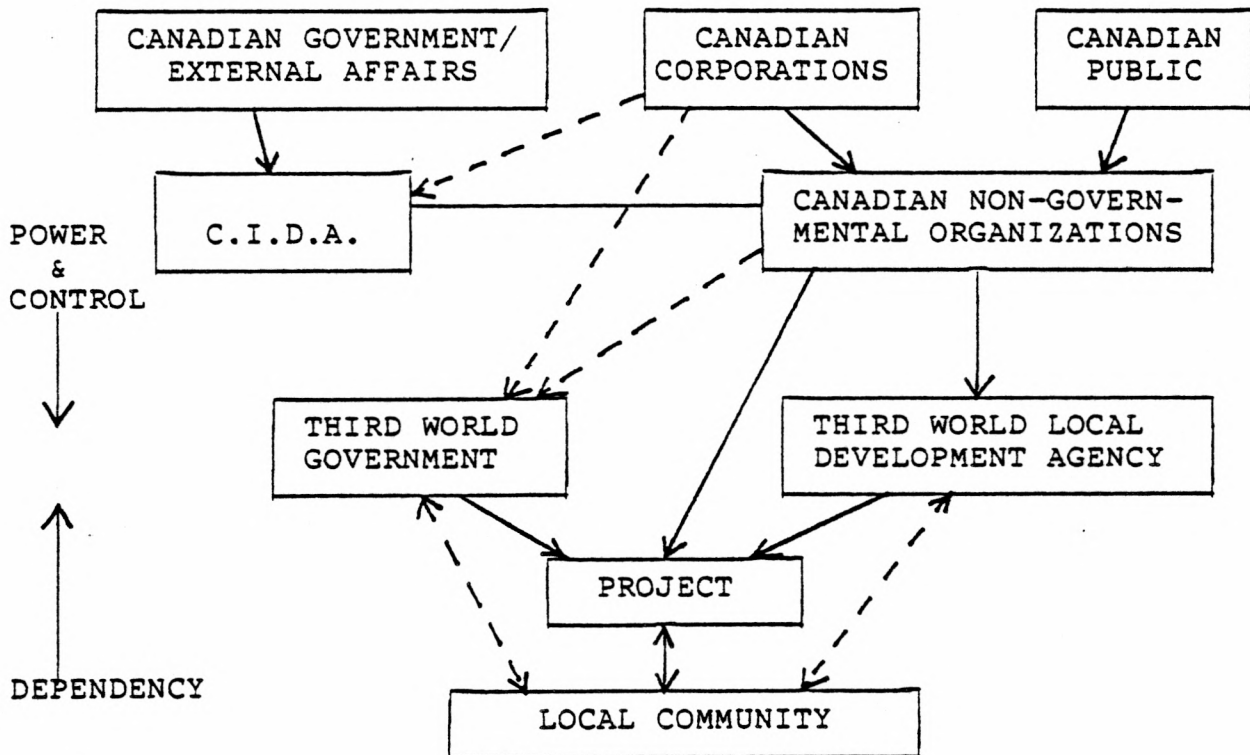


CHART 1 STRUCTURES OF POWER AND DEPENDENCY IN THE
DONOR-COMMUNITY PROJECT RELATIONSHIP

The needs of donor agencies and the resources which they bring to bear in their project relationships often mirror the global inequalities between rich and poor. Donors from the rich industrial countries are institutionally powerful, well organized and are concentrated in urban centres of both the industrial and Third World countries. They are staffed by well-educated, articulate development "experts". Inevitably these factors come to influence their choice of projects and their institutional relationship to them.

The donor's control over the establishment of the priorities for its aid program is fundamental to the dependency relationship. According to Kari Levitt, "the system (of aid), as presently operating, is biased in favour of the perceptions of administrators, planners, consultants and contractors who slide through the elegant jungle of the office towers (CIDA) of Hull" (Levitt, 1982, p. 231). While there is seldom agreement on these priorities within the aid bureaucracy itself, (and the bureaucracy as a whole often comes into conflict with the priorities of Canada's policies in External Affairs, trade priorities, and the activities of Canadian corporations abroad), the agency is nevertheless able to effectively co-ordinate and control the benefits of its aid program. A position paper prepared by the Secretariat of the Eastern Caribbean Common Market suggested that co-ordination of activities among donors in dealing with recipients means that "decisions relating to the development plans and strategies of recipients are increasingly

controlled by the donor countries":

The structure of the system of international aid is such that all too often the donor countries effectively determine the projects that are implemented (since they choose the projects they want to fund), when different phases will come on stream (disbursement schedules not being necessarily in line with recipients' requirements, but determined by donors) and sometimes how projects are implemented (in the sense that alternative methods are not always fully thrashed out by both donor and recipient, but a particular approach is decided upon by the donor country, which is simply accepted by the recipient. (emphasis in original text) (Quoted in Levitt, 1982, pp. 238-9)

Large national and international donor agencies are structurally tied to what has been described as the "big project trap". Their own accountability requirements mean, above all, that they need to assure that money is "well spent" and projects have an international visibility for their respective governments and the global development academia. Thus, project preference moves inevitably towards large scale infrastructure. Such projects enable the rapid spending of aid budgets according to pressures to spend quickly; they are suitable for cost-benefit analysis, easy to monitor, and relate to the evaluation criteria needed to justify increased agency budgets; many are capital intensive and thus require high import content from the donor countries; and they reap highly-visible results for politicians and civil servants in both donor and recipient countries. Projects are designed, appraised, selected and evaluated according to structures and procedures which may remove power and control from recipients (particularly community projects) to national and international development

institutions. Project design is most clearly affected by the degree to which CIDA bilateral programs are tied to purchases of capital goods and services here in Canada. Canadian bilateral aid allocations cannot be used by recipients to buy local goods and services directly. Levitt describes the development impact of this policy:

The problem concerning local costs illustrates the fact that the rules which govern aid can result in arrangements which are obviously sub-optimal from a development viewpoint. If aid is available only for the foreign costs component of a project, there will be a tendency for projects with a high foreign cost component to be preferred to those with a low foreign cost component. All other things being equal, it is evident that the project with the larger local cost component will provide more employment, income and experience in the developing country, while the project with the larger foreign cost component will provide more employment and income in the donor country. (Levitt, 1982, pp. 225-6)

Tying aid to Canadian purchases not only reduces its impact on local resources utilization and employment creation. It also distorts project design towards inappropriate materials.

Levitt's analysis of Canadian aid programs in the Caribbean pointed to the inappropriate design of Caribbean schools similar to schools built in Canada. They started to deteriorate as soon as they were completed. In her words, "they are a sorry sight, and a monument to a conception of aid which is more concerned with the prestige of putting a building in place, and the profit derived by Canadian architects, contractors and suppliers of building materials, than the service to be provided by that facility over its life time." (Levitt, 1982, p. 228)

The use of consultants from donor countries (and Third World consultants trained in the development institutions of these countries) most often leads to insensitivity to local social conditions, and to inappropriate development models. What's more, the complexities of donor selection and appraisal makes necessary the direct intervention of agency personnel in the project development process. Rondinelli examined the World Bank, U.S. AID and the U.N.D.P. and concluded that their role most often accentuated dependency and control.

The direct intervention of international agencies in project preparation is in part a response to the severe deficiencies in planning and project analysis skills in developing nations, but the "deficiencies" are in a sense artificially created by the complexity of the international procedures. Project preparation guidelines are designed to ensure that proposals are compatible with lending institution policies, procedures and requirements; and as such have become instruments of control rather than aid. And as those procedures become more numerous and complex, further demands are placed on the limited planning and administrative capacity of developing nations, making them more dependent on foreign personnel . . . " (Rondinelli, 1976, p. 3, emphasis added)

Procedural delays are compounded by the need for pre-feasibility studies, feasibility studies and economic viability studies. Project selection is delayed, creating frustration and adding to the costs of projects. Such delays also sustain pressures for donors to spend on the most accessible projects and those developed by personnel with formal development "expertise".

Project appraisal techniques may also serve to reinforce inappropriate aid priorities. While these may be technically sufficient, they are socially insensitive to broader socio-economic factors. Large-scale projects are sometimes subject to early political decisions before any appraisals can

be carried out. Cost-benefit analysis at that point only improves technical choices between alternative designs. Payer, in her analysis of the World Bank's support for building hydro-electric dams in the Philippines, notes that:

the cost of compensating and resettling existing populations on sites of proposed reservoirs is an important factor which influences planners' choice of sites, but the "costs" now considered are the narrow ones of minimal expenditures on the relocation of powerless peoples, whereas a true social cost accounting would take into account the production foregone in perpetuity from the inundation of the lands as well as noneconomic considerations such as the value of cultural diversity. (Payer, 1982, p. 22)

Attempts to add social criteria to technical cost-benefit analysis can be subject to difficult and unpredictable methodological judgements that reflect the prejudices of the analyst/consultant rather than the social/economic context of the project. Chambers concluded that these factors leave the appraisal more open to political manipulation, so that the social and economic costs to those directly affected may be rationalized (Chambers, 1978, p. 212). The selection of evaluation and performance criteria by donors may be equally inappropriate to the needs of a project and the constraints it faces. External evaluation, outside the control of project participants, reinforces a power/dependency structure by providing information about projects and communities to the dominant institutions in the structure.

The point of the above analysis is not to cast aspersions on the intentions of donor agencies. Rather, there appears to be a divergence in the aims and conditions confronting donors and recipients that may seriously constrain the success for

community-based economic development projects. Donors respond to projects which most easily provide for efficient expenditures of their money and fit in with methods of administrative and financial accountability. Project participants are concerned with the effectiveness of the project in securing their economic and social objectives (including their empowerment vis-a-vis external forces). Other community members are often more concerned about the project's accountability to the community as a whole. An analysis and understanding of the potential incompatibility of these aims and objectives is essential if project participants are to increase control over their work and make each level of the structure more accountable to the levels beneath it.

III Community Economic Development for Empowerment

The experience of rural development projects suggests a range of characteristics that seem able to more effectively transform the socio-economic reality of the poor while structuring an empowering development process. These projects are most often small-scale, community-oriented, and involve the creation of local institutions. They are most effective when they assist poor people in supporting one another and organizing themselves; when they generate labour-intensive economic activities locally, providing alternative sources of income for landless agricultural labourers in the off-season, when they emphasize skills training, combining effective project management with organizational development for democratic control. While integrating external resources to break development "bottlenecks", community-oriented projects must build upon

the local resource base (Chambers, 1978, p. 210).

The project emphasis is on building local institutions -- whether they be agricultural organizations of small farmers or landless labourers, local associations of women, or producer co-operatives. However Verhagen has noted the potential contradictions for co-operatives among landless labourers:

The cooperative (for landless labourers) can provide an organizational basis for political action directed towards structural changes. It is apparent, however, that co-operation for an economic purpose can also be an impediment to more advanced political mobilization. By being co-opted into an elite circle and becoming integrated into a basically unjust economic order, co-operatives can become its stabilizing element. (Verhagen, 1980, p. 24)

He goes on to point to a continuum of co-operative realities which move from externally-directed, state control organizations which see social equality, democratic control and self-reliance as organizational principles rather than distant objectives. He concludes that "democratic control and self-reliance cannot be "built-in" at a latter stage (e.g. through co-operative education) if they have not from the outset contributed to the effective functioning of the enterprise" (Ibid., pp. 3-4).

Effective participation by the poor is all the more important for the co-op movement where this movement has more often benefitted those with more resources and skills in the community. The latter are able to effectively mobilize the co-op structures to advance their own social and economic circumstances in the community, often to the detriment of the poor majority.

Effective democratic participation by the poor, who lack experience and skills, raises concerns for effective and

successful management of a project. An evaluation of Caribbean projects stressed the importance of a carefully-planned and dynamic management process appropriate to the needs of each situation. Ineffective management can quickly demoralize and make meaningless an active role for participants.

People soon tire of participatory organization where they have even a great deal of participation in decision-making, but they never see any action or implementation of decisions. True participation must reach somehow to the action or implementation stage to get results.
(Preliminary Report on Organization Development Program with Jamaican LDA project, 1982, p. 1)

Both participation and empowerment must be conscious and structured processes, not left to chance. They must assure planning, implementation, appraisal, and, above all, broaden the community base by raising both technical skills and social/political consciousness. This is a requisite for local control of the development process.

Such a development process has a number of characteristics. It emphasizes small group activity and autonomy based on consciously-recognized common interests; it builds structures to transfer to group members responsibilities but also to develop skills in day-to-day democratic and non-hierarchical project relationships; and it integrates group participant reflection and action. These are in turn aimed at greater self-reliance and an enhanced economic and social position for participants. For this to evolve, it must take people where they are -- their experience, their level of skill, their social and political consciousness -- and allow project participants to develop at their own pace (Kindervatter, 1979,

pp. 153-4). Furthermore, experience suggests that participants in co-operatives should make a commitment of their own resources, however minimal. A study by the U.S. Agency for International Development (AID), The Small Farmer Development Study, concluded that "resource commitment on a voluntary basis, in conjunction with participant decision-making, is the most important factor for project success" (Verhagen, 1980, p. 7).

For donors, such project characteristics have a number of implications. Contrary to large-scale, capital intensive programs (e.g. hydro dams for rural/industrial electrification), the poverty-focused project is small and programs are highly dispersed. With a local institutional emphasis, donors must expect higher administrative costs and the integration of local skills development on an on-going basis. With greater geographical dispersion and an emphasis on qualitative relationships and social development, such projects have inherent difficulties for monitoring and evaluation using standard technical, socio-economic indicators. Chambers concluded that "geographic dispersal, uncertainties about implementation, low project costs, and the large number of localized projects combine to make standard complex techniques for project appraisal both expensive and inappropriate" (Chambers, 1978, p. 210). Donor requirements for project allocations during a fixed program budget year may conflict with slow project implementation; with major logistic problems in remote areas; and with the pace of the project as determined by the level and nature of local participation.

How may the donor-recipient relationship be structured to encourage sustained, poverty-focused development at the community level? The decentralization of power and control within the aid relationship seems to be fundamental. In her review of Canadian aid programs in the Caribbean, Kari Levitt strongly supported the decentralization of decision-making to CIDA officers in the Caribbean who oversee small and medium sized projects (\$500,000 to \$2 million). Coupled with the untying of aid from Canadian purchases, this move would allow for greater project flexibility, more rapid approval procedures, and greater sensitivity to local needs and resources (Levitt, 1982, pp. 235-7). Yet even this level of decentralization may not meet the needs of community-based development. One observer has noted that CIDA tries not to become involved in projects less than \$250,000 because they take up too much administrative time. At this level of funding, they will be more receptive to regional intermediary groups rather than village projects. The allocation of large-scale resources to these groups "tends to centralize things" and they "will drift away from letting local people involved in planning or control" (Interview, November 12, 1982).

At yet another level, the former President of CIDA, Marcel Massé, recognized that "(Canadian) non-governmental organizations are more efficient at . . . the village or local level". They are "more efficient at creating the type of development that is long-term, self-sufficient, low cost" through projects that are more labour-intensive "because it is

based on the ability of individuals to pass on the knowledge they have themselves about the local situation" (Canada, Standing Committee for External Affairs and National Defence, 1982, p. 27).

Through the following case studies we will examine more concretely some of the foregoing dimensions of dependency structure in relationships of development-assistance.

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THIRD WORLD CASE STUDIES

THE UJAMAA VILLAGE PROJECT IN TANZANIA: A CASE STUDY OF
COMMUNITY ECONOMIC DEVELOPMENT IN RURAL AFRICA

I INTRODUCTION

The development of ujamaa villages in Tanzania has been held up as a unique example of a deep commitment to equitable rural economic development in the Third World. The program has been described as unique because of its apparent recognition of the importance of democratic and participatory decision-making by the peasantry in their own self-development. Those who designed the ujamaa experiment hoped to build upon traditional values of African family life to forge a community development strategy that avoided the inequality, poverty and dependency that characterize commercial farming in much of Africa and the rest of the Third World. As such, it has received world-wide attention from government leaders, as well as critical analysis from development experts, international funding agencies, and Tanzanian farmers themselves.

The following study will draw upon a range of secondary sources, interviews, and a set of video tapes featuring discussions with Tanzanian peasants and local development authorities. It would be impossible to summarize briefly the full dimensions of this fifteen-year experiment in rural development. Instead we shall analyze the implementation of ujamaa from a perspective relevant to our study of an "alternative" strategy for community economic development. These issues will include 1) its commitment to village level

empowerment; 2) its relationship to government bureaucratic priorities and attitudes, 3) its development in the context of growing external dependencies. It is around these issues that many observers have concluded that ujamaa has largely failed to achieve its original objectives. But first it is necessary to understand the development rationale for ujamaa and to situate it within the social and economic context of rural Tanzanian society.

(i) Ujamaa and Rural Development

During its first six years of independence (1961-67) Tanzania followed a traditional development strategy, emphasizing urban industrial development through foreign and private investment and an agricultural policy of support for capital-intensive export crop production. It soon became clear that these policies were leading to increasing gaps in the living conditions of a small urban elite and the mass of rural people. It promoted the growth of a small but wealthy farming class, growing inequalities in land ownership; low levels of rural employment, and migration into overcrowded urban slums.

In 1967, President Julius Nyerere responded to the deteriorating position of the majority of Tanzanians with the Arusha Declaration. The Declaration stressed agricultural development, a self-reliant mobilization of local resources, and the organization of all rural Tanzanians into villages.

The strategy for building ujamaa village communities was clearly spelled out by Nyerere in a policy paper entitled Socialism and Rural Development. Nyerere saw ujamaa villages as

a way of locating people in areas where they would work and live together on an equal basis, cultivating a common farm and sharing its produce. The foundation for co-operative rural communities lay in African communal traditions and principles -- that rural people lived and worked together, that all basic goods were held in common, and that people shared an obligation to contribute to the community as a whole through their labour. Ujamaa rural development combined these traditional values with the requirements of modern agriculture, in which:

. . . most of our farming would be done by groups of people who lived as a community and work as a community. They would live together as a village; they would farm together; market together; and undertake the provision of local services and small local requirements as a community. Their community would be the traditional family group or any other group of people living according to ujamaa principles; large enough to take account of modern methods and the twentieth century needs of man.
(Nyerere, 1967, p. 13)

While maintaining collective ownership and effort, ujamaa villages would reorganize rural production for greater efficiency. An education program, with selected borrowing of modern farming techniques, would meet the problems of rural poverty, inequality and discrimination against women, and the inappropriate aspects of traditional agronomy.

Nyerere was convinced that democratic participation of ujamaa members in decision-making around issues of village development would release the productive energy of the peasantry and increase agricultural yields. Democratic management within the ujamaa communities would be combined with a renewed effort at

the national level to orient institutions to assist these communities. The emphasis on village self-government was an essential element of the program:

. . . the essential element in (ujamaa villages) would be the equality of all members and the members self-government in all matters which concerned only their affairs. For an (ujamaa village) would elect its own officials and they would remain equal members with the others subject only to the wishes of the people. Only in relation to work discipline would there be any hierarchy, and then such officials would be acting for the village as a whole. (Nyerere, 1967, p. 14)

There was a strong bias towards self-reliance at both the village and national levels of the development strategy. Cash crops for export were to take second priority to food crops for local consumption. Where possible, a process of rural industrialization would provide basic industrial agricultural tools (hoes, ploughs, etc.) to surrounding ujamaa villages. Nyerere stressed a government approach that was both flexible and sensitive to local conditions and basic rural needs.

Socialism and Rural Development also recognized many of the problems that ujamaa would face in the implementation stage.

Progress may be quite slow at the beginning, yet that is no reason for surrendering the goal. The man who jumps without being able to see the other side may well fall and cripple himself. (Nyerere, 1967, p. 30)

There was a clear understanding that to succeed the program had to be voluntary. There could be no question of forcing peasants to participate.

The task of leadership and of government is not to try and force this kind of development but to explain, encourage, and participate. For the farmer may well be suspicious of the government official or party leader who comes to him and says: "Do this"; he will be more likely to listen to the one who says: "This is a good thing to do for the following reasons, and I myself am participating with my friends in doing it". (Nyerere, 1967, p. 18)

There is no question that, over the past 15 years, several aspects of ujamaa and villigization have succeeded in improving the material well-being of many rural Tanzanians. Between 1970 and 1976 approximately 10 to 13 million people were moved from scattered isolated family dwellings into thousands of villages. At the same time, Tanzania succeeded in increasing adult literacy from a small percentage to 80% by 1977. Village-based health care to the poorest strata has increased life expectancy by 12 years since 1967. The percentage of the rural population having access to adequate water supply almost doubled over five years (from 1970 to 1975) from 13% to 25% (Lappe and Beccar-Varela, 1980, p. 59)

But, while these improvements have been important, the history of ujamaa and villigization in the 1970's has been characterized by major contradictions. On the one hand, Nyerere stressed change through voluntary co-operation, education and dialogue. On the other hand, there has been the reality of state coercion of the peasantry. (Coulson, 1982, pp. 318-20; see below) Yet there are historical, cultural and socio-economic reasons that have helped sustain peasant participation and empowerment -- principles which lie at the root of an alternative approach to development.

(ii) Ujamaa and Tanzanian Social Economy

Tanzania had important advantages and disadvantages that affected the success of ujamaa economic development. It would be fair to characterize the country at the time of independence as being undeveloped as opposed to underdeveloped. Emerging from colonialism, Tanzania had a relatively low level of involvement in large-scale commercial agriculture, so its dependence on foreign capital and integration into international markets was sporadic, especially in comparison to neighbouring Kenya. The vast majority of Tanzanians still farmed the traditional subsistence plot.

The two colonial powers, first Germany and then Britain, did not significantly transform traditional patterns of production. Nevertheless there was a small commercial plantation sector which concentrated on sisal and other export crops. Limited to the most fertile areas of the country (Kilimangaro and Iringa), the white settlers never came to dominate colonial economic and social relationships. However, colonialism and export agriculture were not without their impacts. The commercial sector drew African labour away from other regions, contributing to the economic stagnation there. As a result, Tanzania has inherited serious regional disparities. A significant number of African smallholders also became tied to cash crop production for an export market because the British colonial state insisted that they pay taxes in cash. They became producers of coffee, maize, tobacco, cotton, and cashews.

Despite the nationalization of most expatriate estates between 1967 and 1973, land and resources in the rural areas remain unequally distributed. In fact, more than 35% of Tanzanian peasants control less than 10% of the land. In some of the richer farming areas this disparity is even more acute. (Fortmann, 1979, p. 14) The emphasis on cash crop production has not only distorted traditional social relationships; it has also contributed to endemic food shortages over several decades.

Rural women have had an important role in the traditional cultivation and processing of food crops, including the disposal of surplus after meeting subsistence needs. Cash crop cultivation, however, created a market in privately owned land with male inheritance rights, directly benefiting men who assumed control over the care, marketing and profits of these crops. Food production for local consumption is still the prerogative of women. But this sector has received little of the technical or infrastructural development which has gone to the export sector. Thus, there is a serious and continuing crisis in food production and distribution in Tanzania. Between 1970 and 1978, per capita food production has declined by 9%. (Lappe and Beccar-Varela, 1980, p. 52) Food imports during the decade of the 1970's remained high and severe drought between 1973 and 1975 exacerbated food shortages in several rural areas.

The relatively undeveloped state of agriculture did contribute to the weakness of rural social groups with respect to powerful vested interests which opposed Tanzania's egalitarian rural development strategy. Yet this historical

legacy is also fraught with ambiguity. While the productive forces had been relatively undisturbed by colonialism, their overall level of development at independence was extremely low. (Saul, 1973, p. 257) In 1960 Tanzania faced a shortage of skills and indigenous capital. It had a weak technological base, along with mass illiteracy and endemic health problems. These circumstances set the material limits for the implementation of Nyerere's ujamaa community development strategy.

The stress on African communal traditions in ujamaa also contains certain ambiguities. The principles of traditional culture are not fixed in time. Colonialism and indirect rule (the conscripting of traditional chiefs to implement colonial policy) altered communal land ownership and the authority of the clan. There was also a strong emphasis on individual cultivation of plots in traditional rural society where the purpose of communalism was often to aid individuals on a reciprocal basis. (Bakula, 1971, pp. 16-17) The potential tension between the value structures of traditional cultures and the needs of modern, economically efficient co-operative institutions is often ignored when these traditional values are romanticized. (Verhagen, 1980, pp. 31-32) The sense of reciprocal obligation within the context of the familial clan may have served a different purpose, inappropriate to that of a co-operative in a more modern social economy. Analysis of traditional values often misses or glosses over differences in social rank and status within traditional societies, where

mutual exchange often works to sustain hierarchical relationships. In the words of a United Nations social analyst, the relationship between people within a co-operative is both wider than kinship and may also require that "other forms of solidarity and discipline . . . be evolved". (Quoted in Verhagen, 1980, p. 33) The absence of a local animation program to promote and sustain communal solidarity in new villages proved to be a critical flaw in the early implementation of ujamaa in Tanzania. (von Freyhold, 1979, p. xii)

The peaceful achievement of independence by a group of Tanzanian nationalists, teachers, traders, civil servants and entrepreneurs, led by Nyerere, is relevant to the problems which ujamaa soon encountered. Tanzania inherited and carried into independence colonial administrators and local leaders who shared a paternalistic attitude towards Tanzanian peasants. The absence of a coherent peasant movement from below and clearly articulated peasant demands on the leadership meant that this leadership had to rely on the initiative of civil servants and political leaders to implement the ujamaa strategy.

Two contradictory strands of administrative practice emerged early on in the process. The first, represented in the writings of Nyerere, emphasized the need for a process of education for empowering the rural population, giving peasants a political and practical understanding of the advantages of building co-operative ujamaa communities. The second was a more technocratic approach which stressed quantitative variables (e.g. numbers of villages created, services delivered, increases

in crop yields) and treated the peasant population more as the object of policy than its subject. As von Freyhold commented;

The question of how peasants were to be mobilized to form ujamaa villages and who was supposed to mobilize them was left open (in Nyerere's policy paper). As there were no proposals to recruit and train political cadres specifically suited to the task, most of the work of convincing the peasants of the advantages of ujamaa villages was, in fact, entrusted to the administrators and field staff who had been in charge of the implementation of previous policies. It was hoped that a number of seminars and party directives would transform these functionaries into cadres who could plan and stimulate ujamaa production among the peasants whose previous experience with initiatives from above had fostered capitalist tendencies from some and sceptical apathy among most others. (von Freyhold, 1979, p. xii)

The evolution of these two approaches -- empowerment and technocratic administration -- and the growing impact of the second, had profound effects on the Ujamaa experiment.

II. UJAMAA AND EMPOWERMENT FOR LOCAL ECONOMIC DEVELOPMENT

The implementation of ujamaa has been divided into two phases. In the initial period from 1967 to 1971 voluntarism, communal values, and peasant self-government were stressed. During the second phase (from 1971 onward) the government decreed that all rural inhabitants would live in villages. The most successful ujamaa villages were formed during the first phase when they were initiated by peasants themselves or members of the TANU Youth League. (The Tanzania African National Union, the political party of Nyerere which has governed the country since independence). There were genuine attempts at self-reliant co-operative development in Litowa and the other villages of the Ruvuma South Development Association and in Mbambara and a number of other villages scattered around the country. They were started by those with a vision of

co-operative community development inspired by Nyerere. (P.L. Raikes, p. 43)

The fate of the Ruvuma Development Association (RDA) scheme gives some indication of the difficulties of ujamaa as a process for empowerment. This was a truly voluntary association of people from a number of villages initiated by local church people. In these villages both food crops and cash crops were grown; education was geared to the needs of the villages; decisions were made by consensus among village members; and experiences in the sixteen dispersed villages were regularly shared through the RDA. (Lappe and Beccar-Varela, 1980-, pp. 98-99) There is some evidence that the very success of the RDA and its real commitment to egalitarianism and co-operative principles were seen as a threat to the authority of the local party (TANU) leadership in the area. Local TANU leaders brought a great deal of pressure to bear and in 1969 Nyerere allowed the RDA to be declared illegal and its assets confiscated by the party. (Coulson, 1977, p. 91) For both the political leadership of TANU and the civil administration there seemed to be conflicting motivations. They wanted to develop ujamaa villages but at the same time they wished to extend their political and economic control over the peasantry. (Interview, John Loxley, December 8, 1982)

The understanding of ujamaa as a process of installing social organization in the rural areas of Tanzania and thereby increasing agricultural productivity soon overtook the vision of a self-governing peasantry. The focus of rural development became a combination of "better organization" and improved

technology. From this perspective, it is easier to understand the drive to "villagize" millions of peasants in the early 1970's. Between 1973 and 1976 five-and-one-half million people were resettled. According to one senior official in the Shinyanga District:

The 1974 operation was not a matter of choice but of coercion. As Nyerere argued, the move had to be compulsory because Tanzania could not sit back and watch the majority of its people leading "a life of death". (Quoted in Bernstein, 1981, p. 45)

By 1975, the name "ujamaa", implying co-operation and empowerment, had been dropped in favour of the term "village of development". Coercion in the process of villagization was extended to include laws to increase production. The laws, common in colonial times, were brought back to assure compulsory acreages of particular cash crops. Coercive legislation also restricted travel for those who had not met work norms.

There was a similar transformation of the political organization of villagers, formerly aimed at facilitating their active participation in village level decision-making. Several observers report that in the early phase there were village projects initiated and carried out by popularly-elected village development committees. (Lappe and Beccar-Varela, 1980, pp. 93-4) However, from 1971 on, village level planning became a process controlled largely by forces external to the village. In theory, villagers still have a strong role in planning. They participate through their elected Village Council which draws up development plans and requests assistance each year. These are submitted to District and Regional development committees, where they are reviewed by technical officials appointed by the

central government. Planning skills are seldom transferred to the village level, so that "the forces for hierarchical, centralized control tend to overwhelm the structures so that they function as channels only for downward communication".

Lappe goes on to point out,

Given that villagers' proposals are generally a long list of projects wished for, with no technical detail or priority setting, it is not surprising that only projects proposed by officials (who do have more technical knowledge and communication skills) have a chance of implementation. (Ibid., p. 940)

She quotes one study which stressed that most often villagers "rarely know the fate of their proposals . . . Civil servants are rewarded for carrying out orders from above, not for serving as village advocates . . . There is no incentive to listen to or serve as advocates for villages, as villagers have no real power". (Ibid., p. 94, quoting Fortmann, "Ujamaa Villages: Tanzania's Experience with Agrarian Socialism", unpublished manuscript, 1979, pp. 51-53)

Clearly, local structures of organization are by themselves no assurance that development will awaken the participants' own capacities for problem-solving and self-government. Such structures may in fact be mechanisms for asserting control by a centralized elite, legitimizing the policy decisions of others without mobilizing or transferring skills and initiative to villagers. In the case of Tanzania, the conclusion is that "many village leaders do not lead; they transmit". (Ibid., p. 37, quoting Fortmann, op.cit. p. 76) This distortion of ujamaa away from the notions of empowerment and self-government occurred for a number of reasons.

As we shall argue below, national economic priorities required an increased pace of "rural development" from above and brought villagization through coercion. Some see these as inevitable pressures which were bound to weaken the egalitarian intent of ujamaa. It must remain an open question and it is significant that some of those associated with the experiment do not take this fatalistic view (Interview, John Loxley, December 8, 1982; Interview, John Saul, December 10, 1982). What is clear is that a slow and careful nurturing process was essential if the arduous task of empowerment of communities through education was to have a chance of success. The opposite approach was characterized by the common slogan of the time, "we must run while others walk". Without thinking through the consequences, such an approach did not serve the ultimate social goals of ujamaa. (Hyden, 1974) This sense of urgency excluded the peasantry from meaningful participation in decision-making and implementation of the program. Raikes comments:

There is no question that the successful planning of several thousand ujamaa villages in a multitude of different ecological and socio-economic situations would be a mammoth undertaking under any circumstances. In the event it was made even harder by the tendency to ignore the views of the only people who had any first-hand experience of those conditions, the peasants themselves. There was no time for this, and few administrators considered their views to be valuable. (Raikes, 1975, p. 42)

In this context, a centralized bureaucracy required the largest possible village for its own administrative purposes. This brought an inappropriate scale to the implementation of the project. The scale of villages affected their ability to further

their commitment to communal decision-making.

The bigger the village, the more difficult it was for members to achieve a common sense of purpose. Within a small village it was easier for people to meet, to discuss things informally and to agree on what they wanted to do . . . Frequent face-to-face contacts and some sort of common social identity made it easier for members to trust each other and to reach common understanding.

Big villages with several hundred members had none of these advantages. People had nothing in common with one another, did not know each other and had no reason to trust each other. The leadership was remote and often overwhelmed by the task of organizing activities in which so many were supposed to participate. Communal production was correspondingly low in these large villages . . . (von Freyhold, 1979, pp. 86-87)

Ultimately, the success of ujamaa in fulfilling its original objectives would have to lie with the mobilization and political support of the peasantry. In the absence of any significant pressures from below, political organization at the local level through the structures of the ruling political party TANU was essential. Von Freyhold concludes that ujamaa villages made only limited progress and finally failed "because the ruling party, that called for communalization, did not support poor and middle peasants against wealthy ones, did not support the democratic structures of the villages against the authoritarian bureaucracy and did not force the technical staff to serve the villages loyally and intelligently". (von Freyhold, 1979, p. 117) In fact, during the 1970's the political structures of TANU gradually merged with the government bureaucracy at the local, regional and state corporation level. In 1971, decentralization of government authority aimed at facilitating ujamaa development actually

centralized more power in the hands of the local party/state. (Interview, John Loxley, December 8, 1982; Lappe and Beccar-Varela, 1980, p. 37) This meant that the party could not be a countervailing force advocating the interests of peasants and ujamaa to the bureaucracy. But rather, the two institutions saw themselves as having a common interest.

III UJAMAA AND GOVERNMENT/BUREAUCRATIC PRIORITIES

A central contradiction in the evolution of the ujamaa strategy has been the role of the bureaucracy in its implementation. While Nyerere referred to the essential nature of village democracy in his original perceptions of ujamaa, he also recognized that decisions would be shaped by regional priorities and "overriding cases of national need". During the 1970's Tanzania was confronted by critical economic issues that affected both village development and national interests. In its original formulation, there were no structures through which conflicting interests could be resolved. There was no provision for active involvement of ujamaa communities in setting national priorities. So central bureaucratic interests stressed planning necessities to meet national "overriding need". For Nyerere these had been mild qualifiers on the rights of ujamaa villages to decide their own priorities, but they became increasingly prominent in practice.

The 1970's also saw the vast expansion of the Tanzanian bureaucracy out of all proportion to the relatively undeveloped nature of the largely rural society. In part, this bureaucracy

was an inheritance from colonialism. (See John Saul, 1971, pp. 180-191) Immediately following independence, the autonomy of this state structure, relative to other indigenous and external social and economic interests, gave Tanzanian political leaders and some civil servants an opportunity to map a development direction unique among Third World nations. On the other hand, in the implementation of ujamaa, people in the state and party structures began to constitute themselves as a dominant governing class, using their power to advance their own interests over those of the peasants in ujamaa villages.

Unlike many Third World countries, Tanzania has consciously attempted to limit class formation through policies designed to moderate income differentials with progressive tax rates. There was also free medical care and education, rent controls and policies for moderating food prices. Nevertheless, the top 5% of Tanzanians control 33.5% of national income while the bottom 20% control only 2.5%. If the ratio of top government salaries to the minimum wage has declined since 1967, such equalization is somewhat illusory due to a dramatic increase in the number of state jobs. Lappe noted that the number of parastatal organizations more than doubled from 1967 to 1974 and the decentralization of government administration in 1972 created a 60% increase in the number of senior and middle-level civil service jobs between 1971 and 1975. (Lappe and Beccar-Varela, 1980, pp. 61-62)

(i) Export Crop Production and Government Priorities

During the 1970's large parastatal organizations were expanded on a crop-by-crop basis. Parastatals have control

over nationally planned export crop programs. They have maintained their own involvement with international donor agencies. These parastatals, in combination with other rural development agencies, have identified their social power and privileges and their economic survival with the surplus they can extract from the production and export of cash crops. The gradual formation of this bureaucratic class with an interest in extending its control over the Tanzanian countryside and in maintaining a high level of foreign exchange earnings through the cash crop sector was a central factor in the demise of ujamaa as a democratic, communalist approach to community economic development.

During the 1970's there was an increasing pre-occupation with increasing cash crop yields for the export market. Bureaucratic control of rural development was the means of achieving this goal. With 80% of Tanzania's export earnings derived from agriculture, the production of the main export crops (tobacco, cotton, tea, and coffee) actually declined by 20% during the decade. (Freeman, 1982, p. 486). The slump in exports occurred at the same time that food production declined due to a devastating drought from 1973 to 1975. Thus, at a time when food and petroleum import costs were skyrocketting, Tanzania could not take advantage of increasing international prices for export crops. There is no doubt that this international context set the stage for a devastating economic crisis. (Lappe and Beccar-Varela, 1980, p. 53) The resulting shortages of foreign exchange had a dramatic effect on the implementation of ujamaa.

Even during the initial ujamaa period there were only minimal attempts to de-emphasize the production of cash crops while prioritizing the production of food crops. The consequences of a policy to sustain export crop production at any cost, combined with the effects of the drought, meant that there were severe food shortages in rural Tanzania. These shortages increased peasant scepticism as to the viability of the ujamaa communities and reinforced their reluctance to give up traditional social patterns and agricultural practices which had ensured their survival in the past. The policy of the state was not only to encourage existing cash crop production, but also to use the ujamaa village program to increase the production of these export crops. We have already pointed to the use of laws to enforce the cultivation of specific acreages of cash crops within ujamaa villages. In the more fertile areas, the emphasis on the creation of ujamaa was restricted by opposition from more prosperous export-oriented farmers. The government feared that any disruptions in production caused by the creation of new ujamaa villages would put at risk those areas where the government was most dependent on foreign exchange earnings. This tended to concentrate the implementation of ujamaa in the poorest regions of the country and was bound to limit in advance their overall impact or effectiveness as viable economic units.

Conflicting priorities between support for ujamaa communities and cash crop production revealed themselves in the orientation of the national infrastructure built to support rural

development. The emphasis of the state is clear in the case of agricultural credit. The credit system is crucial to the effective development of any new community economic initiatives. Ujamaa communities needed access to credit and other resources to improve life in the villages and to build a strong communal agricultural economy. This was especially true in the initial phase, when the success or failure of ujamaa was being closely watched by other peasants who might wish to participate if the results were favourable. At a minimum the new communities needed credit on favourable terms and access to technical advice on practical aspects of developing their agricultural resources and co-operative structures.

Despite these needs, the National Development Credit Agency, (responsible for agricultural credit) failed to alter its economic practices and criteria in order to adequately support ujamaa agricultural production. It continued to base its criteria for loans on the ability to repay, the measure of which was cash crop production in previous years. Such policies not only reinforced disparities between regions and among richer and poorer farmers. They also meant that those areas where ujamaa economic development had gone the furthest received the least support from the credit system. In 1970, 70% of all outstanding credit went to the richest seven areas of the country with the six poorest receiving only 11%. In addition, 90% of all crop development loans were for export crops. Even within this context there was heavy concentration on one crop -- tobacco. In 1972-73, 75% of credit went to one region, Tabora,

for tobacco production. Despite a commitment to prioritize loans to ujamaa, during its first seven months of existence the newly created National Bank of Commerce did not extend one loan to the new communities. While justified from the perspective of national economic priorities, it could be argued that this dependency on export crops to provide a quick cash return from rural credit might actually increase credit risks, since these crops were subject to highly volatile international prices. (Loxley, 1972, p. 278)

There were few attempts to orient other aspects of government support towards a self-reliant community development strategy. The marketing and transportation infrastructure, essential for the marketing of crops, was geared entirely to the export market. A strategy of building a diversified internal food production and marketing system and cutting the food imports which had grown during the 1970's was essential if the country's goal of national self-reliance was to be realized. Exchange relations could have been developed between various ujamaa villages in different regions to diversify diets and increase overall food production. For example, beans and maize from the Nguu Mountain region could have been exchanged for meat and milk from villages on the plains. (S. Sumra, 1974) But the production and exchange of traditional food crops within the development of ujamaa never received the necessary resources and infrastructure to make such an internal market a reality. Similarly, not more than 10% of all farmers received government-subsidized fertilizer, and most of this went to export crops. (Lappe and Beccar-Varela, 1980, p. 60)

Despite government promotion of the export sector, small producers of export crops were not the beneficiaries of these policies. The real purchasing power of agricultural incomes, derived from both export and food crops, declined sharply during the 1970's. The terms of trade paid to smallhold producers for export crops fell by 33% in the decade. (Freeman, 1982, p. 487) Such a decline was not caused solely by a global decline in international prices for primary agricultural commodities. For example, the margin between the world price for tobacco and the price paid to producers (75% of whom are smallscale farmers with less than 0.5 acres) increased by 50%. (S. Mueller, 1981, p. 57) The growth of government parastatals for the management and development of the export sector required the availability of an ever larger "economic surplus". The "economics" of export crop production for the smallscale producer was no incentive. Further state coercion through ujamaa was seen to be required by government officials.

(ii) Peasant Resistance and Bureaucratic Paternalism

There have been various implications for peasant support for ujamaa associated with continued dependency and exclusive support for export crop production. One observer has described the situation for ujamaa villages in the Handeni district:

The move to the villages does not seem to have solved the basic problems faced by the peasants in the area, i.e. that of frequent food shortages and poor living conditions. This is partly due to the fact that production in these villages is always geared to the market. Peasants grow crops that have ready markets, and not what they need to improve their diets. This is I think a direct result of the emphasis being placed by government officials.

For example, during my visit to the area in 1973, villagers were being instructed that every member should have at least one acre in cotton. This kind of directive not only robs the peasant of the right to decide but also helped in some cases in reducing the amount of communal operations. It is these communal plots that are geared to satisfying the food needs of villagers. The first priority should be to reduce the frequent food shortages . . . (S. Sumra, in Papers on the Political Economy of Tanzania, p. 205)

When food shortages combined with declining terms of trade, peasant producers of export crops withdrew from ujamaa communities and from production of these crops. Many "retreated" into individual production of subsistence food crops. Some have argued that the capacity of the Tanzanian peasantry to produce their own subsistence needs on their own land more or less independently of the state speaks to their residual power. Yet in the context of a modern rural economy this is inevitably a defensive strategy. It does not sustain collective empowerment or significantly improve the circumstances of life.

In the early phase of ujamaa, the bureaucracy responded to peasant resistance with an emphasis on the provision of services -- roads, schools and other amenities -- to encourage peasants to move into ujamaa villages. Constrained by the terms of international aid from providing economic support to enhance agricultural productivity in the villages, this was the only path open to the government. Progress was made in the provision of these services, but it was never possible to meet all promises and expectations. Disillusionment and anger combined with resentment when villagers were pressured by the bureaucracy to produce more. Passive resistance often ensued with peasants

planting seedlings up-side down, selling "communal" resources, and the disappearance of families further into the bush. (Lappe and Beccar-Varela, 1980, pp. 104-105)

By 1971 the national leadership had lost patience with the "voluntary" process of ujamaa and ordered the forced "villagization" of millions. One analysis summarized the cost of coercion for a strategy whose major component is co-operation:

The use of force has succeeded in associating ujamaa in the minds of villagers with unpleasant experiences which have little to do with the potential of the policy. Coercion may be successful but generally only at a price -- it results in alienation and passivity". (Lappe and Beccar-Varela, 1980, p. 103)

The costs of coercion were also born by the bureaucracy itself. The passive resistance of the peasantry had a contagious effect on the lower levels of the bureaucracy:

The subjective effects of cynicism, a sense of hopelessness and demoralization are particularly potent for those agents at the lower levels of the state apparatus who directly experience peasant intransigence, or at best ritual compliance with policies in the rural areas (frequently expressed in the official discourse as the laziness or ingratitude of peasants in the face of all that is being done for them). (Bernstein, 1981, p. 58)

When these attitudes were combined with decentralization of this bureaucracy, it affected the quality of information which was passed on to the central leadership around Nyerere, those who were still most interested in pursuing the social goals of ujamaa. Assessments of the successes and problems of ujamaa are very much shaped by the lower levels of bureaucracy whose position depended upon the good will of those above them. As Goran Hyden reports, this had some unfortunate consequences for

the policy implementation process:

Particularly unfortunate is the tendency for policy executors to feed policy-makers with the information that the latter wish to hear. This false sense of subservience reduces the ability of the executors to recognize, on their own, means/ends conflicts arising in the process of implementing individual policies. In such situations, little thinking, if any, goes into such questions as to how implementation can be accelerated, or in any other ways, be made more effective, and what consequences various decisions on matters would have". (Hyden, 1974, p. 9)

A top-down implementation of ujamaa, combined with hierarchical bureaucratic responsibility, made it extremely difficult to analyze mistakes and creatively change and adapt policies -- in other words, to learn from experience. When problems were encountered it is not surprising that this process resulted in placing the blame on the farmers and villagers rather than the bureaucrats.

Peasant resistance seemed to confirm attitudes prevalent among the bureaucracy that peasants were "ignorant"; that they did not realize what was best for their own interests; and so coercion was necessary if any progress was to be made. In a taped interview, a Regional Ujamaa Village Officer made the following comments on a village formed some ten years previously:

They started in a dream and now it has dissolved. When they started it was like a small child. He doesn't know where he is, he just plays games and perhaps as he jumps around he steps on an accelerator . . . We need to mould things. Every group of people who have decided to do something together, how can we arrange their living together so that they can benefit from living together. Perhaps their progress can be hindered by their former ideas, maybe they had a wrong start, you can't remove it in one day . . . We look for how we can push them down, direct them, we can't use force, we must move carefully .
(Tanzania Year 16, Video Tape #113, 1972-73)

Such direction has been provided through the Village Manager scheme. They are meant to be the village "catalysts" who, along with agricultural extension workers, formulate projects and assist in the development of a village plan. But they are not accountable to the village members; rather, they are assigned from outside the village and paid by the government through the District Development Office. With their authority emanating from forces external to the village, there is concern that "the village manager will live differently than the others and create divisions in the peoples' minds between what they can do for themselves and what the higher-ups can do" (Lappe and Beccar-Varela, 1980, p. 75)

There have been countless instances of inappropriate planning. In order to facilitate outside linkages and also to tie villages more closely into government control, villages were built in very uniform fashion along roadways rather than near sources of water. At the same time there was little understanding of the day-to-day problems of water supply for agriculture and cattle. (See Tanzania Year 16, Video Tapes, #136-142, for a detailed example of attempts by village members to have central planners understand their water needs.) Village members are certain that the continuation of imposed decision-making will lead to the failure of ujamaa as they lose confidence in its viability. When shown the video tapes referred to above, a village member commented on the need for an authentic village-based planning and decision-making process:

They see us as children without enough brains. If they were to recognize that we had sufficient ideas, that we could think about something together with them, and just sit down and decide with us, maybe they wouldn't do it this way (i.e. impose an unworkable decision on the village)

Maybe they think if we send this assistance to the village, the villagers will spoil it. But we (the villagers) don't necessarily want it to come to the village. The best thing would be when they have decided that assistance would be coming to the village, they would leave their offices and come and consult with the village leaders. We have a village committee which could sit and prepare their plans with them, and we could do the planning here with the leaders. The whole village doesn't have to sit down and do the planning because the village itself has already delegated a committee which can manage these things together . . . " (Tanzania Year 16, Video-Tape #103, 1972-73)

The Regional Village Officers responded to these criticisms with an all too prevalent paternalism that peasants just do not understand new ideas: "It's like a small child, you give it to him, but if he breaks the bottle it's a loss, because he could have used it later, if he stills breaks it, you must admonish him". (Tanzania Year 16, Video Tape #113, 1972-73) Such paternalism perceives rural people and their passivity as the "obstacle" to authentic development.

In the absence of any training programs in co-operative principles and village level animation aimed at village managers, agricultural extension workers, and regional/district development officers, bureaucratic prejudices and "top-down" decision-making were significant factors in the overall failure and abandonment of ujamaa. There have been country-wide

literacy and health promotion campaigns which affected and involved rural people directly. But an International Labour Office report to the Tanzanian government in 1977 suggested an alternative village animation strategy to mobilize rural people for their self-development:

The conventional approach to the issue of raising village skills at all levels has been skill and knowledge transmission through government officials and training institutions. The approach has, to a large extent, been continued in the new context of villagization. It would seem, however, that a different approach to the problem might yield quicker and more lasting results. It would emphasize the mass training of rural cadres who, in turn, would transmit the skills to the villagers. The cadres would be drawn from and return to the villages.

The training of instructors, the study continues,

would be followed by a phase program of training rural cadres involving a large number of persons -- 150,000 to 200,000 -- over a two to three year period. (Quoted in Lappe and Beccar-Varela, 1980, p. 115)

The work of the Tanzania Institute of Adult Education is an example of this latter approach of stimulating peasant participation in development. The Institute initiated a project in the Chiwanda area involving five villages in co-operative pineapple, orange, vegetable and poultry production. Their approach was to involve the villagers directly in the formulation and implementation of the project. The villages themselves prepared questionnaires to gather data on their assets and problems and were involved in the design of the project. An evaluation concluded that "the peasantry is as resourceful as any other sector of society; what it often lacks

is appropriate guidance on how to identify and articulate its development questions and how to mobilize its resources".

(Quoted in Lappe and Beccar-Varela, 1980, p. 73) These projects were highly successful in diversifying the diet of villagers and in generating income from the sale of eggs. By way of contrast, three government-imposed projects to improve agricultural productivity failed because villagers viewed them as inappropriate to their needs. (Ibid., pp. 73-4)

IV. UJAMAA AND EXTERNAL AID DEPENDENCIES

The economic crises of the 1970's and Tanzania's historic undevelopment have meant a growing dependence on international financial aid during the decade. (Tanzania's dependence on foreign markets and increased export crop production has already been noted.) By 1976, half of total government development expenditures were derived from foreign loans and grants and two thirds of the central government's deficit was financed from these sources, and in particular the World Bank. (Lappe and Beccar-Varela, 1980, p. 110) The policies of ujamaa were increasingly affected by the role which the World Bank came to play in the elaboration of rural development strategies.

Among other external aid agencies, the Canadian International Development Agency has also been an important source of aid for the Tanzanian government. Its assistance has been directed towards transportation infrastructure and resource development. But by 1980, rural development assistance from CIDA had trebled over the levels current in 1973-74 (Freeman,

1982, p. 489). What impact has this foreign assistance had on the formulation of Tanzania's own development priorities and on the directions of rural development?

Tanzanian debt to the World Bank increased from TShs 71 million in 1967 to TShs 512 million by 1972. This massive jump made Tanzania more vulnerable to Bank policies which stressed that a developing agricultural economy should concentrate on increasing export crops yields. The emphasis on this strategy reinforced tendencies already present within the Tanzanian bureaucracy. The Bank played an important role in expanding the "top-down" modernization approach to rural economic development of the bureaucracy:

It can be suggested that given the scale and strategic nature of the involvement of the World Bank, its Dar es Salaam office, which is at the centre of a network of linkages connecting important ministries and parastatals, is effectively a state apparatus in its own right . . . Certainly the procedures and practices through which project aid could be solicited, provided, administered, and evaluated have contributed significantly to the enlargement and centralization of Tanzania's version of the "modernizing state". (Bernstein, 1981, p. 48)

The Bank's influence has been clear with respect to the export sector. It contributed major loans for the development of tea and tobacco among smallholder producers. But, up to 1975, it had not supported one project that involved basic food production for Tanzanian consumption. The Bank's own assessment of its projects among export crop producers is that they tended to benefit individual producers and, among these producers, those that were relatively better-off. (Lappe and Beccar-Varela, 1980, p. 113)

The Bank's tendency in Tanzania has been to reduce agricultural development projects to a technical and bureaucratic process. In the early phase of ujamaa, its strategy was to ignore the co-operative emphasis of the government's policy. As ujamaa became more problematic within Tanzania itself, the Bank moved towards a more openly critical approach. Von Freyhold noted that "in the introduction of the appraisal of the Geita cotton project the World Bank experts reported that the implementation of the tobacco program had been retarded due to the "premature" introduction of collective agriculture, but that now an agreement had finally been reached which would allow private tobacco farmers to take full advantage of the projects". (von Freyhold, 1979, p. 112) Lappe noted that one quarter of a \$4.4 million village "self-help" program was to be spent on economists and credit officers who would evaluate and do feasibility studies on proposed village projects. The influx of foreign experts can only serve to reinforce village members' feelings of inadequacy about their own capabilities. (Lappe and Beccar-Varela, 1980, p. 113)

In several respects Canadian rural development assistance has played a similar role in reinforcing policy directions in conflicting with the priorities of ujamaa. Canada's assistance has been designed to increase food production so as to replace the rising wheat imports of the early 1970's. But it had done so through support of large-scale, capital-intensive wheat farms which utilize technology and expertise derived from wheat-growing experience on the Canadian prairies. An assessment of

this project concluded in part that it had made a contribution to developing Tanzanian self-sufficiency in wheat production. At the same time, however, it seemed to be adding to rural-urban disparities in food consumption and hastening a movement away from traditional crops. There has also been a serious impact on the socio-economic status of pastoralists in the wheat-growing region. The analysis concludes that there are significant dangers of built-in future dependencies arising from the nature of the project. Tanzania will be required to import inputs of tractors, transportation equipment, spare parts, fuel, chemical weed and pest control, as well as foreign management and technical services. Savings derived from reduced food imports may be illusory in the longer term as the demands for foreign exchange to maintain the farms become greater. (Freeman, 1982, pp. 493-497)

This bias towards agricultural projects using complex technologies is clearly distinct from a preference for immediate technologies appropriate to the goals of ujamaa:

. . . [ujamaa] . . . would require ox-mechanization, small-scale (and sometimes large-scale) irrigation, the development of . . . industries in the sectors that produce the means of production for agriculture, the integration of livestock and agriculture, and the creation of an efficient and flexible marketing system. All these things would have required the creative and active participation of peasants. (von Freyhold, 1979, p. 110)

The degree of mechanization and centralization inherent in the wheat project goes against the advice of the North-South Institute which has also stated that the need in the Third World is for "highly decentralized employment creating increases in food production". (North-South Institute, World Food and the

Canadian 'Breadbasket', quoted in Freeman, 1982, p. 499) A calculation of the capital cost/job creation ratio for the CIDA wheat project is over \$300,000 for each job. (Ibid., p. 500) Canadian expertise and training components have not worked to turn the projects and farms over to indigenous control and direction (Ibid., p. 500 and Lappe and Beccar-Varela, 1980, pp. 111-112)

Foreign assistance agencies and the Tanzanian bureaucracy have both come to accept as a priority the development of large-scale agriculture. In the process they have accepted and promoted an emerging group of relatively well-off farmers and parastatal farms. There has been a corresponding abandonment of the egalitarian and democratic view of rural society envisioned by the policies of ujamaa. By the mid 1970's the World Bank openly welcomed the end of any real support for communal production as the removal of an inefficient and excessively ideological obstacle to the modernization of Tanzanian agriculture. But Tanzania's continued economic and social crises since then do not provide positive support for these policy choices. Von Freyhold suggests that "since many parastatal farms in Tanzania produce only a small surplus, consume a lot of foreign exchange and employ relatively little local labour, it is likely that well-organized ujamaa villages could contribute more to the national economy and at less social cost". (von Freyhold, 1979, p. 113)

Tanzania's continued external dependence for markets, aid, loans, technology, food, and consumer goods has served the

country poorly during the latest round of global economic recession during which the value of the country's exports has fallen dramatically. The abandonment of ujamaa, in turn, has left a legacy of a continuing antagonistic relationship between the peasantry and the government. Peasant participation in and benefit from rural economic development have not occurred.

Policies never emerged from the political leadership to check the interest of the bureaucracy in giving almost exclusive attention to increasing foreign exchange earnings from peasant cash crop production. Only a conscious policy, rooted in ujamaa, to minimize dependence on outside markets and goods and maximize intra-country and inter-village economic linkages would have given some reality to the rhetoric of self-reliance. Village self-reliance and national self-reliance were mutual requirements. To effectively benefit the majority, foreign economic assistance for rural development would have to be subject to an analysis of its relationship to these goals.

V A THEMATIC SUMMARY

As a model and process for community economic development, the ujamaa village program in Tanzania can suggest a number of important issues in a consideration of success and failure factors affecting development projects. These derive not so much from an analysis of any particular ujamaa village experiment, but more from a general assessment of the effect of government policies and international aid relationships on a

community empowerment process aimed at economic development.

1) Any analysis of community economic development must include the impact of colonialism and undevelopment on Tanzanian peasant producers. The relatively undeveloped context of rural Tanzania provided the opportunity for a more democratic and egalitarian rural development strategy. But at the same time, these socio-economic conditions also set the parameters for ujamaa -- the ambiguous legacy of traditional value structures; the partial integration of the peasantry into commercial crop production, the extremely low levels of rural skills, restricted access to capital and markets; and the tremendous demands for improvement in the basic life circumstances of the majority of rural people.

2) The lack of sensitivity in a decentralized bureaucracy to the objectives of ujamaa policies for community empowerment and development was a critical factor in the failure of ujamaa to foster village self-direction in planning and implementing production programs. There are several elements which have contributed to this failure:

a) Ujamaa was developed and sustained by a committed political leadership from above in the absence of an independently controlled movement of peasant producers pressing for rural change from below.

b) While there was rhetorical (and in some cases real) commitment to voluntarism, communal equality and peasant participation in decision-making, there were no political structures or village-centred animation programs to engage village members in a slow process of education and indigenous

skills development for peasant empowerment. Where ujamaa policies were taken seriously and where there was independent animation for village development, the party and bureaucracy saw this as a threat to their authority and control over the rural development process. Independent leadership was removed.

c) There was a critical contradiction between the interests and interpretation of national development priorities as seen by the government and the priorities which village members would have established through an authentic village-level planning process. The priority of the government was to increase cash crop exports at the expense of food production, with declining economic returns for small-scale producers. This meant increased peasant scepticism of the viability of ujamaa. Peasant resistance and bureaucratic impatience for "results" led to a policy of coercion, a rapid pace of villagization and the abandonment of ujamaa principles in favour of hierarchical planning and implementation of village development projects. These projects were often inappropriate to the needs of villagers. They were based on assessments of village problems by external development officials and were resisted by villagers who saw traditional means of subsistence threatened by imposed "improvements" in agriculture.

3) The removal of initiative from below is related to the relative "over-development" of the bureaucracy in relation to the underdevelopment of skills in rural areas. The government was able to effectively control a development process and assert its own priorities (i.e. cash crop and export production)

through bureaucratic procedures for evaluation of projects, the orientation of government resources (rural credit, agricultural inputs, infrastructure development), and a reliance on external technical assistance for increasing agricultural productivity. Village-level decision-making councils could initiate projects over which they had little control past the proposal stage, as their plans were submitted to the bureaucracy for evaluation and approval/implementation. Hierarchical decision-making, when combined with the implementation of government priorities, produced cynicism and passivity among the peasantry and lower level officials alike.

As rural people were perceived to be the "obstacles" to progress, a rigid paternalism took hold within the bureaucracy.

4) International funding agencies, and in particular the World Bank, assumed increasing direct control over the directions of rural development and hastened the abandonment of ujamaa. This control was derived from their imposed criteria for much-needed international loans and grants, from the direct role of expatriate development "experts" and from a convergence of interests and perspectives with the Tanzanian bureaucracy. Thus, a policy of minimizing dependence on external markets and forces through the convergence of village self-reliance and national self-reliance, gave way to an externally-oriented strategy whose implementation has brought few benefits to the majority of Tanzanian rural people.

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THE CAQUEZA PROJECT: A CASE STUDY OF EXTERNALLY-DIRECTED
RURAL DEVELOPMENT IN COLOMBIA

A. Introduction

The experience of development assistance to rural Colombia has been widely recognized as one in which economic and technical aid has reinforced the dependency and under-development of peasant communities. The focus for this case study is an Integrated Rural Development (IRD) project in the district of Caqueza outside the capital city of Bogota. As part of a wider pilot agricultural extension program to bring "Green Revolution" technology to small-scale peasant farmers, Canada's International Development Research Centre (IDRC) provided technical, financial and research support to the Caqueza project for five years from 1972 to 1977. A detailed evaluation of this project was written by IDRC and their Colombian project counterparts at the end of the five-year period. (Zandstra et. al., 1979) It provides a rich empirical base of information through which we may examine those characteristics of an external aid relationship that affected the success or failure of this project in stimulating a participatory development process at the community level.

As with each case study, the Caqueza project and the role of the IDRC must first be situated within the dependency context of development in Colombia and within the history of rural social relationships over the past several decades.

(i) The Socio-Economic Environment

Rural development in Colombia has been shaped by its economic dependence on the commercial production of coffee, cotton, rice, sugar cane, and bananas for export to North American and European markets. At the same time, a complex geography, created by the contours of the Andean mountains, has sustained rural isolation and a large gap between commercial and subsistence agriculture. The commercialization of agriculture in the nineteenth and twentieth centuries went hand in hand with a profoundly unequal distribution of land. Large latifundia estates still control the best and most fertile land in the valleys while the majority of rural inhabitants have been forced onto small, marginal plots of land. The following table gives a breakdown of rural land distribution in 1972:

RURAL LAND DISTRIBUTION 1972

	<u>Percentage of total number</u>		<u>Percentage of total area</u>	
Farms less than 5 hectares	59.5%		3.7%	
Farms from 5 to 10 hectares	13.6	73.1%	3.5	7.2%
Farms from 10 to 50 hectares	18.5		15.0	
Farms from 50 to 100 hectares	4.1		10.3	
Farms from 100 to 500 hectares	3.7		26.6	
Farms from 500 to 1000 hectares	0.4	4.4%	10.4	67.4%
Farms more than 1000 hectares	0.3		30.4	

(Source: IDRC, Colombia Case Study, Program Support Unit, 1975)

Beyond this grossly unequal pattern of land ownership, it is estimated that more than one million rural families own no land at all. These families, along with farmers with marginal plots, make up a rural labour force which provides seasonal workers for the large estates and medium-size farmers. Income

distribution reflects these social inequalities based on land. The bottom 50% of the population receive 20.1% of national income and the top 20% receive 56.7%.

The farming economy in the area under review, Caqueza, has a similar pattern of land ownership and income distribution. Sixty-five percent of the farms covering 28.5% of the land are in units of less than 5 hectares; 22% are between 5 and 10 hectares and occupy 11% of the land; and 4% are over 30 hectares and occupy 42% of the land. It is generally agreed that plots of less than 10 hectares are marginal to commercial production. Peasants most often produce crops for local consumption -- potatoes, beans, cassava, corn and raw sugar -- on these plots. In the Caqueza region, 80% of family income was used to buy food leaving an average annual disposable income of between \$100 and \$150 U.S. (Zandstra et. al., 1979, 41-43)

(ii) Rural Development and La Violencia

The socio-economic and political context for rural development in Colombia has been profoundly affected by the post-war period in Colombian history known as La Violencia. From 1947 to 1958, more than 200,000, people, mostly rural, were killed. The roots of La Violencia go back to the earlier decades of this century. In the 1920's and 1930's, the owners of large coffee and banana estates feared that their monopoly over peasant labour on their estates would be broken by peasant demands for the right to cultivate coffee on their small subsistence plots. The latifundistas responded with the support of the local police, armed forces and private armies, to evict

peasants from surrounding land by force. Attempts by peasants to organize themselves into unions to defend their rights and interests became a further pretext for violent intervention by the police and private armies. As peasants fled en masse into the mountains and the more remote regions of Colombia, the latifundistas extended their estates onto the land left behind by the peasants and expanded commercial agricultural production. This expulsion of peasants continued in the post-war La Violencia. The land tenure issue became a part of a violent conflict between the Liberal and Conservative parties after the assassination of the Liberal presidential candidate in 1948. (Huizer, 1972, pp. 133-136)

Several decades of rural violence not only resulted in widespread loss of human life, but also effectively crushed any independent peasant organization. The ever-present threat of violence by local oligarchies reinforced the rigid social structure in rural areas and sustained traditionally passive patron-client relationships of peasants to village notables. The concentration of the best land in the hands of the largest estates has resulted in migration of the poorest people to four or five major urban centres. In 1950, 56.5% of the population were engaged in agricultural activity; by 1975, this had decreased to 25.4%. (CUSO, Colombia Program, 1979, p.5) With an urban population growing so rapidly, many of these migrants are unable to find employment. They make up an urban barrio (slum) population who turn to "under-employment" activities such as street-vending, shoe-shining, and prostitution.

This is the socio-political context for the evolution of rural development strategies in Colombia during the 1970's.

(iii) Integrated Rural Development

During the 1960's, "land tenure reform" programs were used by the government to legitimize the land expulsions that had taken place in the previous decades. Rather than being allowed to return to their land now occupied by the large estates, peasants were given title to marginal lands to which they had fled during La Violencia. The estate sector received extensive aid through loans from the World Bank and the American Agency for International Development (AID) to increase commercial export production of coffee and to develop a commercial cattle industry. (Galli, 1978, p. 76) The late 1960s saw the world-wide diffusion of "Green Revolution" technology for increasing agricultural productivity. At the same time, AID programs increased assistance for road building, schools and health centres, assuring the central government's access to remote areas and increasing government social/military control over formerly independent communities established by peasants in the remote areas during La Violencia. During the 1960s and early 1970s land invasions by peasants and resistance by a mobile guerilla force continued sporadically. Consequently, one of the principal objectives of Integrated Rural Development was to promote a strategy of rural pacification.

By the 1970's it was widely-recognized by the World Bank and other international aid agencies, including CIDA, that the "Green Revolution" technology aimed at transforming Third World agriculture had brought significant benefits to the existing

landed elite. It alone could afford the high costs of the necessary seeds, fertilizers, and irrigation. But small scale producers who rented land were often evicted to make way for the new technology. And they joined the ranks of the rural landless in emigrating to urban slums. (see K. Griffin, The Political Economy of Agrarian Change, 1979). Colombia, the World Bank, the Inter-American Development Bank and AID had provided over \$300 million in credits for mechanization, irrigation and other agricultural inputs. These went almost exclusively to the large estates. At the same time, the wealthy elite turned over the fertile valleys to the production of beef for export. "Miracle" hybrid strains of rice were used to feed livestock and produce beer. (Carty and Smith, 1981, p. 135)

Integrated Rural Development programs were designed to bring credit and technical services to medium-scale farmers. Their objectives have been to increase domestic food production, to integrate peasant farmers into commercial agricultural production for the market, and thereby to secure their dependence for farm inputs on an expanding domestic and international agribusiness. (Galli, 1978, p. 72, 76-77;; Smith and Carty, 1981, pp. 135-6)

This development strategy was supported by CIDA in the 1970's. A CIDA official, appearing before a Parliamentary Committee, recently suggested that "the greatest difficulty we are faced with (in developing food self-sufficiency) is how to motivate the peasant farmer to grow more food than what he needs to feed his family". He emphasized training -- "training to accept the new technology, to understand the new technology, to

adopt the new technology" -- as a major component of Canada's agricultural assistance programs. (Tomlinson, 1982, p. 72)

In Colombia, Integrated Rural Development has been criticized on a number of levels. In terms of its stated objective, it has largely failed to transform the situation for small scale farmers. Nor has it stemmed the tide of migration to cities. For the most part, IRD programs have excluded several million small producers with less than 10 hectares, as well as the rural landless. A Colombian economist has pointed out that the scheme was designed to produce a class of "little peasant capitalists" to act as a buffer between the impoverished many and the wealthy few: "Tied to the commercial agricultural system, the beneficiaries of IRD will share a common interest with large landowners in increased mechanization, the use of wage labour and the concentration of land ownership". (Quoted in Carty and Smith, 1981, p. 137)

By the mid-1970's, rural inequality had again raised the issue of land reform and produced strong peasant federations. The government responded by imprisoning 35,000 federation members and assassinating over 200 leaders. (Ibid., p. 136) Where there was a margin of success with a small number of farm families in some areas, the value of land increased to such an extent that the acquisition of economically viable plots for the smaller peasant producers was ruled out. (CUSO, Colombian Program, 1979-80, p. 10)

The Caqueza project, supported by the International Development Research Centre in co-operation with the Colombian

Agricultural Institute (an extension arm of the Ministry of Agriculture) is one example of an Integrated Rural Development Program.

The following assessment of this project will not focus on the technical aspects of the application of "Green Revolution" technology for food production by small-scale Colombian farmers. Rather, it will use the project evaluation documentation to examine reasons for the failure of farmers in the region to adopt the new technology despite its proven technical success. We shall look at the project as a development process initiated and largely controlled by an external funding/research agency (IRDC) and assess it in relation to the latter's programs to mobilize community participation and adoption. The role of credit in support of small-scale commercial farming will be particularly important in this regard.

B. THE CAQUEZA PROJECT

(i) Objectives

The Caqueza Project was an "experimental" project that sought new approaches to rural development in Colombia and gave significant priority to the small-farmer sector. Its specific objective was to develop a strategy "for the transference of technical, economic, and social knowledge to small farmers that would promote their active participation in matters such as the use of credit and purchased inputs, the sale of their produce, and the betterment of their social conditions" (Zandstra et.al., 1979, p. 9) The broad aim was to improve economic returns

through higher crop yields and to promote the expansion of this strategy by encouraging the farmers themselves to take the initiative. It was to be a research project rooted in community-based activity, with technical and agricultural extension personnel living and working alongside farmers in their communities. It was also an integrated approach to the extent that IDRC and its Colombian agricultural extension counterparts saw the importance of broader socio-economic research and action on conditions which affected the life-choices of the target population.

The Evaluation Report suggests that the project was largely successful in meeting these objectives. The lessons learned over the five year period contributed directly to the design of a Colombia-wide IRD Program. Nevertheless, the Report itself points to the small number of farmers who adopted the high-yield cropping techniques during the five years -- in fact, no more than several hundred had any contact with the project whatsoever. (Zandstra et. al., 1979, p. 310) An analysis of this Evaluation Report suggests several factors which contributed to poor participation. An independent assessment of the strategy adopted at Caqueza noted that its failure "was directly attributable to the lack of communication with peasants about their real needs and the bureaucratic alienating nature of the plan" (Galli, 1978, p.81).

(ii) External Control and Community/Farmer Participation

In its structure, design and implementation, the project was clearly controlled by the sponsoring national and external institutions. They set the priorities for the small-scale

farmers in the region -- "the strategy adopted at Caqueza was, in the first instance, to give priority to increasing the yields of subsistence crops, thereby making it possible to reduce the area under these crops and to make more land available for cash crop production without reducing the overall supply of staple crops". (Zandstra et.al., 1979, pp. 293-4) The implications of commercial crop production were never questioned. The whole orientation of the research strategy was not consultative, but aimed at identifying those institutional and attitudinal constraints limiting the adoption of the new technology by the small farmer. The IDRC and its Colombian counterparts had an institutional and professional stake in the project as a successful "model for rural development". As such, there was never any questioning of the external dimensions of control over the direction of this "experiment".

The Evaluation repeatedly notes the importance of community participation for successful rural development and the innovative aspects of the Caqueza project in breaking down the barrier between the external researcher/animators and the peasant "target population". Nevertheless it concludes that local participation in the formulation and implementation of the project was always marginal, rather than voluntary, and initiated by the staff (Ibid., p. 297). In its second year, several "Pro-Development Committees" were created to promote community and farmer input into the design of the project and to encourage complementary community projects. However, these committees were largely dominated by the local hierarchy -- the priest, the education inspector, hospital and school staff,

representatives of government credit and agricultural institutions, the project staff, and finally eight farmers. (Ibid., p. 74) The Evaluators criticized the passivity of the farmers and suggested that they "were neither politically nor economically confident enough to want to challenge the existing leadership". (Ibid., p. 298). They were also aware that the national government agricultural agencies "distrusted village action groups of any kind because of prior experiences with some groups that had turned out to be politically motivated". (Ibid., p. 297) But in the context of the recent history of violent rural social relations and the repression of independent peasant organizations, it is not surprising that community participation was extremely limited and that the majority of community members saw the project as "an image of government". (Ibid., p. 90)

The implementation of the project reflected both this lack of farmers' participation in defining their own needs and their highly dependent relationship to the project staff. During the first years, standard agricultural extension techniques of field demonstrations were employed to promote farmer interest and receptivity to the technology. Success was limited, since participants were often "repeaters" who, as noted by the evaluators, were more interested in social contacts than the technology. (Ibid., p. 297) Throughout the Report, it is apparent that the role of the technical agricultural extension workers established a fundamental dependency on the "technician" for success in achieving the expected crop yields. They controlled the levels of inputs, the seed varieties, the credit

arrangements, and the production process. At the same time, the project staff continued to "turn-over" at a rapid rate, sometimes staying less than a year in the project. The mobility of the staff could never assure any relationships of trust between the "experts" and the participating farmers.

With this level of external control, and in the context of the uncertainties which surround changing agricultural production methods, the project was most successful when it responded to several community initiatives that were unrelated to its original objectives. At several points, the evaluators refer to the success of the project in bringing electrification to one community through its ability to lobby national institutions. The result was a dramatic improvement in the confidence of several communities in the project (Ibid., p. 259). But this was only undertaken at the whim of the project staff after community members repeatedly brought up the issue. Despite the "integrated" objectives of the project, it was not until Year Three (and after the experience of the electrification issue) that "another lesson was learnt, namely that the farmers' priorities were not all production-oriented -- often health, education and public utilities were considered more important" (Ibid., p. 90). In fact, in the previous year, the evaluation noted that the project's home economics program had failed because it "concentrated on a few families and had relatively little relation to the felt needs of the people". (Ibid., p. 71)

(iii) Agricultural Credit and Small-Scale Farmers

Central to the failure of the project to change the agricultural practices of small scale farmers in the region was the relationship between the new technology and the need for increased credit for these farmers. The staff of the project visited participating farmers and drew up a detailed "investment plan" for the farmer. (Ibid., p. 72) Technical assistance "involved giving advice on the correct use of inputs and supervising the whole production process". (Ibid., p. 72) But the realities of rural existence for small-scale farmers were brought home to these external agencies when in the second year the recommended type of potato seed, fertilizer and insecticide were not available and had to be transported (with considerable delay to the planting season). (Ibid., p. 73) The availability of credit to the farmer depended on his acceptance of the supervision by the extension worker over the production process and the level and type of inputs . Thus credit not only reinforced extreme dependence on the technicians, but it also created widespread scepticism as to the economic viability of the project.

Smallholder producers, worldwide, are more vulnerable than large landowners to the vagaries of the international and domestic food markets, to increased costs for petroleum-based farm inputs, and to credit ties to government institutions or local notables. One Dutch food researcher in Colombia commented that:

We are working with farmers who have no tractors, no irrigation facilities. When we experiment on two acres, we are talking about half of the small

farmer's property, half of his capital. What can I say to a poor farmer who tells me that if the new strain does not work, he will have to sell his farm? (Quoted in Tomlinson, 1982, p. 79)

These risks are clearly present in the Caqueza Project. The "new technology" greatly increased the costs of production for the small farmer. For corn, traditionally grown not for market but as a subsistence food crop, the level of inputs demanded by the extension workers tripled the cash outlay compared to the traditional growing methods. (Zandstra et al., 1979, p. 196) The evaluators point to the inappropriate assumptions of outside agricultural "experts" in calculating the risk to small farmers:

The plan called for a total expenditure of U.S. \$206 per hectare of which \$106 U.S. was for purchases. In the eyes of the professional agriculturalist, costs rose by U.S. \$84 per hectare, or 68%; but to the farmer, who ignored the virtually constant cost of land and labour, participation in this plan increased costs from \$22 to \$106, a rise of 382%. (Ibid., p. 296)

While the inputs most often produced significantly higher yields, the risk of failure was also much more dramatic -- the farmers risked losing their land to creditors. Traditional creditors were local moneylenders, not lower-cost government credit institutions. It was not until the third year of the project that the project staff discovered that the government often granted credit too late to make the necessary purchases for the planting season. The evaluators concluded that "farmers blamed the project staff for the lack of inputs and delayed credit" and "this led to a general loss of confidence of the

farmers in the project" (Ibid., p. 89) With an average income of not more than U.S. \$100, this loss of confidence is not surprising.

By the fourth year of the project researchers had shown that risk and not the availability of credit was a significant factor. Farmers would invest with credit only up to the point where it did not threaten their major assets in land and cattle. They concluded that this level was well below that required to adopt the new technology. (Ibid., p. 100) The solution implemented by the project sponsors was not to question the relationship of the new technology to the needs of the small-scale producer. Instead, they developed a credit system based on a form of sharecropping. Those farmers willing to accept the recommended level of inputs and production techniques, following consultation with the technicians, were given the required fertilizers, pesticides, etc. At harvest time, the farmer was obliged to share equally with the plan all corn produced beyond 800 kg. per hectare. Such a plan is not unlike forms of peasant-landlord bondage found throughout the Third World. In 1977, the last year of the project, only 25 families were participating in the corn plan out of a potential 600 families in the survey area (Galli, 1978, p. 82)

The plan failed to attract farmers for several reasons. Most important among these was the degree of control which external agencies exercised over the decisions of farmers. Those who did participate viewed loans as "salaries" and "as long as they had no control over decision-making, they seemed to

have insufficient incentive to maximize the return from project investments". (Howard, 1976, "The Approach to Agrarian Reform in Colombia and the Role of the External Lending Agency", unpublished Ph.D. dissertation, quoted in Galli, 1978, p. 85) Howard mentions that the participation of a few farmers in supervised credit schemes tended to divide farmers from each other, and assured the dependence of some on state institutions. This dependence "does not permit the development of incentives and genuine leadership capabilities necessary for effective peasant organization". (Quoted in Ibid., p. 79) Those outside the scheme were often bankrupted by the market and credit forces at work and forced to sell their land to a growing class of "middle" peasants. (Smith and Carty, 1981, p. 136) But most importantly, no credit scheme tackled the fundamental problem facing small-scale peasants. In the words of Rosemary Galli,

. . . (supervised credit) . . . symbolized the inaccessibility to poor farmers of the one factor which could have made a difference, that could have made the extra investment in technology economically rational, that could signify the chance to change their status: LAND. (These) farmers were to have credit and modern inputs, but no increase in land rights. (Galli, 1978, p. 86)

The Caqueza project and similar World Bank programs were basically rural employment strategies designed to foster social control by offering the image of participation in a modern economy instead of the social change required to realize peasant aspirations.

C. THEMATIC CONCLUSIONS

The Caqueza project may have been "successful" from the perspective of the sponsoring agencies in terms of their larger interests in Colombian Integrated Rural Development. But from the perspective of the small-scale peasant producer, it appeared as an external imposition -- one which was inappropriate to their needs. In summary, there are several factors which must be taken into account when evaluating the effectiveness of the project.

1) The project design was exclusively based on the perceptions and analysis of external agencies, both Colombian and Canadian. Both failed to situate the real needs of the small-scale producers within the context of the underdevelopment and dependency, as well as the violent repression, which had defined the life circumstances and attitudes of peasant producers over previous decades. It ignored the vastly unequal structure of land ownership which has been the root cause of the peasants' plight. It ignored the extreme repression of independent peasant organizations that attempted to address these issues. The project sponsors attempted to bypass the traditional landed oligarchy in the area, not by encouraging the self-organization of peasant participants through community animation, but by substituting a traditional dependence with a dependence on agricultural "experts" and government agencies.

2) The assumptions about peasant producers and the "training" programs of expatriate and government extension workers were both inappropriate and very paternalistic. The

assumption was that peasants would participate in a scheme to increase productivity and extend commercial agriculture if they could only see the significant "benefits" it would bring to their lives. But at the same time, total supervision and direct planning of peasant production methods by extension workers were required before they could have access to any modern inputs or agricultural credit. Given the lack of understanding of the day-to-day problems faced by farmers displayed by the project staff (i.e. uneven availability of inputs, long delays in receiving promised credit, etc.), it is no wonder that the participants had little confidence in the project to "deliver" its promised benefits. In a similar project in another region of Colombia, the Rionegra district, the agronomists worked very closely with peasants and built their recommendations on the peasants' own experience. The project staff for Rionegra discovered that the local criollo varieties of corn produced higher yields with less risk and they recommended that the hybrid seeds and accompanying technologies be abandoned. (Galli, 1978, pp. 82-83) This experience was in sharp contrast to an externally-controlled planning process and experimental design for the Caqueza Project in which local peasants were the "objects" rather than the subjects of a development process.

3) The failures of this project exemplify the critical importance of situating "economic development projects" within a broader notion of development than that of strictly technological change. Community confidence was stimulated largely when the project staff responded to community initiatives and community

definitions of their needs at the moment (e.g. electrification).

It took up to five years before the staff were able to appreciate the world-view of the peasants themselves and recognize their need for credit. A planning process that involved peasants from the beginning and developed the expression of their own skills and experience through careful community animation might have avoided the isolation of project staff from these communities. In addition, the training of local responsables among the peasant population and the development of co-operative relationships for the sharing of risks might have provided some indigenous roots for the project. This would have assured a wider acceptance of the benefits which might accrue from demonstrably improved agricultural techniques.

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LOCAL DEVELOPMENT AGENCIES AND COMMUNITY ECONOMIC DEVELOPMENT:
A CARIBBEAN CASE STUDY

The English-speaking Caribbean offers a particularly rich community development experience. It is one which suggests the critical importance of the dependency context within which economic development takes place. Persistent underdevelopment and the material impoverishment of a largely rural population have been the consequence of four centuries of Caribbean dependence on European and North American investment, markets and technology for economic and social advancement. The legacy of colonialism and dependency has been a social and economic crisis to which employment-generating community development projects must respond. During the past decade international development assistance, particularly from non-governmental development agencies raised in both the developed countries and the Caribbean, has stressed productive employment generation in the rural areas. Here, community projects have often related increasing food production to meeting the other basic needs of the poorest sectors of the population.

. The case study outlined below is one such program. It is a program supported by CUSO, a Canadian non-governmental organization which has been active in the Caribbean for more than twenty years. Both in its evolution and its intra-Caribbean diversity, it suggests a range of issues and solutions related to donor-community project relationships. As a practical application of an "alternative" model for community

economic development, it speaks to such issues as the community process of empowerment in development, the nature of community skills development through economic and social projects, and the relationship of locally-controlled development agencies (LDA's) to a vital community process.

Two Local Development Agencies*, one in St. Vincent and one in Jamaica, provide some contrasting perspectives on the role of LDAs in stimulating and sustaining community economic enterprises. These two experiences illustrate success and failure factors that relate to the constraints and problems faced by community project participants, to the role of the LDA's, and to the interests of donor agencies such as CUSO in the community development process. But first, the priorities of these two local development agencies must be situated within a short analysis of the present situation in the Caribbean, the structure of the rural social economy, and the nature of the aid relationship for Caribbean development.

A. The Socio-Economic Context of Caribbean Development

The English-speaking Caribbean shares a common social, economic and cultural identity rooted in more than 400 years of plantation colonialism. "European capital and management

* Information concerning these two Local Development Agencies was provided on the understanding that they would not be specifically identified in the case study. Given the CUSO Caribbean Program commitment to indigenous control over the development programs on each island and to participatory self-evaluation, any further identification would have required more thorough consultation and participation of the LDA's in the case study than both time and budget permitted. Information is based on extensive review of written materials and interviews with both CUSO and LDA staff members who were available here in Canada.

combined with African slave labour provided the basis for utilizing fertile lands of the region to produce agricultural raw materials (primarily sugar) for trans-shipment to Europe" (Beckford, 1975, p. 80). This historical legacy defines the region's external dependency and rural underdevelopment. All food, consumer and capital goods were imported from Europe to maintain the metropolitan consumption patterns of European plantation managers. Slaves were sustained at a basic subsistence level with food they provided themselves by working marginal provision grounds. All economic surpluses generated by plantations flowed back to European absentee landlords.

The emancipation of slaves in 1838 created a free-hold peasant sector and laid the basis for the present socio-economic structures of the rural areas. The plantations, however, continued to control the best agricultural land and kept producing sugar for export while the freed slaves cultivated marginal land around the estates or headed for more mountainous country. To the present day, the poverty of the peasants is closely related to their very narrow resource base in the agricultural economy -- whether they are employed in the production of local foodstuffs or export crops. The following table indicates the extent of concentration of the best land among a small wealthy Caribbean elite and foreign-owned plantations, and the plight of the poorest farmers.

AGRICULTURAL HOLDINGS: SIZE AND PERCENTAGE OF CULTIVATED LAND

		<u>Small Peasant Less than 5 Acres</u>	<u>Plantations Over 500 Acres</u>
Barbados	Percentage of all farms	98.3	0.2
	Percentage of farmland	13.4	31.3
Dominica	Percentage of all farms	75.2	0.3
	Percentage of farmland	13.2	32.2
Jamaica	Percentage of all farms	78.6	0.2
	Percentage of farmland	14.9	44.9
St. Vincent	Percentage of all farms	89.0	0.1
	Percentage of farmland	27.0	24.2

Source: Agricultural Statistics of Caribbean Countries, 1976,
CEPAL/POS/76/5 in Casimir 1981, p. 136

Demographic pressure among an expanding rural population has led to the further sub-division of what little land is available and has created a class of landless rural workers whose labour the plantations are able to secure at subsistence rates.

Small plots have meant that the available land cannot support all members of the peasant families and provide a basic level of income. Some have migrated to urban slums where income is often derived from informal economic activity (e.g. street vending). Those who remain in the rural areas must also combine several economic activities in order to subsist -- minor cash crop production, seasonal work on plantations and larger farms, intermittent or seasonal work in the tourist industry, mining activities, or village handicraft industry. On several islands, particularly in the Eastern Caribbean, the small-scale peasant sector has become highly dependent on the production of export crops such as bananas, nutmeg, cocoa, and limes. But such

dependency has only added to their economic insecurity and social marginalization. As global agribusiness corporations have come to dominate the production of export crops such as sugar, they have also continued to control the marketing and conditions for the production of the newest export crops. With respect to the latter, peasant producers have assumed all the natural and economic risks of agricultural production while at the same time they have no control over falling international prices of their products.

A report prepared for the Caribbean Development Bank noted that the small-scale producer "operates not simply at a distinct disadvantage but at the mercy of the estate sector, in terms of the availability of land, capital, farm inputs, and infrastructure facilities such as roads" (Quoted in Casimir, 1981, p.136). Metropolitan and Caribbean banks have tended to serve the more profitable plantation, mining and tourist sectors. Meanwhile, peasant producers "have had little access to outside financial capital and have had to rely almost exclusively on their limited savings and personal loans from friends and relatives" (Beckford, 1975, p. 88).

On islands where export crops dominate and high-cost food imports make up more than 15% of total import bills, small scale farmers face a number of barriers if they wish to orient their activities towards the internal food market. The most notable deficiency has been inadequate domestic marketing arrangements and transportation infrastructure. In addition, most government agricultural support programs supplying agricultural chemicals, research and extension services have aimed at export crops

rather than domestic foodstuffs. (Casimir, 1975, p. 136)

The decline of both local processing of crops and transportation systems between villages has produced a local social context in which small-scale farmers compete against each other for scarce markets for their crops and the limited resources available for improving their productivity. Social isolation, both within and between rural communities, has resulted from both this competitiveness and a sense of powerlessness with respect to government and corporate control over the directions of agricultural development. The external orientation of island economies towards metropolitan markets has severely limited more balanced and self-reliant regional development priorities, with intra-regional trade never exceeding 8% of Caribbean external trade. (Intra-island social, cultural and political relationships have also been severely limited as a consequence.) These economies, and particularly the rural and urban poor, share an extreme vulnerability to declining crop earnings in metropolitan markets.

The rural crisis of underdevelopment has grave social and human consequences. Between 1970 and 1980, real income, used to provide basic foods, health and other human needs, declined by 40%. The ensuing social impact is compounded by the grossly unequal distribution of this income. The lowest 40% of income-earners in the Commonwealth Caribbean received about 10% of national income, while the top 20% received about 55%. (CUSO Brief, 1982, p. 6) Unemployment also accentuates the social crisis. For example, the official unemployment rate in Jamaica

reached more than 30% by 1980. One study has calculated that fully 55% of the Jamaican labour force (approximately three quarters of the employed labour force) could be considered under-employed in 1978. When these figures were added to the open unemployment Gafar concluded that "over 80% of the labour force was below the poverty line". As on other islands, more than one half of the unemployed in Jamaica was in the 14 to 24 age group. While agriculture remained the largest employer of labour, the Gafar study noted that the decline of agricultural land under cultivation and a steady migration of population from the rural to urban areas accentuated both unemployment and under-employment in the economy as a whole (J. Gafar, pp. 773-785).

B. The Rural Economic Crisis, Youth and Community Development Projects

The experience of the majority of the population in the Caribbean -- small-scale farmers, agricultural workers and the urban poor -- has been one of steady erosion of the quality of life with little prospect for social advancement. This experience has been particularly acute for young people* over the past decade. The expansion of education in the past twenty years has created a population with higher aspirations than previous generations, precisely when unemployment was growing.

* In the Caribbean, the crisis of unemployment faced by young people is so extreme that it has become common to refer to "the youth" or "youth" as a distinct class. Thus, references to "workers, peasants and youth" are common.

Social statistics and an evaluation of the Caribbean education revealed that only 15% of the population actually finished high school and that many of these could not find work utilizing their skills. (CUSO Brief, 1982, p. 5) This system trained young people for clerical and bureaucratic jobs at the same time that the public sector employment stagnated with the economic recessions of the 1970's. Thus, young school leavers often lacked practical skills and had poor work habits because of long histories of unemployment.

At the same time, youth, farmers and the urban unemployed responded to the social crisis of the 1970's with self-organized small-scale community projects aimed at creating productive employment opportunities for themselves. These projects have been based in local communities and have most often involved agricultural production and local processing of food crops, utilitarian crafts, and light manufacturing. The organization of production co-operatives in these areas has taken into account the under-utilization of land resources on some islands, the excessive dependence on foods and "metropolitan" consumer goods imports, the technical skills of some of the unemployed youth, and the need to train others in co-operative production. Evaluations have noted the effectiveness of these projects:

The development of small projects for unemployed youth . . . provides usually a greater development of human resources as the youth learn to manage their projects in a democratic manner. It also often leads to the harnessing of local resources of the area in which the project is located. (Case study of Jamaica LDA Project, 1982, p. 1)

The experience of community development in St. Vincent provides an interesting perspective on some of the factors which have assured the success of those economic and social development projects at the local level.

In parts of St. Vincent community development emerged out of attempts in the early 1970's to form an inter-island resource group to work directly with rural people towards social transformation at the community level. This was a decentralized process in which members of resource groups were rooted in specific rural areas of their islands. They began to give some leadership within these rural communities. After several years, the experiment had failed on three of the four islands chosen, mostly because of the lack of economic resources; inappropriate leadership and project skills; and the particular economic and political circumstances of the islands in question. However, for St. Vincent, the group had successfully maintained its specific roots in the community in which it chose to work. It had also expanded its involvement with other community projects across the island.

In the first St. Vincent community, the group worked closely with women to establish a day care program and organized a snackette which served local food. They established a collective farm drawing on local unemployed youth. There, they developed production in several food crops. They began to experiment with appropriate technology for food drying and processing as well as for chalk production.

A critical element in determining their success was their

relationship to the community. Projects emerged out of the felt needs of community members themselves and were not solely a spontaneous creation of members of the resource group. For example, it was clear that the nutritional level of the people in the area was not very high. Since most were producing for the market, they would sell their produce when harvested. They had no means of preserving food for the dry season, so that local food could not be available year-round. The idea of installing solar drying technology for food preservation emerged out of an analysis by community members of the existing situation and out of the need to improve nutritional levels. But this technology has yet to be successfully applied in this context.

The depth of community involvement varied with the nature of the project. Nevertheless, the experience suggests that a dynamic, community-controlled process was essential to their relative success. A close observer of this community process noted the inter-relationship of the projects with different aspects of community members' lives.

There are committees in the community where people discuss community problems and what they want to do about them. The pre-school came out of the numerous community meetings. That doesn't mean that everyone in the community was present. These were mainly meetings with groups of women in the village who identified one thing they wanted and they became committed to seeing a pre-school realized. So there is lots of parent involvement in that pre-school. The snackette, on the other hand, probably came out of a smaller committee who were talking about nutrition education. Rather than do nutrition education in the abstract, they choose to do this. The snackette has become a social centre -- they have a bar and games. They use some of the produce which is grown on the experimental community farm. (Interview, October 15, 1982).

As this particular community development experience became known, the group continued its focus on this one village while its successes and their skills were increasingly shared with other communities. It is out of this and other community-based experiences that the St. Vincent Local Development Agency was born and became the form through which the expansion of their work became possible. We shall return to examine some of the characteristics of this development below.

As a second example of social development projects, the formation, development and subsequent abolition of sugar worker co-operatives in Jamaica is not only a formative process for the Jamaican Local Development Agency but an interesting community development process in its own right. It speaks to the critical influence which government policy directions can have on the success and failure of co-operatives. In the early 1970's, 23 production co-operatives run by sugar workers were formed on the land of three of the largest private sugar plantations. They resulted from pressure exerted by the organization of sugar workers on these estates and converged with the policy orientation of the Manley government to more equally distribute the benefits of sugar production. The government initially proposed to lease 20 to 25 acre plots to individual farmers and have these farmers share co-operatively-run services. But with the support of a church-based organization whose aim was to stimulate co-operative development at the grass-roots level, sugar workers had been organized across estate boundaries to press for co-operative farming as well as service structures. By 1974, the government had agreed to abandon its initial

proposal of individual tenure in favour of 23 co-operative farms (involving 5000 workers and 45,000 acres of sugar land) to control both estate farming operations and the estate management through joint co-operative structures. The sugar workers strongly supported the co-operatives. But the former managers of the estates, medium-scale farmers and rural leaders in the area, and some government officials -- all of whom wanted to maintain both management prerogatives on the estates and individual tenure -- strongly resisted the co-ops. While their resistance was largely unsuccessful with respect to the estate co-operatives themselves, controlled by the sugar workers, they were able to prevent the expansion of the co-op movement into the sugar mills. This proved important as the management staff in the government-controlled National Sugar Company was able to effectively restrict the amount of sugar refined from the co-op estates by favouring private farmers' access to the limited refining capacity.

The sugar estate co-operatives received vital support from organizers with experience in co-operative education work, management development, media project funding and organizational linkages between co-operatives. Once the co-operatives had been formally established, the community/co-operative organizers worked closely with the sugar workers' organizations to develop technical education programs around the principles of co-operative worker control, the problems and benefits of co-operative economic activity, budgeting and financial control. Many of these technical areas were of vital

importance to workers unfamiliar with budgets and balance sheets. Moreover, ordinary workers were at a severe disadvantage in these areas, as day-to-day co-op management was often assumed by some former estate managers who used traditional management techniques to control the co-ops. A critical contribution of the co-op resource people lay in the human relations/group dynamics aspect of organizational development and education programs. Through these programs, they began to break down the hostility of former estate managers and supervisors who saw their former power eroded and challenged by sugar workers through the new authority structure. The education programs for organizational development elaborated an action-oriented problem-solving process that involved the co-op participants in identifying problem areas, in establishing co-operative management solutions, and in the monitoring of actions and results.

As in St. Vincent, the work with the sugar co-operatives gained recognition and stimulated the creation of a Jamaican Local Development Agency to expand its resources and services to a wider range of projects throughout the island. At the same time, the change in government in 1979 led to a major political offensive against the sugar co-ops. The new government declared them bankrupt and transferred their assets to direct government control. The government intended to eventually turn them over to the private sugar sector. In choosing this direction, the Seaga government was implementing the recommendations of the World Bank which wanted the government to cut its costs by

reducing its financial commitments to the co-operatives and the national sugar industry. The Bank favoured, rather, private sugar corporations like Gulf and Western. Their action ignored independent assessments of the co-operatives as financially viable given the context of a declining international price for sugar; the need to increase their capacity by investing in more modern mills; and the need for technical assistance to the co-operatives. One analyst of the demise of the co-ops pointed to "the failure of government to provide the local and foreign exchange to replace spare parts and continue renovating and modernizing . . . and to provide loans to small farmers to replant hundreds of acres hit by smut and rust disease" (GATT-Fly, 1982, p. 3). The sugar co-ops were compromised by both internal and external pressures, as well as a hostile public policy environment in which they could not sustain economic or social/political resistance to these pressures. As we shall see below, their demise also had important implications for the community promoters involved with the co-ops and for the Jamaican Local Development Agency which emerged in part from their experience.

C. The Aid Relationship and Local Development Agencies

The program emphasis of official development assistance to the Caribbean over the past decade has been one of employment generation in both the rural and urban sectors. In meeting this objective, CIDA's own priority has been to assist the "productive sectors" of agriculture, industry and tourism. (CIDA, Canadians in the Third World: CIDA's Year in Review, 1981-82, 1983, pp. 27-28) American AID programs for the

Caribbean in the last four years are explicit in their strategy to increase the role of the private (and foreign-owned) sector in employment creation and development. One recent analysis of these traditional development strategies concluded that capital-intensive resource investments have created few permanent jobs. In Jamaica, for example, the Seaga government is actively seeking foreign investment in export-oriented agricultural projects and mineral resource developments. It was reported that more than 470 investment proposals have been received; yet, even if all were realized, total job creation would amount to 37,000 jobs in a country where unemployment and underemployment is running at 250,000. The report added that, in fact, only a very few of these projects were expected to go beyond the proposal stage. (Washington Post, October 23, 1981) As well, an orientation of agricultural assistance towards large-scale state production of export crops contributes to heavy concentration of the best agricultural land among a wealthy elite and foreign-owned companies, adding to the plight of the poorest farmers. (Levitt, 1982, pp. 163-64).

Where CIDA has made a serious attempt to support employment generation at the community level, it has faced the operational inflexibilities and bureaucratic policy constraints noted in our earlier discussion of the structure of external assistance (see Introduction, pp. 16-27). In contrast, CUSO, working as an independent non-governmental organization in the Caribbean, has moved towards an alternative employment strategy which in turn has effectively re-structured its relationship to development partners in its Caribbean program.

During the early 1970's CUSO's program in the Caribbean was centralized, stressing the placement of volunteer Canadians, particularly teachers, in technical assistance programs. The raison d'etre for this program saw increasing the skills of high school students as the technical base from which to expand their involvement in Caribbean development. But by the mid-1970's the demand for teachers fell as Caribbean institutions produced their own teachers. The development consequences of the program came into question. With rising youth unemployment, teacher placements in the formal school system seemed to be perpetuating inappropriate occupational skills among youth. They were not geared towards the provision of practical skills needed to generate employment among youth. By 1975, as a result of internal policy evaluations, CUSO had re-oriented its Caribbean program to stress skills training and employment generation through community production co-operatives. Since then its programs have created 500 jobs and in the 1982 - 1985 period the objective is to create 1000 more jobs.

The initial selection of projects in the early phases of the new program was often ad hoc, based on existing contacts with Caribbean promoters of community development on various islands, including those involved in the St. Vincent and Jamaican experiences of community development. The required support for 12 production/employment projects in agriculture, crafts and light manufacturing was worked out in direct meetings between project holders and the CUSO field staff. Their needs

included fixed and operating capital, technical skills, managerial skills, marketing capacity, animation and group-building skills for cooperative participation (CUSO Caribbean, 1979-82 Regional Plan, 1979). Training components were a critical aspect of each of the 12 production projects. Nevertheless, a recent review of these projects found that many of the production co-operatives had failed to become self-sustaining. As was the case with the sugar co-operatives in Jamaica, some had failed because of changing government policy and global economic conditions beyond the immediate control of the project. But for many, the critical factors were inappropriate and weak co-operative management, the absence of organizational skills and inexperienced leadership. (CUSO Caribbean, 1982 - 85 Regional Plan, 1982) During the same period, Caribbean-based local development agencies were often emerging out of the very community projects that were receiving assistance from CUSO.

While it supported small-scale community projects, CUSO recognized that it did not have the organizational capacity, the information, and the community experience to respond to the day-to-day needs and problems which these projects face. As indigenous local development agencies (LDA's) emerged from the experience of community promoters in production projects, they too recognized the needs of these projects, both in terms of local community co-operative skills training, and in terms of meeting the requirements of external funding sources. Thus, instead of a direct relationship to each project, CUSO sought

to "localize" its financial and resource support for community projects through local development agencies. By supporting the latter's program and structures, CUSO began to contribute to indigenous education programs for community development workers and project participants, farmers associations, production co-operatives. In this way it strengthened appropriate management and leadership skills. Program "localization" recognized that long-term employment projects are better planned and supported by local personnel familiar with the local peculiarities of social and economic circumstances.

Organizational development programs have been implemented by LDA's to transmit production, management and marketing strategies that are relevant to small community enterprises in a Caribbean socio-economic environment. "Localization" also completes a policy of decentralization of program decision-making authority within CUSO itself.

As a development institution, CUSO has maintained a highly decentralized process for program development for each area of the Third World in which it is active. Regional field staff play an instrumental role in developing the priorities and detailed plans for their region. Such a policy recognizes that field staff, while accountable to a Canadian secretariat and to CUSO's national Board of Directors, are well-placed to respond effectively to immediate (and sometimes rapidly changing) development circumstances in particular regions. The localization of the CUSO Caribbean program would not have been possible outside the realities of this decentralized

decision-making process. "Localization" in the Caribbean has also meant the creation of a Regional Planning Group made up of CUSO's Regional staff and representatives from each of the four LDA's supported by CUSO. This Group meets regularly to plan and evaluate the directions of CUSO's Caribbean program, to respond to new project/program proposals, and to share project information, resources, skills and experience among themselves. In many respects it is a unique structure, to which we shall return to in the following section. It provides a basis for donor-recipient accountability which corresponds to a more equitable and inter-dependent sharing of development experience.

D. Caribbean Local Development Agencies and Community Production Projects

Rather than detail all aspects of the relationship of LDAs to community projects and to funding agencies (CUSO), we shall focus on several factors which seem to have determined their success and/or failure in stimulating community economic development. In making this assessment, we shall compare the experiences of the St. Vincent LDA and the Jamaican LDA, both of which are participants in the CUSO program.

In summary, the focus will be the following:

1) the relationship of the LDA to an indigenous community process geared towards furthering self-reliant development and empowerment;

2) the role of the LDAs in stimulating community skills development, including appropriate leadership roles in the development of community/project planning and the establishment of priorities;

3) the relationship of the LDAs to international NGO funding sources aimed at furthering a self-reliant community process, and the impact of global/national structures of underdevelopment on that process.

(i) The Community Development Process

A central conclusion which emerges from this case study is that Caribbean local development agencies have proved to be more successful in meeting community needs where they are in fact controlled by those involved in community development at the local community level. In the case of the St. Vincent LDA, the support for projects at the community level has been a part of a conscious process of relating these projects to the stimulation of community vitality, confidence and group responsibility while meeting specific economic needs. The St. Vincent LDA has emerged directly out of and continues to find its raison d'etre within the programs of several community-rooted organizations on the island. It has structured its priorities in terms of the felt needs of these participating organizations and their relationship to rural community projects. Since its formation two years ago, this LDA has not developed an institutional rationale and program separate from the work of its component base.

Projects are not seen as ends in themselves by the St. Vincent LDA. One observer noted that "if the work of LDAs is only seen in the context of money for projects and specific skills training within a project, if they don't work out some process for continuing to grow in the community, for testing the vitality of the community, in the sense of an alternative approach to development, it is not going anywhere" The work of St. Vincent community promoters (described in section B) "was a process indigenous to a community which in its specific projects might not involve everyone directly; but they also tried to organize their projects (e.g. the snackette or the pre-school) in a way that draws the community into a local development process, that helps to develop those that are drawn in to another level". (Interview, October 15, 1982) There were several implications of this process for the St. Vincent LDA.

First, LDA support for projects arises from the community development work of active community animators. Farmers, for example, have come together on one part of the island to form a farmers' union through community level animation. The animator for the union moved from community to community during the first year, talking to farmers about their role as a social force in changing their situation, identifying their needs and their problems. A revolving loan fund, to which both individuals and groups of farmers could apply, was established early on through a grant from an international NGO. While the fund provided small loan assistance to farmers, it was also consciously

related to a dynamic group formation process at the community level. The animator described this group formation process and its relationship to the union and its revolving fund:

. . . the next step would be to take the group through an initial education program, maybe a series of educational sessions, concentrating mainly on the issues that these same people would have raised during individual conversations with myself. From these sessions we gave them a chance to plan more. What would they like to do next? We would try to find appropriate resource persons to bring what information they might need. From that situation they would begin to come to the movement's meetings, eventually understanding its procedures and guidelines, and then make application for loans based on that understanding". (Interview, November 8, 1982)

Groups rather than individuals have been encouraged to apply for loans. Groups should decide how best to use this money.

"So we have had a situation where a group of say 12 people borrow \$1200 and among themselves decided to lend that \$1200 to two people from that group. But as far as the movement is concerned the group of 12 is responsible for the repayment . . . The group of 12 would have priority in terms of this money through labour they might put into work on the land of the 2 members. But we also have situations where the entire group would be responsible for using the fund through a joint project together". (Ibid.)

Projects for funding through the St. Vincent LDA emerged out of this group/community process of needs identification. The animator for the farmers' organization followed up the drafting of a project with the group involved by assisting them to make a presentation to the organization as a whole and then bringing it to the projects assessment committee of the St. Vincent LDA. The latter might in turn suggest that the group work through further issues and then the LDA will forward the project for funding to international agencies.

The second component of a community animation role for the St. Vincent LDA has been to emphasize the importance of a popular education process in its direct programs with community projects and participating organizations. To lay the foundation for an understanding of alternative approaches to development community conscientization must be seen as a primary need. This involves the building of community solidarity around an understanding of those social, economic and political forces which maintain poverty and underdevelopment. In this, they are quite explicit:

"We set up (the St. Vincent LDA) basically to address the educational question and the projects we may serve are also vehicles for assuring that our educational work continues and not the other way around, not as ends in themselves. While we try as much as possible to assure a certain economic success -- that is the desire of everyone -- we don't anticipate 100% success. We don't feel defeated if we don't have that. The priority is to pass on some education which will surpass that economic help that you might put in". (Interview, November 8, 1982)

These aspects of dynamic community animation have largely assured the success of the St. Vincent LDA in the economic development projects which have been supported through its participating organizations.

While successful in many aspects of its work, the Jamaican LDA offers a counter-point example which highlights the importance of continuing a dynamic community development process. Its formation was a direct consequence of on-going work with the sugar workers cooperatives, coupled with approaches from other project initiatives in different parts of the country. In order to respond to these initiatives and

extend the experience with sugar workers, a local development agency was proposed to identify, finance (through contributions from international NGO's), and sometimes carry out small-scale development projects. These concentrated on agriculture, agro-industry, light manufacturing, craft development and appropriate technology, with a view to creating employment in poorer communities. But with its roots in the sugar co-operatives, the Jamaican LDA was not a joint initiative arising from a range of community animation work.

Once government policies forced the closure of the sugar co-operatives -- a move which occurred soon after the formation of the LDA -- the Agency was cut off from a socially dynamic process that was emerging from these communities. Leaders of community projects have been encouraged to meet from time to time and comment on the work of the LDA in relation to their own needs. But the management structure of the LDA has remained under the control of its founders and has had a close working relationship with CUSO in Jamaica. The consequences of this structure become quite apparent in the problems associated with local project leadership (discussed below). We shall discuss the implications for the relationship of the Jamaican LDA to a community animation model that sustains community empowerment through project support work.

Since the demise of work with the sugar co-operatives, the Jamaican LDA has evolved more clearly as a local agency emphasizing a service-oriented role with respect to community projects. It provides for the development of local skills and

effective organizational dynamics. The fact that it is indigenous to the society in which these projects are located and understands their needs and problems makes it attractive to a range of international NGO's. Through the LDA, the NGOs are able to mediate their relationship to community projects. The skills that the LDA offers are clearly important; nevertheless, the implications of the observation that "there were in effect no roots in the communities for the Jamaican LDA" (Interview, October 15, 1982) can be seen in the evaluations of several community projects.

In one case, a local agricultural project (Project A) was developed with close involvement from the LDA and CUSO. It became the only cohesive social grouping in the community when a Community Council failed to function. Yet its animation role in the community was primarily a "model" for a local employment-creating community development project. There seemed to be no attempt to build an expanding and organic relationship to other community members, to involve them in other community projects. It has not become a part of a wider community initiative for greater local self-reliance and employment creation. In fact, we shall see below that it has remained highly dependent itself on financial, technical and leadership assistance from the LDA and CUSO. In another case (Project B), an agricultural co-operative was formed on a tract of land purchased by the LDA. The co-op participants moved into the community to begin work on the farm. The project members were met with a great deal of local suspicion, particularly as a

consequence of partisan political activity in the community by some of its members. The original co-op collapsed and was initiated again in 1981 by the LDA, with a new set of participants who again were not (with the exception of two) from the adjacent community. Community relations improved due to local service work by project members. Nevertheless, an evaluation report was highly critical of the LDA for its failure to undertake the project through a community-based mobilization process which would have related the project more to the needs and involvement of rural people in the community. While this was only one factor, Project B has failed to achieve economic and social viability.

These project examples point to the potential for a local development agency to reproduce dependency when a process of community animation and community improvement is weak and externally controlled. The consequence has often been the social isolation of the project from the recipient, especially when community members outside the project feel threatened by or jealous of benefits accruing to the project recipients. There is a donor-recipient dependency within the project-LDA relationship. A service orientation creates a sense that the project members are not equal participants in the development itself. To examine this aspect, we must turn to the role of LDAs in sustaining viable community leadership and creating local skills.

(ii) LDA's and Leadership/Skills Development

The Jamaican LDA has clearly evolved towards an agency model which stresses technical intervention for co-operative enterprises. The agency has a Projects Co-ordinator and a staff of experts in accounting, economics, agriculture, small-scale manufacturing technology, co-operative promotion and community organizing, and co-operative education programming. During the past several years it has made an important contribution, not only to Jamaican projects but also to projects throughout the eastern Caribbean. Its Organizational Development Programs were initiated for the sugar workers' co-operatives through a Small Enterprise Management Training Program. This includes leadership training courses, on-site training in role identification and co-operative decision-making for project participants; the production of audio-visual aids and documentation; and the promotion of regional exchanges to strengthen local initiatives. Evaluations of the Jamaican LDA have all emphasized the importance of these training workshops and technical supports for projects in assuring that the latter become economically and socially viable. Nevertheless, skills training cannot be separated from a vital transformative community development process if the LDA is to remain responsive to the needs of community-based projects in the context of an alternative development model. Several examples may elaborate the dimensions of this proposition.

Leadership and skills training have been critical aspects of the two Jamaican projects referred to above (p. 19). In the case of Project A, the Jamaican LDA made important interventions

with the participants to provide technical assistance in farming, co-op management training and the organization of work; and in the areas of book-keeping, budget planning and marketing. With 15 members, the project has a management committee and project leader which meets every week for day-to-day decision-making. Every two weeks there is a membership meeting out of which separate committees have been established to co-ordinate various aspects of the agricultural and marketing operation. There has been a conscious effort to make the decision-making process a participatory one while maintaining the necessary discipline for a sustained agricultural venture.

A recent external evaluation of Project A commended it for its success in the development of the infrastructure needed for the farming venture and the growth of basic agricultural and entrepreneurial skills. But the evaluator also notes the close relationship which CUSO and LDA personnel have had with the development of the project. It suggests that there is need for the growth of internal co-op leadership to move beyond a situation where "the project participants regard the project . . . more as that of CUSO, the presence of whom is still too strong in the venture".

There is a similar, but more extreme situation, with respect to Project B. With the collapse of the first co-op, which occurred despite extensive training programs with the participants, the Jamaican LDA appointed a project manager to monitor the development of the project with the second group of participants. He meets with the project members each week, but

in fact commutes from the capital city to do so. This relationship between the project and the LDA has compounded other problems which an agricultural project faces.

In meetings with the LDA staff, the Project Manager makes the key decisions affecting the project. While the co-op members have developed co-operative day-to-day management of the farm, their sense of responsibility to the project is largely determined by their relationship to the LDA. In the words of an evaluation report:

"Project participants do not consider the farm as their project; they view themselves merely as workers in the programme, not as the owners. To a great extent this has been caused by the LDA in that the LDA's image is too overbearing. The LDA director is seen not as a resource person, but as the very pillar of the venture. The group is committed to the ideals of the project but still regards it as belonging to someone else". (Project Evaluation Reports, 1982, p. 4)

In the context of a very difficult living situation and deteriorating farm infrastructure, this relationship has only added to the low morale of project members. Furthermore, the project's dependency on the LDA for more capital inputs to give it longer-term viability reinforces the image of the LDA and perpetuates an ultimately unsustainable role for the LDA in the project. While this is a particular example arising out of difficult circumstances, it does highlight the importance of complementing skills development with the promotion of a vital internal process of involvement and shared responsibility for the directions of the project.

The St. Vincent LDA's emphasis on the priority of the community process offers a perspective on this dimension of leadership training. In this example, community promoters

living and working within a community stimulated other project co-ordinators in the community. It was critically important that the direction of programs emerged out of whatever process was happening in the community and was not the consequence of the priorities of "outside" organizers. Great care was taken to encourage the self-confidence and ability of indigenous community leadership. One observer of this process noted that the deliberate strategy to "groom" project participants to relate directly to external agencies paid off very well, both for the people's personal development and their abilities as an organizers.

"(The community promotor) was making sure community people got an opportunity to develop themselves either through local actions and discussions both politically and technically at all levels. His style of work meant that if the process was not going to happen quickly, he did not push it. You work slowly but at the same time you were explicit about the directions you wanted the work to go. That way takes a lot longer but in the end is the only way to do it". (Interview, November 12, 1982)

Out of this emphasis on community animation through education, there is an increasing recognition by the St. Vincent LDA that project-holders must develop management skills. Drawing on the experience of the Jamaican LDA, they are now working towards educational follow-up with project-holders, particularly those involved in production projects. The groups conduct organizational workshops on effective management skills -- record keeping, budgeting, the nature of small projects, marketing, human relations, and co-op decision-making. While

maintaining accountability to the community base, the process of empowerment includes the transmission of skills and responsibilities to the community. As one example, a St. Vincent community promotor suggests the nature of this process:

"Reports on projects would be my responsibility. What I might have to do is rewrite these project reports done by project holders, but we assume that people at the base do some sort of reporting. It's not just free; they have to plan." (Interview, November 8, 1982)

Thus, the nature of the process through which skills are transmitted to a community-level project becomes a critical variable for the success of the project -- not only its economic viability but also its ability to empower community people through indigenous leadership. Where the LDA becomes primarily a service-oriented organization with direct structures of accountability to external funding agencies, it will tend to assume a more external role in the initiation and direction of community-based projects. It provides services through a central administrative structure.

(iii) Local Development Agencies and Structural Dependency

Several issues emerge out of the set of relationships which LDA's may develop with international funding agencies. They too affect the relative success or failure in promoting community-based planning. When questioned about the ability of LDA's to set their own priorities in the context of their need for external funding from international NGO's, one observer noted that "it is much more tied to how the LDA emerged than to

the need to have money or the imperatives of the funding agencies". She pointed to the St. Vincent LDA:

". . . the St. Vincent LDA and its components did not get together because of money. There was work on-going and projects already at its formation. The strength of the St. Vincent LDA is that the base effectively establishes the priorities and the Agency is able to say to funding agencies, these are the priorities, can you support them?" (Interview, October 15, 1982)

By way of contrast, mention has been made of the close involvement of CUSO in the formation of the Jamaican LDA and some of the implications that this role has had for the autonomy of projects at the community level. From other examples given in the course of interviews, where the funding agency has played an initiating role through matching funds available for the formation of an LDA, there seems to be a closer convergence of the program priorities of an LDA with the interests and concerns of a funding agency. These LDAs have sometimes assumed a directing role for projects that were previously funded by international agencies. They have done so in the absence of any organic relationship to the communities where the project is based. As these LDAs develop project administrative skills, they are likely to be approached by other funding agencies. Not only does such a relationship of accountability to external sources compromise the project-LDA process of support and development. More importantly, it reinforces a distance from the community animation work which is the foundation for effective community projects.

As LDAs have increased their involvement with more traditional aid agencies (including national and multilateral aid sources), they have been compelled to respond to the reporting/evaluation requirements of more traditional aid relationships and they have been confronted by many of the problems (discussed in the Introduction above) which define these relationships. A recent evaluation by one international agency of an LDA program produced a reaction from other LDAs that "this kind of intrusion (i.e. unlimited access to project files, interviews with staff and project participants, externally dictated evaluation criteria) was intolerable, and that the LDA network needed to develop a common policy/strategy on dealing with funding agencies, and on taking funds tied to this kind of evaluation". (Interview, October 15, 1982) There was general agreement that the process of evaluation and accountability must follow from the commitment to community self-direction and control. With the support of CUSO, evaluation of LDAs and projects takes place over a three year commitment of funding. Evaluation is internal to each LDA and is structured to encourage local/community self-evaluation around issues of community empowerment and the accountability of the LDA to community projects. A summary evaluation of the three year program for CUSO will be conducted by a two person team, one from an LDA and another mutually agreed upon by both LDAs and CUSO.

The relationship of some LDAs to CUSO has been problematic due to some aspects of the role that CUSO staff have played in

on-going determination of the directions of these LDA's. But more importantly, localization of decision-making has meant that these problems have been mediated by regular inter-island meetings of the LDAs themselves and by the active participation of the LDAs in setting the objectives and monitoring the progress of the CUSO Caribbean Program. With the support of CUSO, the inter-island meetings have encouraged a real exchange of experience among the LDAs. Caribbean islands have long been isolated from each other in economic and social relationships, but even more so in the sharing of alternative approaches to development among the poor. As in the case of St. Vincent and Jamaica, there is often a reflection and learning from the differing orientations of the two LDA's:

"I think one of the important things we have been able to do in these meetings is to get a feel for what other people are doing and how they address problems in the field. The problems are not going to be unique. While our thrust may be in education, based on our experience in communities and our education work, we now find a group demand for projects, demands that we are trying to some extent to hold off so that we can do education work. But because other agencies are more project oriented, they can give us a history of what their experiences are in that area, what we should and should not look for in projects. Also, other agencies are beginning to see that some of their projects are failing because not enough education work has been put into the project and we can provide a practical base for that type of work." (Interview, November 8, 1982)

The inter-island meetings have also been able to structure a more collective and participatory relationship with CUSO as a funding agency. Such a relationship can mediate the potential

for a divergence between the objectives of LDAs in supporting community projects and the institutional requirements of the funding agency. There is a greater awareness on the part of CUSO of the social, economic and political constraints which affect the success of projects in the Caribbean as well as a collective monitoring of the changing potential for alternative development work among the islands. To further this collective planning process, CUSO has allocated program funding for LDAs over a three year period (with needed revisions each year on detailed allocations). This allows for more effective planning on the part of each of the LDA's and for greater flexibility in meeting long-term capital costs and effective training/organizational development programs with project participants.

In these respects the relationship between the LDAs and CUSO is consistent with the objectives of alternative community development, the transformation of communities. Nevertheless, in spite of their mutual commitment to these objectives, their success and failures cannot be separated from national and global social, economic and political relationships which sustain underdevelopment and dependency.

The success or failure of projects for community economic advancement has often been determined by external factors beyond the control of the LDA's or the project participants. In the case of the sugar workers co-operatives, throughout the period of the co-op's existence government and industry attempted to destabilize them and return control to the National Sugar Industry and later the private sector. The overall

relationship of an alternative development model in the Caribbean to the practical socio-economic constraints facing small-scale farmers is ambiguous. The LDAs have stressed production for the local market. Yet in many instances the ability of projects to market produce for local consumption has been adversely affected by national economic policies which encourage imports of cheap food and by transportation problems in getting produce to local markets. The Jamaican agricultural Project A was successful in establishing a viable farming infrastructure and was producing rabbits, chickens, corn, cabbage and tomatoes for the market in Kingston. But a marked decline in prices for farm produce compelled the co-op to increase its dependency on external support for working capital as well as machinery. Similarly, the cost of purchase and up-keep of a vehicle to implement a marketing strategy for a small-scale project is most often too high to be viable.

The LDAs have had some success in meeting these structural difficulties through their relationship with a number of production co-ops and enterprises. One strategy has been to encourage a mutually supportive marketing of produce among several projects. In Jamaica, agricultural projects provide produce to a co-operative hotel venture which received support from the Jamaican LDA. In St. Vincent, small-scale farmers have a long tradition of production for the export market. Many macro-economic factors limit their ability to break out of this

dependence. The farmers' organization, through its education process, is encouraging farmers to analyse this dependency. Yet, at the same time, community promoters leave farmers' groups "with the option to decide what they should do and how they should do it" (Interview, November 8, 1982). The economic realities dictate that at best their only option may be a certain degree of crop diversification along with the local processing of food crops. One project is establishing a community mill to grind corn, something that was common in each village 20 years ago. Out of this experience it is hoped that this and other groups in the community will see the benefits of processing other crops. In addition, some specialization among communities in a particular region -- a group addressing the marketing question, another the processing of vegetables and corn, another the processing of fruit -- is encouraged. Out of this organization it is hoped that people will begin to move into one another's community a lot more than they are presently doing. Not only will this break down social and political isolation which is the consequence of their exclusive external economic linkages to export markets; it will also encourage inter-community discussions and relations that will strengthen the power of poor farmers in relation to outside economic and social forces. It will address the perennial problem of government playing one village off against another in competition for scarce benefits. (Interview, November 8, 1982)

Both experience and economic necessity limit the ability of small-scale farmers in production co-ops (or individually) to move away from export crop production towards more self-reliant and stable production for local markets and their own self-sufficiency. At the same time, the LDAs have only just begun to appreciate the implications of this problem:

"LDAs will have to start looking at alternatives as a general need in the region. They are now looking at developing some marketing expertise, whether for local or external inter-island trade. But we don't have the political development to deal with the problem of dependency and LDAs are not organized to develop these skills. We have to grapple with what it means in terms of how co-ops are organized to take account of dependency." (Interview, October 15, 1982)

These are the larger national political issues -- development for whom, popular control over economic and social priorities -- which most often lie beyond the scope of the LDAs. Yet, if the LDA's are contributing to an alternative development process that is empowering people within their communities, they are also assisting these communities to express their interests on these larger social issues through their self-organization. This process is essential if the dependency model of "development" (which in fact sustains underdevelopment) is to be broken and if those most affected by underdevelopment are to advance their economic and social well-being.

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CANADIAN NATIVE CASE STUDIES

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INTRODUCTION

The local Third World: what does this mean? The Third World is conventionally seen as being comprised of the underdeveloped societies of Africa, Asia, Latin America and the Caribbean, where subsistence economies yield desperately low levels of income for the majority, and where poor education, health and housing standards are endemic. (Development Education Centre, Underdevelopment in Canada, Notes Towards an Analytical Framework, 1976) But are these not features which characterize conditions in native communities throughout Canada?

Southern Canadians have grown accustomed to looking outside Canada for examples of underdevelopment; the image of Canada as an autonomous, developed nation has been widely accepted. If we are to begin to come to terms with reality here in Canada, we have to break the syndrome that inhibits and undermines the fulfillment of the aspirations of hundreds of thousands of native people. We must recognize that a process of underdevelopment as profound as any that has taken place in Asia or Latin America continues to affect the economic, social and cultural life of the indigenous people in Canada.

Some basic concepts are essential to this analysis:

The process of unequal and dependent development is generated in a hinterland nation or region by the channelling of its natural, financial and human resources to another centre, a metropole. The hinterland is integrated into the process of development of the metropole

in a way which distorts and limits the growth of the former's productive forces. Through the same process which makes the hinterland dependent, the accumulation and concentration of wealth in the metropole is promoted. The processes of dependent and uneven growth which evolve in the hinterland are well summarized in the phrase "the development of underdevelopment".

This process occurs both among nations and among regions within each nation. For example, the uneven growth within Canada, which has generally been described by the term "regional disparities", might better be called, in this context, "internal colonialism". (Ibid.)

Canada's position is thus a complex one. As a nation it is neither metropole nor hinterland. It is not simply a developed, central capitalist country, nor a peripheral, Third World country. Canada shares some of the characteristics of both.

Within Canada there are large regions that have been drained of resources and experience chronically depressed economic conditions, regardless of the state of the country's economy as a whole. These include most of the regions inhabited by native people. Furs, minerals and timber have been extracted on terms that have progressively enriched the southern metropole at the northern hinterland's expense. Manufacturing, financial institutions and service industries continue to be concentrated in the southern metropole.

Within the northern hinterland, native people have been subjected to a dual process of underdevelopment. Not only has their homeland, the northern environment, been exploited for its raw materials with little long-term benefit to the north; but native people have had no control over these activities. By and large they have been relegated to a marginal existence within sequestered reserves, where they play virtually no role

in the extractive industries. Hunting, trapping and fishing, while vital to native people's livelihood and cultural identity, are barely a part of a market economy. They are carried on mainly for subsistence (there are obvious exceptions, particularly on the west coast). The costs involved are exorbitant in relation to the monetary returns. Paid, full-time employment exists for only a tiny fraction of the native population. The majority are wholly dependent on welfare.

Within the context of this extreme economic dependency, reinforced by massive social assistance, native people have also been colonized culturally and socially. Under the influence of traders and missionaries, government-controlled education, remedial and "developmental" services; within the limits set by the Indian Act and the reservation system; and under the impacts of the rapid infiltration of non-native values and lifestyles, most recently through the media, traditional native culture and social relations have been substantially eroded. They are still under assault. "Internal colonialism" is an ongoing reality.

Yet to call native communities part of the Third World is perhaps a bit misleading. There is a fundamental difference that sets native nations apart from Third World countries: the sovereignty of native nations is not recognized. They exist within a sovereign-nation state. This fact determines a whole set of relationships that shape people's experience and affect their political directions. Recognizing this difference, some people use the term "Fourth World" to describe the condition of aboriginal minorities in countries throughout the world.

Third World or Fourth World, native communities in Canada (with very few exceptions) are certainly not the First World.* We have premised this study on the many similarities between the situation of native people in Canada and that of Third World peoples who share a legacy of colonialism and underdevelopment. We have taken this comparative approach which stressing the parallels between native and Third World experience, in the belief that some valuable lessons have been learned overseas that can inform the efforts of native communities to control their own development and increase their self-reliance.

* First World is usually used to refer to the industrialized, developed, advanced capitalist nations of the "western world", or of the "north" in the new post-Brandt commission parlance.

BIG TROUT LAKE

Big Trout Lake is an isolated reserve community located at 53°50' in N.W. Ontario. It is not accessible by road or rail, but is serviced by scheduled aircraft from Sioux Lookout (276 airmiles away). The compact settlement is situated on Post Island and adjacent mainland on the north shore of Big Trout Lake, a large lake lying just within the pre-Cambrian shield. Island and mainland were joined by a causeway in March 1978 giving mainland residents safe and reliable access to educational and health facilities which are concentrated on the Island, as well as other services and places of employment, such as the Band Office, airlines and stores. The current population of the reserve, is roughly 700, including some non-band natives and approximately 50 non-natives.

Spreading out from the settlement are vast reaches of lakes, rivers, boreal forest and muskeg -- the traditional hunting, trapping and fishing grounds of the Oji-Cree. These lands and waters provided the basis of a viable economy for centuries before contact. They continue to be an indispensable condition for the material well-being and cultural vitality of the native people inhabiting the area.

In fact, according to the then-resident missionary, the Oji-Cree lived "entirely by hunting and fishing, and by freighting supplies into the trading post at Big Trout Lake from Fort Severn during the summer months" prior to 1924. (Greenwood, 1964, p. 4) But, by 1929 "economic conditions had deteriorated to the point where the Band sought admission to treaty in order

to be assured of financial support in times of want". (Ibid.) One of the main factors in this decline was the imposition of Ontario game laws, which seriously inhibited the native peoples' ability to subsist by hunting and trapping. Still, by the late 30's, scattered bands were using the settlement site only as a summering ground, where they gathered to trade, fish, receive Treaty payments, and socialize. It was not until the late 1950's that a permanent village with a substantial number of year-round residents coalesced; by this time access to various services and facilities, such as the school, nursing station and stores, had taken on greater importance to many people who had traditionally spent most of the year in isolation out on the trapline. It is important to remember that it is only in the last generation and a half that people have resided year-round in the compact settlement.

The effects of contact had begun to accelerate rapidly after the Band came under the provisions of Treaty No. 9; education and health services and relief payments significantly altered their way of life. (In 1955 they also became eligible for Ontario welfare benefits.) Thus, within the space of barely two generations, a relatively self-sufficient economy (though obviously linked to the outside through trading) was transformed into one heavily dependent on transfer payments and government services. While Band members welcomed the relief from adversity afforded by these payments and services, they were increasingly aware of the "conflict between the demands of their traditional way of life and those of Euro-Canadian institutions. (Greenwood, p.5)

By 1977 a BTL Band Member would write: "Over the years the economic life of the community has changed dramatically. There has been a significant decline in fishing, trapping and gardening just in the last decade, to the point that the community has a new dependence, now based on government support". (CES Interim Report, 1977, p. 4) But use of their traditional territories for subsistence activities continues to be a vital condition of the community's survival and identity, and any curtailment of their access to these territories would have far-reaching consequences, both economic and cultural. Yet the pattern of life in Big Trout Lake has been radically transformed. It is the permanent home for a large number of people who are neither able to survive as their ancestors did, nor able to obtain gainful employment in the context of a service-oriented, dependent economy.

Clearly, the biggest problem currently facing the Band is startlingly high unemployment, coupled with a correspondingly high level of welfare dependency. There is tremendous pressure for new job creation, particularly for the young people who make up a disproportionately high percentage of the population. The social ills which stem from enforced idleness and lack of opportunity need not be enumerated here. Their toll in suffering is reflected starkly in statistics compiled by the DIA for native communities throughout Canada.

A recent survey reveals the following population and employment picture:

TOTAL POPULATION	707	
AGE DISTRIBUTION	276	under 15 ← where is age 15
	150	16-25
	90	25-35
	102	36-50
	89	over 51
EMPLOYMENT (15 and over)	220	unemployment
	35	employed seasonally
	40	" part-time
	76	" full-time

(BTL Training Proposal, 1983, p. A-1)

Thus, of working-age population of 371, 220, or just under 60% are without any paid employment whatsoever. Only 76, or 20%, have full-time work. Sixty-five per cent of the community is receiving welfare benefits. It is in this context that we must address the question of what conditions and supporting structures would allow for the successful, or at least partial resolution of these acute problems.

The Community Employment Strategy Experience in Big Trout Lake

The Community Employment Strategy was one attempt to co-ordinate development activities in the face of this worsening crisis of unemployment, underemployment and welfare dependency. The following description of the CES and its impact is taken for the most part directly from the Final Evaluation Report and Summary prepared by Joan Williams and Catherine Scott. While this material has been readily available for some time we feel it worthwhile to present it here as an illustration of what can be accomplished given a greater degree of co-ordination and

access to resources.

CES was a joint Federal-Provincial planning and co-ordinating mechanism which, in partnership with designated communities, attempted to address the local employment problems of people who experience continued difficulty in finding and keeping productive, full-time employment.

CEIC and the Ontario Ministry of Labour took the lead in initiating the Strategy, which was implemented between April 1976 and March 1979 in four areas in Ontario including Big Trout Lake.

The first key operating principle was that responsibility for identifying barriers to employment and proposing solutions should lie with local communities. They were therefore expected to undertake a problem identification, strategy development and implementation process in the context of local conditions and resources.

The second key principle was that many of the resources to solve employment problems could be obtained through better or more effective utilization and co-ordination of existing programs of the various Federal and Provincial agencies, rather than through the creation of new programs. Government responsibility therefore was to facilitate the implementation of community-based proposals through co-ordinated delivery of existing resources. (CES in Ontario Summary, 1979, pp. 1-2)

Initial consultations with the newly-elected council and chief revealed that community planning was already a priority. They had identified a number of potential projects "but were experiencing difficulty in gaining support from various government agencies. CES appeared to be a possible means of achieving these objectives both as a vehicle for co-ordination and for provision of resources". (Final Evaluation Report, 1979, p. 96)

The decision was taken that the chief and Band Council would comprise the local CES organization, and a community worker was hired.

The Strategy for the BTL area was developed to meet two primary needs: the need for community planning, especially with regard to physical infrastructure, and the pressing need to find short-term solutions to the unemployment crisis, thereby hopefully laying the basis for long-term social and economic planning.

In the first stage, a Human Resources Survey, an Employers Survey, and a Land Use Study were carried out, and included in the First Interim Report. Recommendations were made in three major areas: 1) the need to better co-ordinate training with employment opportunities, particularly in the area of business management skills; to involve more women in training; to carry out training courses in Cree; and to orient training to allow native people to fill existing jobs being held by non-natives; 2) the need for more employment and education-related information; and 3) specific development proposals for exploration.

Out of these recommendations emerged fourteen projects, organized under four headings, of which thirteen were approved for implementation. By September 1978 a second round of project initiatives was approved.

Plainly, a great deal of activity bringing tangible benefits to the community resulted from this concentrated effort to increase co-ordination and eliminate blockages to implementation. The causeway was constructed, bringing the

improvements mentioned earlier; a winter access road to Long Dog Lake was built allowing the Band to haul logs that had previously been transported by air; the various studies and surveys mentioned earlier were undertaken, adding to the community's understanding of its own conditions and potential; training courses in both Heavy Equipment Operation and Mineral Exploration were conducted; an Outreach worker was hired to co-ordinate employment-related services and provide more information; a planning co-ordinator was hired to be responsible for planning and project development; feasibility studies were conducted on a Furniture Making Shop, and the purchase of a commercial aircraft; a timber survey was made to assess local supplies; attention was paid to trapline development to ensure that trapping could be carried on rationally to support a limited number of people; largely unsuccessful efforts were made to train Band members to occupy eleven existing jobs on the reserve held at that time by non-natives; investigation was made of the potential for alternative means of generating electricity in order to cut costs and dependency; an organizational study was made of the existing Band government structure to help increase its planning and implementation capacity; and further training programs were completed in log construction and secretarial work.

While the impacts of the CES up to this point were positive in terms of short-term job creation, skills development, and infrastructural improvement, long-term benefits depended upon continued ongoing co-ordination of training and job creation.

There was also a need for agency involvement, increased access to existing permanent employment opportunities, and establishment of new viable Indian-owned and operated businesses. The CES evaluators accordingly recommended that the joint planning and development process be continued on a long-term basis, and that permanent co-ordinating mechanisms and staff positions be established to ensure that adequate resources continued to be made available.

Unfortunately, the CES was terminated in March 1980 due to "budgetary constraints". Thus, the Band was left to face once again an obstructive and disjointed array of programs, policies and guidelines. The termination of CES revealed the weakness and vulnerability of externally-initiated structures subject to shifts in policy and budgetary allocations. The establishment of a permanent co-ordinating mechanism under local control, with stable and adequate funding, is necessary if the kind of momentum achieved during the CES is to be not only regained, but sustained to the point where long-term solutions are found.

To illustrate the kinds of difficulties which have confronted one of the ventures started up during the CES period, we will now present in some detail the experience of the Big Trout Lake Furniture Shop. This local community-owned enterprise was intended to create much-needed jobs while lessening dependence on outside sources of goods. As we shall see, this venture has been successful despite some poor initial planning and a critical lack of support from various institutions.

Big Trout Lake Furniture Shop

In an area of chronically low employment opportunity, development based on the utilization of local resources is a high priority. Using local labour and materials to supply local and regional markets cuts dependency and can overcome the acute disadvantages of isolation and prohibitive freight rates. Circulation of money within the community is increased, and leakage is slowed down. Local industries create long-term jobs, provide an appropriate setting for skills training and practical management and marketing experience, and build people's confidence in their ability to work productively while meeting their own communities' needs.

The Big Trout Lake Furniture Shop presents a graphic example of the potential benefits of community-based enterprise, despite the obstacles to success posed by inadequate planning and support.

The BTL Band expressed interest in developing a furniture shop as early as 1974. The need for good furniture and the desire of local people to acquire carpentry skills prompted the Company of Young Canadians to hire a local person to study the idea. Subsequently, in 1975, the Opportunities for Youth Program funded the construction of a shop building, which was not completed until the winter of 1975-76 due to shortages of materials.

At this point, it was recognized that further analysis and planning were required before proceeding with the project. As

the local CES worker observed at the time (Feb. 77):

There have not been entirely successful results relying on the Dept. of Indian Affairs' assistance, in the area of economic development . . . Economic ventures have not been considered sufficiently in the past from a total perspective. Feasibility studies have not been in evidence when the DIA have made recent budgetary decisions. Hence, a lack of proper training of staff, insufficient availability of materials, inaccurate costing, and a lack of understanding by all parties, has become evident. (CES First Interim Report, 1977, p. 31)

In order to ensure that the furniture shop would avoid these pitfalls and start up on a sure footing, the Band requested and receiving funding from the Local Employment Assistance Program to carry out a feasibility study. But the ensuing experience showed that a feasibility study in itself is no guarantee of problem-free development.

The study was undertaken in the context of the CES, under the heading of Economic and Employment Development. Eight thousand dollars were received from LEAP in August 1977, and the study by Hildebrand and Young was completed in March 1978. It was recommended that the shop could break even in three years while employing two individuals full-time. (Other assumptions and recommendations of the feasibility study will be referred to below.) Accordingly, the Band sought funding for a further three-month's development, during which time the shop would be prepared for operation, and for a nine-month operational phase.

A list of "anticipated short and long term results" drawn up at this time is indicative of the high expectations

surrounding the project:

1. Establish a business which will be independent of government funding.
2. Provide an alternative market for lumber produced by the year-round logging and sawmill operation.
3. Provide an alternative supply of quality furniture for Band members.
4. Savings and earnings resulting from the operation of the business accrue to the Band and its members, in other words, the money stays in the community.
5. Band members employed by the business will acquire new skills which will qualify them for other employment in the community or in other parts of the province.
6. Participation in this Band-owned and operated business will give Band members confidence that they can successfully undertake other beneficial community and economic development projects.

(Interim Evaluation, 1978, p. 60)

During the operational phase, a manager/trainer was to be hired to order equipment, oversee renovations to the existing shop building, and design both the training program and the furniture to be produced. Two trainees were also to be hired to renovate and assist in setting up the shop. It was expected that during the operational phase the manager/trainer would impart the necessary skills to the trainees (whose aptitude would have been assessed during the developmental phase) allowing them to successfully operate the enterprise after the trainer's departure.

In practice, however, it proved difficult to find a suitable manager/trainer who had both the requisite skills and familiarity with the socio-economic and cultural context of the reserve. A white from outside was hired. His expectations differed from those of the trainees. Although technically

competent and familiar with the community, he had neither the image or approach of a teacher nor experience as a trainer, and therefore lacked legitimacy in the eyes of the trainees. The language barrier was also a hindrance. Thus, although funding was made available and a trainer hired, the initial training was nowhere as effective as it could have been had a more suitable trainer been found earlier on.

Another major obstacle in the first year, unforeseen in the feasibility study, was the lack of electricity in the shop. Electrical power was not obtained until the second year. So, at the start, some aspects of production were carried out in the Band Office, where power was available. Other tasks were performed with hand tools. These arrangements were obviously inefficient.

Also during the first year, DIA took the initiative in arranging for an Industrial Designer from Carleton University to come to BTL to advise the shop in furniture design. This person's input, however well-intentioned, was, to say the least, inappropriate. He suggested sophisticated models that required complicated joints and non-dimensional lumber. Given the scarcity and high cost of wood (to be discussed below), the wastage with non-dimensional pieces was unacceptable. And given the relative inexperience of the workers, the complexity of the new designs was not in keeping with their capabilities.

Nevertheless, electricity was installed in the second year -- an important step forward. Most of the power tools were to be acquired with the LEAP funds. But one important piece of

equipment, a planer, was to be paid for with DIA Economic Development money. The Band duly placed its order. A year and a half later the DIA funds still hadn't arrived. This particular foul-up exemplifies the sort of hindrance that administrative inefficiency and failure to come through with timely support can cause. Inability to pay for the planer became a major problem for the shop: their credit rating was in jeopardy. For any small business just starting up, this can be fatal. When asked for an explanation as to why the funds had not been released, the District Office of DIA in Sioux Lookout stated variously that the papers had not been filled out correctly, or that the money had been requisitioned but hadn't come through for some unknown reason. DIA District Office should have known that this situation was extremely detrimental to the shop's viability, and should have made every effort to disentangle the knot more speedily. Eventually, after much frustration and anxiety, the funds came through.

Despite these initial difficulties, the shop was well into operation by the second year (1979-80) and was filling local orders. Further LEAP funds had been obtained, and the staff of the shop was increased to four, under the supervision of a local manager. By increasing the staff, it was hoped to get more people trained, allowing for possible future expansion of production, and providing a back-up in case the original trainees departed.

Wood supply is a problem that continues to affect the shop's success. It was one of the false assumptions of the consultants who carried out the feasibility study that local

spruce and jack-pine would be available for furniture-making. Spruce, however, tends to split when nailed or screwed, and both spruce and jack-pine must be properly seasoned and dried before they are suitable for furniture. No provision was made in the early stages for setting up a drying facility that would have allowed locally-milled lumber to be used. A later effort to construct a solar wood-drying kiln at Long Dog Lake where there is a jack-pine stand has encountered numerous difficulties. This facility is not yet operational. Since one of the original goals of the project was to "provide an alternative market for lumber produced by the year-round logging and sawmill operations" (which themselves could generate significant employment), one of the first priorities should have been to establish a proper facility and process for the local production of good-quality dried lumber. Because this step was not taken first, the shop has had to depend on pine and plywood flown in from Thunder Bay and Winnipeg. It is obvious what this means in terms of increased cost of materials, continued dependence on outside sources, and lack of competitive edge. Furthermore, not only is the local milling and drying of wood for furniture not providing much-needed jobs, but the BTL Band has even ceased milling rough lumber for housing construction. When so few opportunities exist for the exploitation of local resources, this seems extremely unfortunate.

Other expectations of the authors of the feasibility study have also proved to be mistaken. One of their key assumptions was that a strong local market existed for functional, simple

furniture and cabinets for domestic use. Thus, the priority for the shop was to produce utilitarian items for the local domestic market. But two factors were not taken into account.

Firstly, Band members' values were rapidly being affected by images from outside, through television, advertising and the availability of more "fashionable" upholstered items from the Bay store. Although these items were recognized to be more expensive and poorly made, they had a certain status that continued to make them desirable. This competition from "imported" items has set a limit to the expansion of the market for locally-produced furniture.

Secondly, and perhaps more importantly, the feasibility study failed to identify the long-term potential of institutional and off-reserve markets for the shop's output. It was not until the third year of operation that the shop realized that the local domestic market would not be enough to ensure its survival. Until then the Band Council (the shop's sponsor) had stuck by the consultant's report. Now it turned to examine the possibility of selling furniture and cabinets to other bands, government departments, and companies like Ontario Hydro and Bell Canada.

The BTL Furniture Shop has had difficulty in getting other bands to buy its products, although some sales have been made and there should be further potential. One problem is that other Bands in the region understandably feel that they too should have their own furniture shops so as to benefit from the same employment and financial spin-offs that attracted the BTL

Band to the idea. They are therefore reluctant to support the BTL shop. In addition, the government allocation for new housing has been so low (approximately \$23,000 per house) that the Bands have been forced to buy cheap, pre-packaged houses from outside and to use part of the allocation for labour, rather than capital costs. They are therefore not in a position to buy cabinets from the BTL shop.

The Department of Health and Welfare has been a major customer. H & W made available to the shop its five-year capital expenditures forecasts for new nursing stations. Access to this information has allowed the shop to plan its production and furnish the stations as they are built and renovated.

The Department of Indian Affairs, by contrast, has been the least receptive. Despite DIA's ostensible commitment to fostering self-reliant, community-based economic development, the Department has failed to purchase furniture and cabinets for new schools and teacherages being built on reserves. The shop has never even been allowed to tender for DIA contracts, even though it is on the Department of Supply and Services' list. Band Council Resolutions have been sent in this regard and have been ignored. It is very ironic that the shop was not asked to bid on supplying the new school recently constructed in Big Trout Lake itself. Support from DIA, simply as a customer, would make a substantial difference to the shop's potential.

Another example of lack of receptivity and support from DIA is its failure to respond to the shop's offer to make its facilities available to the school for Industrial Arts programs.

Such programs would provide further training to young people, maximize the use of the shop, and integrate it more fully into the life of the community. The DIA education superintendents haven't done anything about this, despite representations from the BTL School Committee.

It should be mentioned that one DIA Economic Development Officer has ordered furniture for coffee shops on some reserves, and this is certainly positive. But it falls far short of the kind of support that larger orders for schools and teacherages would represent. And at the same time Economic Development Officer failed to approach the shop for furnishing the tourist cabins in the area. These cabins attract many fishermen from the mid-west United States. In this setting the kind of solid, rustic furniture produced by the shop would be eminently suitable. Nevertheless, the decision was taken by DIA to bring in more "fashionable", upholstered furniture from Winnipeg. The Band had no say in the matter. This points to a lack of co-ordination and integrated planning between programs.

A further benefit would result should DIA be a more active customer for the shop's products. The shop would gain credibility in the eyes of other potential purchasers. For example, Band Council Resolutions have been sent to Hydro and Bell, but they have failed to place any orders. If DIA were seen to be taking the lead in recognizing the shop as a reliable, competitive supplier, the likelihood of obtaining orders from these other important sources would surely be increased.

Given that Furniture Shop staff still have language barriers as well as lack of experience and confidence in marketing, orders from supportive institutional buyers are crucial. It should be stressed that the shop is not seeking any financial commitment from DIA, only the equal opportunity to tender for contracts. If these contracts were forthcoming, the shop could concentrate on the task at hand, making furniture, and staff could be increased, thereby creating vital local employment and reducing the need for social assistance.

DIA's lack of support at this time would seem to reflect a general attitude on its part towards economic development initiatives in which it has no financial commitment or direct control. The Department appears to feel that it does not need to support an enterprise set up by the community on its own behalf, and has effectively ignored it.

Despite this lack of response and support from DIA, and the problems stemming from false assumptions made early on, the Furniture Shop is currently operating on a year-round basis with a full-time staff of two. (Part-time staff are also hired in busy periods.) Having received funding for four years, it now operates as a self-supporting community-owned enterprise without any government financial assistance whatsoever. The potential for expansion of production and employment exists, but is largely contingent upon greater access to institutional markets. The DIA and other governmental and private buyers have an important role to play in opening up this potential.

In summary, some lessons can be drawn from the BTL

Furniture Shop experience to date:

1. Clear access to, and adequate facilities for the provision of local resources must be established before a community enterprise can truly increase self-reliance, cut dependency and significantly decrease leakage of money from the community.
2. Feasibility studies and long-range market surveys should be carried out pragmatically, taking into account cultural as well as economic variables; they should not be designed or used to validate optimistic expectations.
3. Funding for training programs does not guarantee effective training; suitable instructors should be identified as early as possible. They should be chosen according to both technical and socio-cultural criteria; ideally, the trainers themselves should be native people.
4. Funding, once committed, should be expedited by the responsible agency, especially during the early stages of operation when the enterprise's credit rating is at stake.
5. Necessary infrastructure (e.g. electric power) should be in place before an enterprise enters the operational stage.
6. Local markets should be supplied to the fullest extent possible, but attention should be paid early on to the need to develop institutional and outside markets. These provide both long-term stability and credibility and also increase the flow of money into the community from outside. Local production for local consumption increases the

circulation of money within the community, and thereby slows down leakage, but does not increase the total amount of money circulating in the community.

7. If the Department of Indian Affairs is seriously committed to supporting self-reliant, community-based development on reserves, policy must be co-ordinated from the National down to the District level, so that District officials will have clear direction to play a supportive role, even in projects in which they have little or no direct financial involvement or control. In the case of the BTL Furniture Shop, a self-supporting community initiative could realize its potential more fully if the Department took the lead in opening up the institutional market for the shop's production.

8. The potential for community-based economic development through community-owned enterprises on remote reserves does exist, as is evidenced by the ongoing, self-sustaining operation of the Big Trout Lake Furniture Shop: two full-time jobs have been created. The benefits to the community are more than just economic, as the Shop represents a native-run and native-controlled operation that people can feel proud of. It can provide an example for future community development.

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KINGFISHER LAKE

The community of Kingfisher Lake is located in Northwestern Ontario at latitude 53N^o, ninety kilometres south of Big Trout Lake. Situated on reserve land, the community has had official Band status since 1976. Approximately 260 people (all native except for a few school teachers) live in the compact settlement lying on the shore of Kingfisher Lake. In 1965 the Band moved to this location from Big Beaver House because Kingfisher Lake was deeper and cleaner, and timber more readily available.

No roads or scheduled aircraft service the community. Small planes can be chartered from Big Trout Lake or Pickle Lake to land on Kingfisher Lake. An airstrip is still in the planning stages. A few years ago a helicopter service was introduced to maintain postal deliveries during the break-up and freeze-up periods.

The resource base in the area is relatively meagre. Like Big Trout Lake, Kingfisher Lake is surrounded by lakes, rivers, boreal forest and muskeg. Stocks of game and fish have been declining, and while Band members continue to hunt, trap and fish, subject to game law restrictions, complete subsistence through traditional pursuits is no longer possible. Timber stands in the vicinity are not commercially viable at the present time due to inaccessibility and remoteness from mills and markets, as well as low density that makes large-scale harvesting "uneconomic". Nevertheless, the Band operates a

small sawmill to produce rough lumber for local construction at a considerable saving over lumber trucked from Winnipeg or Thunder Bay to Pickle Lake and flown in.

Exploitation of mineral resources in the Big Trout Lake/Kingfisher Lake region is a long-term possibility, but negative impacts on the environment and the social and cultural life of the communities will probably outweigh the benefits of paid employment and increased income. Given the emphasis placed on the establishment of extractive industries in the province's West Patricia Land Use Plan, the likelihood of development in this sector under the control of outside private interests is high, and the Band should be anticipating its effects.

The potential for agriculture on the reserve is limited to community gardening to supply local needs, but the short growing season restricts the range of vegetables to crops like potatoes and greens. Aside from the few things that can be grown, and fish, game and other country food, the Band is dependent on outside food supplies. The same is true for energy. Locally-gathered firewood is used to heat most of the homes. But electrical power is generated by diesel for the school, the Band office, and a few other community facilities. Small portable gas generators meet the domestic needs of most residents. The possibility of small-scale hydro development that would cut costs and dependence is being explored, but is still at the early planning stage.

Thus, the context of the Band's development is one of dependence on transfer payments from the federal and provincial governments and reliance on outside sources for most goods and

materials. There are limited opportunities for paid employment. In the face of these adverse conditions, the Kingfisher Band has taken an energetic and original approach.

The Kingfisher Band is a tightly-knit group of Anglican families. There is only one church in the community, with a local minister. This is significant because religious factions have not arisen to impede people's ability to work together to attain common ends. Religious factionalism is an acute and growing problem on many Northern Ontario reserves. The Kingfisher Band's cohesiveness as a social unit is reflected in the integrated approach it has taken to the development of their community.

In general, Band members have sought to gain as high a degree of control as possible over their own affairs. They have pursued an independent course of development aimed at maximizing self-reliance and the local distribution of benefits from economic activity. They have proceeded cautiously to develop projects that can bring long-term improvements in both material conditions and morale. Step-by-step planning has been carried out through close co-operation between the people and the Band Council to ensure that priorities are shared and all community members are able to participate in the development process. As Noah Winter, the Band Administrator, explains it, their community organization is similar to a family in which everyone's needs are considered and all aspects of people's lives are taken into account. These include not just economic aspects, but social and cultural factors as well. In other words, the Band has taken a comprehensive and extremely careful

approach to its development as a human community.

The community development process has involved the concrete application of principles arrived at through critical examination of the Band's situation. A number of years ago Band members began a careful and deliberate self-education. They learned everything they could about the Department of Indian Affairs and came to the conclusion that because of DIA's history and the way its programs were structured, they could not entirely trust government-initiated development programs. They wanted to plan their future themselves, with as little outside involvement as possible. They learned about self-organizing and about the kinds of skills required to build up their community by relying as fully as possible on their own resources. In other words, they learned the basics of an approach to economic development appropriate to their own circumstances and aspirations.

The most important step Band towards increasing the Band's independence and control over its own affairs was the establishment in 1980 of a non-profit socio-economic development corporation (the Kingfisher Lake Socio-Economic Development Corporation). Its first priority was to purchase the local Hudson's Bay Company store. This store was the reserve's only retail outlet for food, dry goods, equipment and fuel. For some time the people of Kingfisher Lake had discussed the idea of starting Band-owned, non-profit businesses or services at General Meetings and over the local radio station. These would be self-supporting, create employment, and provide social and

morale benefits for the community as a whole. To initiate action the Chief and Council made circulation of money within the community their first economic development priority. A study was done to ascertain what business or businesses were funelling the most monies out of the community. It was revealed that the Hudson's Bay Company was taking out 82% of the incoming monies. Thus, most of whatever money was obtained through the sale of furs, transfer payments, and occasional paid labour was immediately leaking out of Kingfisher as soon as anything was purchased from the store. Given its local monopoly, the Bay camtrade store made substantial profits. These profits were not being kept in the community, but were being siphoned off to the Bay.

Based on this recognition of the extent to which the Bay store was draining capital away from their community, a motion was made at a General Meeting in June 1979 that the HBC be approached with a proposal that they sell the store to the Kingfisher Band. The motion was passed unanimously.

The Bay initially was reluctant to divest itself of this profitable operation. Community pressure had to be applied. And the Band had to raise funds.

Firstly, the Band set up a small store of its own to compete with the Bay store and begin raising funds needed for the purchase. A petition stating their support for the proposed takeover was circulated and signed by Band members eighteen years of age and over. The Band made efforts to better inform community members of the economics of the transaction. Then the

manager of the Bay store -- a Band member with fourteen years' experience -- threatened to resign. This posed a very tangible problem for the Bay, because no other local resident was willing to be the replacement. A new manager with a higher salary would have to be brought in from outside and a new residence constructed, as there was no available housing on the reserve. The prospect of incurring these expenses, combined with growing community pressure and allegiance to the new store, created a situation in which the Bay was prepared to sell.

The Band's ability to proceed with the purchase of the store property and inventory depended on obtaining two-year LEAP funding for wages and operating expenses, as well as some initial LEAP capital funds for fixtures and structural improvements. Once this funding was approved, the Band would approach DIAND for a loan and grant from the IEDF for purchase of inventory. The Bay had indicated that it was prepared to meet with the Band when these two sources of funding were confirmed. Band representatives had met with LEAP and DIAND officials in June of 1979, and had received assurance of support in the application process.

Local people prepared an extensive feasibility study and application to LEAP at the Band's own expense. It covered all aspects of the project: the community context, overall objectives, social impacts, management and staff, a work plan, an operational plan, and detailed financial data. LEAP funding was required for the first two years of operation so that gross profits could be applied to both the repayment of the IEDF loan

and a mortgage on the balance of the inventory to be held by the Bay. Other sources of funds were to include a contribution of Band funds for fixtures and structures, and personal loans from Band members.

The LEAP contribution was speedily approved. Although the IEDF funds took much longer to obtain, the transaction with the Bay was completed, giving ownership of the store to the Kingfisher Lake Socio-Economic Development Corporation.

DIAND officials made efforts early on to convince the Band to adopt a co-operative structure for the store. This would have tied the store into the existing co-op network and support structures. From the Band's point of view this was not desirable, since it might create openings for external interference and control. Another more important reason for not incorporating as a co-op was that payment of patronage dividends under a co-op would run counter to the community's reason for gaining control over the main profitable business on the reserve; instead of profits being pooled and used to undertake collective projects otherwise beyond the capabilities of individuals, dividends would be dispersed and simply recycled through the store.

From the outset, as stated in the LEAP funding proposal, "emphasis was not to be on lowering present prices, but rather on having local control of the business and keeping the profits within the community". The community-owned store would "use the same average mark-ups, 25% for food and petroleum products, and 37.5% for dry goods, as the Bay . . . so that there would be no drastic changes in profits and prices". The fundamental

difference, of course, would be that substantial profits would be retained locally, and applied to developing projects that would benefit all the people in Kingfisher Lake.

The charter of the new corporation was drafted in order to allow for a wide latitude of goals and activities. This was in keeping with the Band's view that development is a multi-faceted process, involving every aspect of people's lives. A more limited, sectoral mandate for the corporation would have been an unnecessary restraint.

Having control over the store has made an enormous difference to the community's ability to plan and implement its own development programs. Retaining the store's profits gives the Band access to a vital element in the development process: an independent fund of capital to which no external strings are tied. At the same time, the Socio-Economic Development Corporation's structure and mandate provide the mechanism for participatory decision-making and sharing of responsibilities. The structure also ensures that the benefits of local initiatives will be widespread.

At a general meeting of the Corporation membership in 1980, priorities for further projects were set by consensus. A top priority was a laundromat. Washing and drying clothes in the bitter cold of wintertime is an extremely difficult and time and energy-consuming task for women in remote northern communities. Water must be fetched from a lake or river, firewood gathered to heat the water on a stove, the clothes scrubbed and rinsed and wrung by hand, and then hung to dry in

sub-zero temperatures. Kingfisher Band members agreed that a fully-equipped laundromat would bring a significant improvement to their daily lives.

With a \$55,000 contribution from the LEAP program and \$57,000 from the store profits, the Band constructed a new building and installed several washers and dryers. Operating costs, including electricity, propane and maintenance are expected to be covered by the charges for using the facilities. A local person acts as a caretaker and collects the users' payments.

The Kingfisher laundromat, open since October 1982, is a bright, clean, well-maintained and fully operational community-controlled facility. People know that it was created at their own initiative and belongs to them, and that a substantial amount of their own money went into it. This involvement allows people to treat the laundromat with respect and pride. It was what people wanted, and they're taking good care of it.

DIA had no involvement in the laundromat project. This was by the Band's choice; from their experience they felt that DIA participation would lead to interference and delays, and a loss of their sense of community ownership and control.

Another important community project initiated by the SED Group (as the Corporation is known locally), in conjunction with the Band, is a mechanics/repair shop. Funding for building materials was obtained from DIAND and labour costs in construction were paid for by CEIC. The Corporation contributed \$5,000 for tools and equipment. The Band is responsible for maintenance of the shop. The Kingfisher mechanics shop makes

available to all community members a heated, well-lit and well-equipped space where repairs and maintenance on all sorts of vital equipment -- skidoos, chainsaws, generators, etc. -- can be done. Before the creation of this facility, people often had to work on equipment out-of-doors (especially hard during the winter), often without the tools necessary to do the job easily or well. A community shop avoids the duplication of specialized tools, while ensuring that everyone has access both to what they need and an appropriate place in which to work. Two dollars a day are paid to the Band for use of the shop facilities (there is a small additional fee for use of certain power tools).

There are several trained mechanics in the community who are present in the shop on a rotating basis. Whenever someone needs work that they can't do themselves done on a skidoo, chainsaw, generator or outboard motor they can arrange for one of the skilled mechanics to do the repairs, or to assist them. Payment can be in cash, or by exchange of skills and labour, or any other means that may be appropriate between the two. By operating the shop on this kind of basis repair costs for small motors are kept down and at the same time people have the opportunity to develop mechanical skills. The Corporation is currently planning a carpentry shop which will operate on the same basis.

The community coffee shop is also operated by the Band in consultation with the SED Group. In addition to a part-time manager who receives a salary, the coffee shop employs four to

six women on a rotating basis, each working for one week at a time. The employees are paid from the coffee shop surplus. By employing several people who work on a rotational system, the skills and experience are extended throughout the community.

In general, the Kingfisher Lake community is concerned about avoiding a situation in which people become involved in only one activity or project, since this may be the basis for the formation of interest groups and factions within the community. And for the sake of people's broader education they feel it is better not to specialize in a single activity.

The Kingfisher Lake Socio-Economic Development Corporation is presently in the planning stages of a project to replace the old store with a newer one. The new store will be built at a cost of approximately \$175-200,000, using the surpluses generated from the store sales. As much local material as possible will be used in construction. The old store will then be used for storage. Thus, within the space of only three years, the Corporation has moved from the point where it had to struggle to take over the existing store, to being able to replace it with a larger and better facility.

The Development Corporation in Kingfisher Lake was established to serve the needs of the entire community. It occasionally receives requests from various community committees and groups to assist them with specific projects. It has, for example, worked with the local recreation committee to purchase various kinds of recreational equipment. Generally, the

development corporation will purchase the equipment and re-sell it to the committee at a small mark-up. The committee will then raise the money through a community fund-raising drive. The same approach was adopted when the local church decided to purchase a new organ through the corporation. There is no hesitation in paying the mark-up since it all goes into the Socio-Economic Development Corporation for projects which benefit the community as a whole.

The long-range objective of the Kingfisher Lake Socio-Economic Corporation is to assist the community in finding sustainable alternatives to traditional pursuits at the central focus of economic life. The SED believes that the ability to pursue traditional activities may not last much longer and, as they express it themselves, it is important to try not to live contradictions. The general perspective people have adopted in their planning is that, even as traditional pursuits are declining, new alternatives must be found and structured so that people can retain their dignity. In order to be able to plan a new way of life in accordance with this perspective, they feel it is important to do what they can to avoid internal divisiveness and conflicts. So, in addition to not putting too heavy an emphasis on traditional pursuits and thereby having within the community a traditional enclave and a modern enclave, they are also trying to avoid over-specialization in new undertakings. As well, to smooth the transition to new forms of employment, efforts are made to assure that employees in any

enterprise are happy in their work. Serious attention is paid to comfortable working conditions and other non-monetary factors. This stems from the recognition that the rewards of work are not simply material; a lot depends on how a person is treated on the job.

The Development Corporation is presently conducting research into a number of specific projects which will help to realize the community's long-range objectives. Among these is an agricultural project to assess the feasibility of community gardening and the construction of community greenhouses. (Potatoes are already being grown locally, a significant step in this environment.) They are also investigating the possibility of providing an independent source of hydroelectric energy for the community. Preliminary research is now under way into various small-scale alternative energy systems. At present some domestic electricity is generated by a diesel system provided by DIAND. This system, however, needs to be supplemented with small portable generators in most of the homes. Having their own energy system would mean not only a more adequate electricity service but much more community self-reliance.

The Kingfisher Lake Socio-Economic Development Corporation was established as a non-profit corporation. The funds with which it operates come primarily from three sources: surplus from store sales, the local purchase of furs and their subsequent resale, and interest on term deposits. Also, all surpluses from the various community-based projects go to the

corporation. The corporation's staff see good accounting and accountability as the key to their successful planning. They carefully assess the financial needs of any project before they undertake it and carefully plan initial funding and operations. They also assess the socio-economic impact of any project. Careful audits are conducted regularly. The staff functions in such a way that the corporation is accountable for all activities to the membership -- the entire community. The corporation has a small staff directly accountable to a Board of Directors. There are nine members of the Board which represents a cross-section of the community's families and consists of people with a range of skills. When the corporation was first being established, it was felt necessary to structure the Board in such a way that the corporation would not be dominated by a single family. This was done by not permitting more than three Board members from any family group. In general, people in Kingfisher Lake believe it is very important that their development activities be organized so that the corporation's businesses remain separate from local politics. There has been a good deal of continuity in the Board. The Board as it was originally established still functions intact. The determination of the priorities for the corporation's activities is made at annual meetings when the community members express their preferences for projects and set the agenda for the following year. As mentioned earlier, it was at such an annual meeting that the decision was made for the corporation to establish a laundromat and mechanics shop.

The Board of the socio-economic development corporation is composed of different people than the Band Council. However, the two groups cooperate very closely and see their respective areas of work complementing one another. The Chief, the Corporation Board and project staff meet regularly to discuss the progress of various activities, to identify potential problems, and to monitor financial affairs. As a further example of co-operation, the corporation, in addition to its economic development activities, also maintains a credit policy for individuals. But it is a credit policy different from the conventional approach to individual loans. If it appears that the individual requesting the loan may have some difficulty in repaying it, he/she will not simply be denied the loan and forgotten about. Rather, the corporation, the individual, and the Band will meet and an effort will be made to find employment for the individual or to identify other conditions which need to be dealt with so that repayment is possible. This may be done through various band-administered federal programs or other projects. Also, the two organizations share funds and frequently share expertise, in accounting, for example.

Conclusion

In assessing Kingfisher Lake's achievements in community-based economic development, we must stress that the non-profit Socio-Economic Development Corporation structure in itself hasn't ensured success. Rather, a whole set of circumstances, approaches and relationships has contributed to Kingfisher's co-operative vitality and social cohesion and allowed the community to tackle its own development problems so

energetically. Nowhere else will these factors be found in precisely the same combination; nonetheless, Kingfisher's experience suggests certain considerations that might be taken by other Bands wishing to increase their self-reliance while continuing of necessity to depend on transfer payments.

Among the factors contributing to Kingfisher's success are the following:

1. careful, step-by-step planning, involving intensive research and analysis of the community's material and human resources and its relationship to external agencies
2. close co-operation and open communication between leadership and community members in identifying needs and setting priorities
3. clear accountability of all projects through regular audits; accountability to all community members, not just to external agencies
4. commitment on the part of community leaders to remain directly involved in grass-roots development
5. maintaining a distance from the Department of Indian Affairs, and minimizing the Department's involvement and interference in community projects
6. establishment of a non-profit Socio-Economic Development Corporation as the major vehicle for development planning, project implementation, and distribution of benefits
7. separation of the political leadership (Band government) from the administration of the Corporation, thus avoiding confusion of goals and manipulation of the Corporation to serve more limited interests

8. avoidance of factionalism by ensuring balanced representation of all family groups on the Corporation Board, and by discouraging the emergence of new religious sects in the community
9. establishment, through the Corporation, of an independent, community-controlled fund of capital, making possible deliberate, comprehensive planning and implementation of projects in line with community priorities
10. continuity in the development process, by encouraging project staff and Corporation Board members to remain involved for long terms; changes in personnel made gradually, to allow for adequate training of replacements; in general, making changes gradually so that people are aware of the implications in advance and are prepared to accept them
11. increased internal circulation of incoming monies through reinvestment of surplus in community projects
12. recognition of the importance of non-monetary values in the development process, e.g. dignity, good working conditions, sense of "ownership" and participation, compatibility with indigenous culture.

Note on Sources

This case study was prepared on the basis of interviews with Kingfisher Lake Band officials and directors of the Socio-Economic Development Corporation, and with reference to the Band's proposal to LEAP for the takeover of the local Hudson's Bay Company store.

NICOLA VALLEY INDIAN ADMINISTRATION

INTRODUCTION

In April 1971 the five Bands of the Nicola Valley in south central British Columbia (Upper Nicola, Lower Nicola, Coldwater, Nocaitch and Shackan) joined together to form the Nicola Valley Indian Administration. Their initial goal was to employ Band members under the direction of the five Bands to provide community development and administrative services to their membership. In the ensuing years the NVIA has grown to encompass a wide range of services, programs, business enterprises and financial institutions. The scope of its activities is impressive, reflecting both the economic environment in which it operates and the "advanced" stage which the member Bands have reached.

The Socio-Economic Development section of the Nicola Valley Indian Administration co-ordinates a multitude of activities, which are all directed at both the eventual self-sufficiency of the five Nicola Bands and the personal economic development of their membership.

The process is oriented towards providing long-term benefits rather than short-term profits. It does this by placing emphasis upon resource management, planning, training and the creation of opportunities for employment and commercial investment.

The Bands have been guided by a simple philosophy. They believe that the social problems of their communities would resolve themselves as a matter of course and general well-being would be enhanced if the resources available to the Bands were directed to socio-economic development on a broad base.

In pursuing this goal, two common themes persist throughout the recent history of the Nicola Valley Indian Administration:

- i) Local Control of Band Affairs without DIA management or "advisory services" - resulting in a transfer of jobs from DIA employees to Band Members and the local Native community generally.
- ii) Community-Initiated Economic Development in its broadest sense - resulting from the co-ordinated use of funds from all programs (Education, Welfare, Housing, etc.) to assist with the financing of community-supported projects & activities managed by community members to provide the goods, services and accommodation needed by the community at large, and thereby providing employment, vocational training, etc. to members.

Before describing and analyzing in detail the goals and operations of the NVIA, we should point out that it is an exceptional case. It would be unrealistic and inappropriate to present the NVIA as a model or blueprint to be followed by other Bands in other parts of Canada. The NVIA's experience is nevertheless suggestive of the benefits that can be realized if certain structures for community-based development and relationships with responsible agencies are put in place. To the extent that some aspects of these structures and relationships might be applied in other native communities, we feel it worthwhile to present NVIA as an example.

To specify the circumstances which make the NVIA a somewhat exceptional case:

A. The Nicola Bands are integrated to an unusual degree into the dominant economy. Although the region (CEIC 394 which includes the predominantly non-native municipalities of Lillooet, Lytton, Kamloops and N. Thompson) has one of the highest official unemployment rates in the country (averaging 20% in 1982 and hitting 27% in early 1983; an unofficial estimate of native unemployment in the same period is 60%), economic opportunities in the Nicola Valley are diverse compared to those which exist for most Bands elsewhere. Despite depletion caused by corporate extraction of minerals and forests, the resource base of the region is relatively rich. Good rangeland supports the viable individual and community-owned cattle operations that form the backbone of the native economy. All the native communities are a short distance from the town of Merritt and are accessible by road. Off-reserve employment has declined markedly during the recent years of depression (from 131 in 1981 to 51 in 1983), but there is still more potential than in more remote areas. Furthermore, the possibilities for economic activity on the reserves and in Merritt (where the NVIA has its headquarters), are substantial.

Development institutions should take their shape from the particular conditions and aspirations of the communities forming their base. Given these circumstances, it is not surprising that the Nicola Bands have opted for a style of development which is

oriented towards integration into the larger economy but with participation on an equal footing. While the pursuits involved (ranching, construction, communications, etc.) might be termed "non-traditional", they are being undertaken in a distinctive way under a high degree of native control. Thus, while some observers might describe the NVIA's mode of activity as "non-Indian", this activity is undeniably the expression of a reality experienced by Indian people who are exercising their own options. Furthermore, native people have been ranching in the Nicola for well over a century, so ranching is a native tradition. The question remains: To what extent are the Nicola Bands preserving their distinctive indigenous culture? We will be mentioning some programs in the areas of communication and education that provide at least a partial answer.

B. Second, the NVIA has enjoyed what might be described as special attention and support, particularly from the federal government. NVIA has been allowed to pioneer a number of novel initiatives, notably its joint Local Services Agreements (see below) and more recently it has established a LEDA corporation. In the past year one of the Nicola Bands become one of the first in the country to receive CMHC financing for on-reserve housing. This favourable position could understandably arouse some resentment on the part of less favoured Bands in B.C. and elsewhere. But it is perhaps worth noting that in the private sector of the dominant, non-native economy, influence and contacts are exploited to the utmost, as a matter of course.

Because it chose to operate very much in the midst of the dominant economy, the NVIA acts in like fashion. We would argue that any favouritism and unequal access to resources which may exist are unjust, and that all native Bands in the country are entitled to equal levels of support. (The Nicola Bands themselves are in favour of DIA monies being allocated to all Bands on a "modified per capita basis" -- see note.) Nevertheless, the NVIA provides an example of what can be accomplished if new relationships and structures are put in place, and certain resources are made available.

Having made this caveat with regard to viewing the NVIA as a model to be applied across the board, we will describe its functioning, and analyze the benefits arising from both the structures it has adopted and the approaches to development it has taken.

Historical Background to NVIA and Local Services Agreement

The NVIA was formed in April 1971 by the five Nicola Bands to employ Band members to provide community development and administrative services to Band members. The locally-controlled Administration replaced a satellite office of the Dept. of Indian Affairs, which relocated in Kamloops, and became one of the largest district offices in the Region.

The Five Band Councils constituted themselves into an Area Council, comprised of the five Band Councils, and met regularly in Merritt to discuss the problems of the surrounding Indian communities. This was a major step for five Bands having different concerns and speaking two different languages

(Okanagan and Thompson). By working together, they reduced overhead and administrative expenses, and were able to utilize resulting surpluses for community projects. The Area Council continues to be the main forum for decision-making. This pooling of resources to overcome cash-flow problems and administrative inefficiency is the hallmark of the Administration's functioning.

In the early years NVIA employed a Native Home-School Co-ordinator to ensure community participation in native education in the Nicola. It thus developed a strong working relationship with the local school board.

Subsequently, the Bands were able to employ their own members as Social Assistance Case Aides, kindergarten teachers, and house construction and village maintenance workers. Local people were able to attend to the daily affairs of their communities. Both funds and personnel were pooled by the member Bands for these purposes. The Bands were thereby able to achieve economies of scale. In this way the process of replacing non-native with native workers began and people started to provide their own community services.

The NVIA placed considerable emphasis on the development of viable business projects during the early 1970's. The Upper Nicola, Lower Nicola and Coldwater Bands undertook studies of their resource base and potential development opportunities. As a result, each Band undertook ranching operations. Different approaches were taken in each case. One developed an incorpora-

ted company on the reserve. Another developed an incorporated company off the reserve, while a third set up an unincorporated, almost "co-op" farm, operated on a volunteer basis by members. These ranches remain viable even in today's economic climate. Although they generate a modest annual income which is usually re-invested in operations, they provide considerable employment. They also relieve some of the Band's cash flow problems since they often have cash surpluses in March, April and May, just when DIA funding is traditionally in hiatus.

In 1973 and 1974, the Bands worked closely together to design and construct an office building within the town of Merritt. The building, which was financed primarily with loans, is one of the largest professional office buildings in the town. It houses not only the greater portion of NVIA's operations, but also sub-leases space to federal and provincial agencies. The joint venture created a presence in the town for the Native population, and a place where individual members could deal with their own representatives on matters of local concern.

Eight years ago the Bands of the Nicola, Thompson River, Shuswap, Okanagan and Kootenai received assurance from the then-Minister of Indian Affairs that the Departmental offices in Kamloops and Vernon were no longer required, and that with the exception of various statutory requirements (primarily Reserves and Trusts) management of Departmental Affairs would be transferred to the Bands. All parties concerned agreed that the Bands of the Central Interior had reached an advanced stage and

were qualified to assume substantially-increased control as provided for in a Treasury Board Decision of April 1, 1974.

In April, 1975 the D.I.A. District Office In Kamloops rejected the funds which it had been allocated to administer, a direct result of B.C. Region's failure to incorporate increased Core funding in its "B" budget estimates for 1975/76. In omitting this item from its forecast, BC Region was forced to cut back on development programs. The "rejection of funds" was intended to emphasize the contradictory action of ostensibly increasing local control without providing adequate Administrative funding. In effect, the Region was encouraging devolution while cutting back the developmental programs essential for the transition.

Although the Treasury Board minute (paragraph "e") required the Department to identify "man-year and dollar offsets attributable to the hand-over of programs to Indian Bands" when the District Offices were closed, the Department ruled that the Man-years and Administrative dollars were forfeit, and could not be added to the funds available for the administration expenses of the Bands.

During this period, and in subsequent fiscal years, the five Bands pooled their resources (DIA contributions and other revenues) to reduce administrative expenses while simultaneously expanding the services provided to local Band members. In consultation with Regional Program Managers, the Nicola Valley Indian Administration developed and implemented numerous new programs:

1974
Ec Dev Committees
Band Development Plans
Home School Co-ordinators
Welfare Case Aides
Band Managed Housing
Band Owned Cattle Co.'s
Community Health Reps.

1975
Ec Dev Worker
Resource Mgmt Contracts
Homemaker Services
Work-for-Welfare
Groups Homes & Prev. SA
Centralized Office Bldg.
Professional Accountant

1976
Band Works Process
Computerized Accounting
Band Membership Records
Entitlement Surveys
Band Construction Co.
Band Kindergartens
National Class Auditors

Following the closure of the District Office, NVIA took the firm position that it would only deal with Regional personnel. This arrangement was acceptable to many Regional Managers, who saw some advantage in the possibility of closer involvement with the operations of their programs at the reserve level. NVIA had demonstrated its ability to manage all aspects of its affairs at the local level. In submissions for program fundings, it had begun to provide detailed reports citing the benefits of local control. These reports were well-received at the Regional Manager's level, where changes in Departmental policy required them to incorporate local control into their programs.

In Jan-Feb. 1978, the five Bands undertook a thorough review of NVIA's role, providing the Director of Operations and his Regional Superintendents with a plan that would enable NVIA to operate much like a district office, furnishing advisory and technical services directly to their membership. The organizational plan was analyzed in conjunction with 1978/79 budget submissions from the five Bands.

In a letter of April 6, 1978, the Director of Operations agreed to Special Development Funding "in consideration of DIA advisory services provided in other Districts" and that "it is intended that funding in a comparable amount will continue to be provided (Parliament willing) in future."

The positions and services agreed to at this time included:

- Professional Social Worker
- 3 Welfare Case Aides
- 1 Financial Clerk (SA)
- 1 Receptionist (SA)
- 2 Economic Development Workers
- Community Services Worker
- Education Researcher and Co-ordinator
- 2 Home School Co-ordinators
- Financial Clerk (Education)
- Local Government Advisor
- Band Financial Advisor
- Technical Services Advisor

It was understood that the funding for these positions would be forthcoming not simply from within the District programs, but in order that to meet future needs, the Region would provide supplementary funds on an annual basis. The Director of Operations co-ordinated the budget negotiations between NVIA and Central District, ensuring that there was no misunderstanding as to the responsibilities of each party.

For many years now, the five Bands have stressed the need to develop a Local Services Agreement which acknowledges the management capacity and responsibility (both to their electorate and to the government) which their working relationship through NIVA has demonstrated.

The Nicola Bands are committed to a development strategy independent of external direction, conceived and implemented from the grass-roots of the community, under community control and management. In order to ensure maximum benefit to Indians

from the funds available through government programs, they believe that administration and accountability for the programs must be community-based, and that the "intermediary" levels of government bureaucracy must be reduced substantially. Only through the reduction of levels of government which absorb a major share of "non-discretionary" funding that is voted to aid Indian people can these funds find their way down to the Band level. This is where they can be most effectively utilized.

Since 1976, the level of services provided by the five Nicola Bands has increased dramatically. Furthermore, they have taken on virtually full responsibility for their own affairs, preferring the odd mistake by one of their own officials to the closely monitored "advisory services" offered by the Department of Indian Affairs. Apart from timely disbursement of funds negotiated annually in the LSA's, they require absolutely no services from the staff of the Central District Office. What little contact NVIA has with the Department's Regional and headquarters staff is usually devoted to policy issues on a national scale as well as program development and experience sharing.

Early in 1982, representatives of NVIA and the five Nicola Bands met with B.C. Region's "Organization Review" task force. At the meeting, the Nicola representatives expressed their desire to assume full responsibility for Indian Affairs at the Band level, and made recommendations including:

- more realistic administrative funding;
- clearly defined reporting requirements;
- input into long-term financial planning by the Bands;
- decentralization of support staff from DIA to Bands;
- establishment of "District" authority at NVIA level;
- more accurate reporting to Headquarters of the benefits accruing from D.I.A. contributions to Band programs.

Local Services Agreement

AS mentioned above, the five Nicola Bands approached the Director of Operations of Indian Affairs with a proposal to assume responsibility for "District Level" services through the Nicola Valley Indian Administration. This was a time when the DIA was involved in stabilizing IEDF projects, encouraging "work-for-welfare" through the Band Works Process and co-ordinated community development through Comprehensive Band Planning. NVIA's level of development at the time was such that the Administration served as a "test-case" purpose.

The funds available to NVIA to maintain the agreed-upon level of services have declined greatly over the past five years. NVIA's 1982/83 Developmental budget is 83% of that provided in 1978/79. If inflation is taken into consideration during this period, the funds available in 1982/83 amount to 56% of 1978/79 levels.

Nevertheless, NVIA and the five Bands have continued to provide the agreed-upon level of services, and have in fact substantially increased the level of developmental services available to native people in the Nicola Valley.

The five Bands recognize the budgetary constraints under which the Federal government and (DIA in particular) has been functioning since 1978, but they emphasize that native people experience the lowest standards of living in Canada. This situation becomes proportionately worse during times of national depression.

Over the past few years DIA expenditures for education and welfare (services available to other Canadians through provincial programs) have increased at rates equal to or greater than inflation, while expenditures for socio-economic development have been reduced to make up the difference.

When support is transferred from programs aimed at community development to others available to white Canadians through the provinces, the result is the virtual elimination of the only source of revenue upon which Indian communities can build to achieve self-sufficiency.

1982/83 Operations

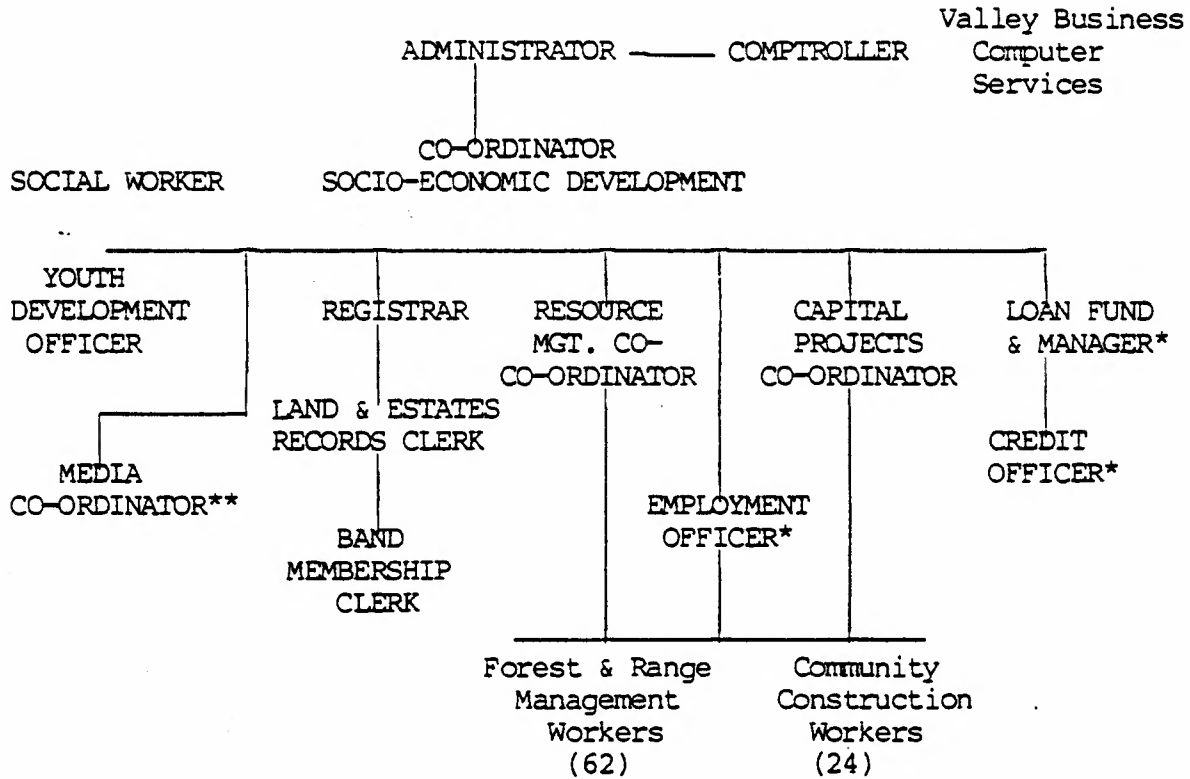
1. Program Administration:

The Co-ordinator of Socio-Economic Development provides functional and administrative supervision for 6 program co-ordinators, who in turn supervise between 50-60 employees involved in program operations.

The organization of the Economic Development section at NVIA is shown in following figure.

NVIA Ec Dev Dept
Organization Feb. 28, 1983

A R E A C O U N C I L



* Position assumed by NVIDC (see below)
** Position assumed by NW Native Communications Corp.

In the past year, the long-range planning capacity of NVIA's Economic Development section has been displaced by the need for direct job creation in the areas of resource management and community construction projects. This is a direct result of the need to offset the high level of unemployment among native people in the Nicola. Unemployment reached crisis proportions in 1982.

Also, the redirection of the Band's resources to direct employment resulted in the devolution of media and business development functions to affiliated companies such as Nicola Valley Indian Development Corporation and Northwest Native Communications Corporation. Nevertheless, these positions remain under the direction of NVIA's Socio-Economic Development Co-ordinator.

2. Reserves and Trusts Administration

In 1981 the five Bands took steps to establish a system of records management which would centralize the filing and registration of documents related to Band and locatee land holdings, membership, wills and estates. To initiate this program, NVIA appointed a Registrar to serve as the administrative officer responsible for the new system.

The program, initiated in 1982, includes:

Land Registry: The Bands have established a local registry of locatee holdings, leases and mortgages. Considerable research and investigation has been undertaken to determine ownership and other interests which might exist.

It is the intention of the five Bands to request authority under Sec 60, Indian Act, to manage land matters within their communities. Prior to assuming this level of responsibility, NVIA's Registrar has the task of settling disputes related to property boundaries and ownership. To date, the Registrar has organized a complete set of village maps and surveys, noting the recognized "owners" of each parcel, and other parties (often non-members) who claim an interest through estates.

Central Registry: In the latter part of 1982/83, the Registrar assumed full responsibility for reorganizing the filing systems of NVIA and the five Bands. The procedure now used by the Administration, while to some extent satisfactory, does not provide the security for documentation which the "Trust" responsibility of the Band Councils requires.

The organization of records will serve as the basis of a resource management information system which will ensure a co-ordinated approach to resource development, keeping the interest of future generations foremost in any plans or considerations.

Wills and Estates: During the past year, the Registrar has begun the establishment of a registry for wills and claimants to estates. Workshops have been offered to interested Band members, so the value of wills is becoming better understood within the communities.

By-Laws: The Registrar is co-ordinating the effort of the five Bands to establish By-laws and regulations for a wide variety of areas. Of major importance is the establishment of land-use by-laws for each Band. It is hoped that common principles will be incorporated into all regulations.

3. Co-ordinated Resource Management

The five Bands have undertaken many initiatives related to the co-ordinated management of their natural resources. They have given particular attention to the following: Forest Stand Improvement: Throughout the past year, the Bands have employed a great many native people to implement a juvenile spacing

program on both the major reserves in the Valley, and the adjacent crown lands. The co-ordination of various programs by the Economic Development Section has provided continuity of employment for many native people who had been laid-off from logging work for more than a year.

In all, it is estimated that the programs provided more than 2,000 weeks of employment (nearly \$500,000) to members of the community who had no other prospects. Transportation and equipment were provided by members of the community (i.e. trucks, saws and caterpillar tractors) on a rental basis. In this way further resources were made available to participants who could then meet car payments, mortgages, etc. More than 550 hectares of forest were spaced, promoting greater forest growth and better access for cattle on Band rangeland.

*40 ma
years
\$500,000
12:500*

Range Improvement:

Apart from the benefits of the forest spacing programs, the Bands and Band-owned cattle companies undertook substantial range improvement programs during 1982/83. At both Spahomin and Shulus the ranches were able to construct cross-fencing to control the placement and movement of cattle on Band and crown range. In all, more than 40 km of drift fencing were constructed.

Range seeding, using equipment rented from the provincial Ministry of Agriculture, was undertaken on more than 150 Hectares of Band land at Spahomin (120) and Coldwater (30). Further arrangements have been made to seed 40 Hectares at Shulus in early 1983.

Financing for the range programs was generally co-ordinated through Nicola Valley Indian Development Corporation which advanced funds to the Bands on the strength of Special ARDA grants.

Other undertakings and achievements in 1982/83 include:

- Drafting terms of reference for a major irrigation study to identify and prioritize projects which would improve the water storage and irrigation capacity of the Bands.
- Cattle and Bull purchase program to increase the stock of Band members.
- Knapweed control.
- Coquihalla Highway impact study through Ministry of Highways funding.
- Presentations to Nicola Watershed study and Pearce Commission on Fisheries.
- Expansion of Native 4-H to three beef and one horse club (30 members)
- Capital Asset inventory and Village Maintenance Plans prepared for Coldwater, Upper Nicola and Lower Nicola.
- Completion of training needs survey in co-operation with CEIC.
- Initial surveys for 3 wildfowl sanctuaries in co-operation with Ducks Unlimited.
- Purchase of more than 1/2 mile of Fraser River frontage near Boothroyd, as a permanent fishing hole for Nicola Indians.
- Implementation of a marketing program for Band member hay sales. (more than 600 Tonnes sold on behalf of Band members.)

4. Business Development and Advisory Services

The Co-ordinator of Socio-Economic Development works directly with Band members who wish to expand or develop business enterprises on or off the reserves. A greater part of the assistance given is in the preparation of applications for funding through government agencies or commercial lenders.

In 1982/83 more than 60 Band members received assistance in the preparation of applications for financial assistance at least another 30-40 received direct assistance in the management of their financial affairs. As always, the greater numbers involved expanding existing agricultural operations or establishing new ones.

Apart from direct services, the section also co-ordinates the services of professionals, available to people through various programs such as WIAC, CESO and Case.

Together with the Comptroller, the Co-ordinator of Socio-Economic Development works closely with the Band Councils, directors and management of the various Band-owned businesses. The operations of the various Band-owned enterprises during 1982/83 can be summarized as follows:

Nicola Valley Construction: A general contracting firm owned by the five Bands. It employed between 25 and 30 persons during the year primarily in house construction and rehabilitation. It is anticipated that the company will have a gross revenue of about \$1,000,000 for the year.

N.V. Sand and Gravel: The company operates a ready-mix concrete and gravel crushing business which sells primarily off-reserve. The company's sales slipped to about \$220,000 in 1982 due to the general collapse of the local construction industry. The company is implementing a plant up-grading program with assistance from CEIC.

NVIA Developments Ltd.: Due to the extremely poor real estate market of 1982, this development company has been virtually inactive during the past year. It owns 80 acres of prime residential land within the city of Merritt which it plans to subdivide in the future. The prospects for renewed activity are promising, and it is hoped that development will commence shortly utilizing the services of N.V. Construction and N.V. Sand and Gravel.

Nicola Valley Indian Services Assn.: This association of the five Bands owns a large professional office building in Merritt, which it leases to NVIA and Federal and Provincial government agencies. The association recently purchased 30 Hectares of property on the Trans-Canada Highway, with 1 km of Fraser River frontage. While the Bands purchased the property primarily for access to Fraser River fishing, there is an ideal location for a "truck-stop" cafe and service station on the site. Plans for such a development are being studied. The association's net worth is just short of \$1,000,000.

Valley Business Computer Services Ltd.: Seven Native people are employed in data processing and accounting positions by this business, owned jointly by the five Bands. The company has recently obtained a low-interest loan to upgrade its data processing capability. It has plans to expand its operations beyond the requirements of the five Bands and their related departments and business operations. Revenues for 1982/83 are expected to be in the range of \$150,000.

Spahomin Cattle Co.: A cattle ranch which employs 5-12 Band members on a year-round basis. The company owns a herd of approximately 500 beef cattle and manages 200 Hectares of hayland and 10,000 hectares of rangeland for the Upper Nicola Band. Due to a slump in beef prices, the company operated on a break-even basis in 1982 with earnings of about \$125,000.

Shulus Cattle Co.: Another cattle operation which owns more than 700 Hectares of deeded (off-reserve) land. It has a herd of about 250 beef cattle and employs 2-5 people annually. Revenues for 1982 were about \$100,000.

Nicola Native Lodge Society: The society has the specific objective of establishing intermediate care facilities for elderly members of the Native community. While the project is only in the planning stage, and requires CMHC support before development can begin, the society is in a position to provide interim financial support for other projects being undertaken by the five Bands and community groups. It has reserves of more than \$100,000 acquired through various community functions and investments.

Nicola Valley Indian Development Corporation: A non-profit corporation established in conjunction with CEIC, providing small business advisory and development services together with venture capital to Band projects and Native business so these will provide employment opportunities for the Native people of the Nicola Valley. The Corporation manages some \$750,000 in small business loans.

During 1982/83, the Development Corporation provided financial assistance to more than 150 Native people (primarily short-term loans) and enabling the Bands to invest in a number of ventures on a minority shareholder basis.

NVIDC, which manages the Administration's Development Trust Fund and the CEIC-sponsored LEDA Fund, is a source of advisory services to all native people of the Nicola Valley. Since it is in the lending business, it has a thorough understanding of small business development, ensuring that borrowers are fully-prepared for the pitfalls of their proposed ventures. In fact, the company goes beyond that. On a fee for service basis, it provides basic bookkeeping and payroll record services. This ensures that borrowers do not overlook statutory requirements and allows them to get on with the business at hand. The cost of this level of services is partially subsidized by both NVIA and the company.

In many loan proposals, the borrower is eligible for some assistance from Government Programs (SARDA, 1st Citizens, DIA, CEIC, etc.) or from another lender (e.g. refinancing under SBDB provisions). By assisting borrowers to present their case to these agencies, the corporation is able to benefit from the grants and loans. For example, NVIDC often encourages eligible borrowers to prepare a part I application to SARDA before a loan for ranch development is made. If the application is reasonable, NVIDC has every reason to expect approval, and with it, 50% of the costs associated. (Very few applications are rejected, particularly where NVIDC assists with the planning and feasibility study.)

Northwest Native Communications Corp.: This company is owned jointly by the five Nicola Indian Bands and those of the Okanagan Tribal Council. It serves as a co-ordinating body for several business ventures in publishing and broadcasting. Subject to the approval of several applications for financial assistance, the enterprise will provide employment for as many as 10 Native people in the communications industry.

5. Training and Employment

Most of section's training was on-the-job, either through CMITP or NVIA's Education section. Such training ranges from survival first aide and basic plumbing to data/word processing and concrete technology. It comes in addition to the work experience available through the many aspects of NVIA-related business and development. Almost every aspect of the operations of the five Bands from papershuffling (they say that this is the first generation of native bureaucrats) to weed-spraying, is a learning experience for NVIA employees.

As noted before, the economic situation during 1982-83 has been so bad in the Nicola (more than 60% unemployment among the native people) that the five Bands were forced to increase direct employment initiatives substantially over 1978-81 levels.

A major factor in NVIA's ability to provide employment opportunities to the members of the community is the Band Works Process. The continuation of this program, at least at 1982/83 levels is essential to the Bands.

The Economic Development section has stepped up its efforts to find suitable employment for native people outside the native community. The employment officer has been quite successful in job placement, and the relationship with the local Canada Employment Centre personnel, developed through 8 months of EBAP-type involvement, is working well.

6. Housing and Capital Projects Co-ordination

For three years, the section has employed a tradesman to serve as a building inspector, capital projects planner and project manager. He works not only to ensure that value is received for money spent by the Bands on construction, but has a planning and development capacity. He is instrumental in obtaining financial assistance through various government programs such as RRAP, CHIP and CMHC low-interest loans.

Throughout the past two years, the co-ordinator has assisted the construction company in re-organizing itself into a profitable operation. Using mainly native labour and supervision, more than \$1,000,000 in capital construction was undertaken by the Bands in 1982/83. Some 17 homes were constructed during the period, and a further 30 received major renovations or rehabilitation. More than 60 persons were employed in construction by NV Construction and the Bands in 1982/83.

The Capital Projects Co-ordinator has been instrumental in establishing higher standards of construction on the reserves,

and now all projects conform to NHA standards and provincial codes. Long-overlooked problems such as lack of insulation or adequate (safe) heating have received considerable attention under RRAP, CHIP, and conversion programs. By taking advantage of these programs, the Bands have benefitted through greater employment and a higher standard of living.

The Capital Projects Co-ordinator engages engineering firms to act for the Bands on technical matters and to direct major projects. The funds being utilized for this purpose are general planning funds. Although it has been understood that Capital design funds and fees for inspection are available through DIAND, these have not been released since 1979/80.

In other areas of capital planning, the section is preparing applications for 3 CMHC Sec 56(1) subdivisions amounting to 28 units of housing. These will hopefully be started in 1983/84. If these proposals are accepted, NV Construction will be in a good position to hire more construction workers on a full-time basis. As the first Indian Band to receive financial assistance (under 56(1)) from an approved lender, the Coldwater Band broke the ice and expanded the low-interest funding available to Indians across Canada to meet their housing needs.

7. Small Business Loan Fund:

During 1981/82, NVIA established a non-profit corporation (NVIDC) to manage the newly developed LEDA program, offered to 13 communities throughout Canada. The establishment of this

corporation, and its subsequent endowment with loan funds from CEIC, provided the necessary corporate infrastructure for NVIA's Development Trust Fund, which had been established only a year before. It is the objective of this corporation to foster employment opportunities for the members of the five Bands (and other Natives in the Valley) through the development and support of small business enterprise. While this has been a policy of the five Bands, who used the IEDF mechanism extensively during the mid-1970's, it provides local control and has proven quite successful.

Since local level decision-making means quick response time, opportunities are met when they arise. Problems associated with cost-overruns, commonly caused by approval delays in an inflationary climate, are reduced. Prompt decisions, whether positive or negative, are appreciated by the prospective borrower. It has been observed that a prompt disbursement of funds to meet the borrower's needs is more likely to receive prompt repayment.

To date, the corporation has advanced nearly \$650,000 in loans and has significantly added to the employment opportunities available to Natives in the Nicola Valley. In particular, the corporation has directly and indirectly assisted people in the purchase of more than 250 head of cattle, and has created or sustained 50-60 jobs in "private" enterprise.

The corporation operates this program closely in conjunction with the work-for-welfare criteria of the Band

Works Process. It should be noted that the use of loans rather than grants is in line with the operating philosophy of this program, which is directed at resolving the dependency that the Band members have with respect to welfare and make-work programs.

The corporation employs a Credit and Collections officer trained in the business of commercial lending. The management of the loan fund is in line with other commercial lenders, and adequate security is taken in respect to loans advanced. The corporation takes particular advantage of the provisions of the Indian Act which allow an Indian or Indian Band to take collateral mortgages in respect to property situated on reserve. In this manner, Band members are able to take advantage of the equity which they have in reserve holdings, and are able to thereby expand their business operations.

In general, the loans advanced by the corporation are short to medium term (often assignments of contracts underway) and collection is quite successful. At present, more than 75% of principal advanced is repaid within one year. Where loans are of longer terms, the ability of NVIA to take an assignment of wages, estates, etc. provides reasonable assurance of repayment within a reasonable time.

8. Real Estate Development and Property Management

The Economic Development section is actively involved in the management of one of Merritt's largest professional office buildings. The property is valued at nearly \$1,000,000, and

provides an annual cash flow sufficient to meet obligations under a \$300,000 IEDF mortgage (reduced now to about \$180,000) as well as providing for some expansion. NVIA also holds about 1/2 acre of downtown commercial property which may be developed in the future.

The five Bands have made it a policy not to alienate reserve lands by leasing to outsiders. They are aware of some of the contentious issues surrounding the taxation and servicing of on-reserve subdivisions leased to outsiders, and believe that real estate development might better be accomplished using deeded property. With this in mind, the Bands are continually monitoring the local market for opportunities to expand their land base.

9. Financial and Community Planning

Both the Comptroller and Co-ordinator of Economic Development maintain a "hands-on" relationship with all aspects of budgetting within the five Bands and their related companies. This first hand knowledge of receipts (from where?) and disbursements (for what?) is essential to the co-ordinated management of the Bands' financial resources.

By applying Band Council and Area Council goals and objectives to their understanding of the source and application of funds within the communities, accurate and informative operational reports are made available to members of the Area Council and other managers within the organization.

In addition to strict financial planning, the Economic Development section is involved in community planning related to

the following:

- Capital projects
- Land use
- Resource management
- Training and employment
- Social and cultural development
- Village maintenance

In previous years, this section has been able to employ Band planners to work directly with their councils to in order to ascertain the extent of economic and social problems within the several communities and to develop solutions utilizing the existing community resource base. As noted above, NVIA was unable to staff these positions in 1982/83 due to a lack of planning funds and the need to provide immediate direct employment to combat the local economic crisis.

10. Native Media and Communications

Early in 1982/83, the publication of the Nicola Indian newspaper was curtailed (again due to the need to re-allocate funds to direct job creation). However, the production of the community's 1/2-hour weekly TV program Spilexm (which is produced primarily on a volunteer basis) continued throughout the period, under the direction of several of the section's key personnel.

In the fall of 1982, NVIA began the establishment of a publishing house to be owned jointly with the Bands of the Okanagan Tribal Council. In co-operation with the Okanagan Curriculum Project (OICP), NVIA has established Northwest Native Communications Corporation, and has initiated the purchase of B.C.'s only Native Press: Theytus Books Ltd. The consortium has published a first novella (Enwhisteetkwa) and has plans for the publication of more than 12 titles (by native authors or about natives) in 1983/84. In purchasing Theytus, the group will also

obtain 5 other titles published in 1981/82, forming the basis for future revenue.

Another project sponsored by the two tribal councils was the publication of a first edition of Native Beat, a newspaper intended to report on matters of interest to the 48 Central Interior Bands. A second issue is planned for early in the new fiscal year, and will deal with Indian education.

In future, it is hoped that NVIA (who has been producing a regular TV program for community cable) will be able to utilize the expertise and editing equipment of OICP (who have been producing curriculum material on video) to enter into the commercial video production business. The joint venture between the two tribal councils, which is predicated upon several applications for financial support could prove to be both a major employer of Native talent as well as a means of reaching the member communities with news and cultural information.

11. Youth Development and Native 4-H

As an aspect of NVIA's Preventative Social Assistance program, a community organizer was hired to work closely with the Social Worker and the Economic Development Co-ordinator. The organizer has assisted in organizing 14 community teams with more than 200 members, established an annual Native Sports Day, and a summer youth camp for 150 local children.

Among the most significant (in terms of economic development) achievements during 1982/83 was the expansion of the Native 4-H club into 3 beef clubs and a horse club. More

than 40 youths are now involved in 4-H. The beef club members have utilized the Loan funds to purchase calves which they care for and "finish". In early fall of each year, these steers are sold at the Kamloops (provincial) 4-H exhibition and the revenues derived therefrom are used to pay off the member's loans with NVIA. The growing participation in this program by young Band members will hopefully result in the development of future ranchers.

The Youth Development co-ordinator is involved in planning for community recreation facilities. During the latter months of 1982/83 he undertook the design and planning necessary for a Native-owned arena to accommodate the activities of the 5 Bands. The Bands would also rent the facilities to teams in the Nicola on a profitable basis.

CONCLUSION

As the foregoing descriptive review makes clear, the NVIA, particularly through its Socio-Economic Development Section, has implemented a remarkably broad range of community-based activities, and brought tangible benefits to the local native population. Its achievements are all the more remarkable when viewed in the context of the current economic recession which has severely curtailed economic opportunities both on-reserve and off.

One of the most important observations to be made regarding the Nicola Bands' accomplishments is that they have been facilitated by a locally-based, native-controlled development institution. This institution has effectively taken over the

functions of the District level of DIA. It has gone well beyond the capabilities of DIA in the area of developmental services (despite cutbacks and real budgetary shrinkage). Rather than being absorbed in large part by a non-native bureaucracy, service and program funds are providing employment and practical experience for native people who are best able to implement developmental activities in line with local priorities.

Support and advisory services are provided to a number of Band-owned businesses, and the Administration has established a number of ventures on behalf of all the member Bands. Bands are not discouraged from establishing enterprises where they see fit. But the primary objective of the Socio-Economic Development Section is to provide the support and the infra-structural framework necessary for business ventures to be undertaken successfully, whether by individuals or under community control.

Plainly, the co-ordinating structures created by the Bands on their own behalf are aimed at ensuring that as many community members as possible are able to participate fully in the local economy, and that overall conditions will be conducive to success. Furthermore, as evidenced by the intensive job-creation measures of the last year, and the ongoing provision of a range of social services beyond those formerly provided by DIA, the NVIA is firmly committed to responding to the needs of the communities as a whole.

If a label is to be attached to the Nicola structure, it might best be described as "mixed", in that community-controlled

co-ordinating mechanisms and support services are combined with individual and community-owned enterprises to work towards the resolution of the economic and social problems of the five Nicola Bands.

A Note on Sources

Material for this section was kindly provided by Mr. Greg Enright, former Co-ordinator of Socio-Economic Development for the NVIA. Mr. Enright (now deceased) made available to us numerous planning documents and reports, from which we have drawn extensively. Interviews conducted in the course of our field trip to the Nicola area also contributed to the perspectives expressed particularly in the introductory and concluding sections, for which we take full responsibility.

Comparative Analysis of Government Assisted Development Programs

Terms of Reference

Background:

One of the underlying strategies of the new Economic Development initiative is to foster community based development through Indian owned and controlled community enterprises. At present, the Canadian experience in this field is quite limited. In addition, there exists small pockets of resistance to the concept of community owned and managed enterprises. However, comprehensive and successful community development in Third World countries has been accomplished through community owned enterprises. Therefore, in light of: the existing socio-economic conditions of Indian reserves, the present economic development strategy and successful community-based development in Third World countries, it would be extremely useful to compare and analyse the key success and failure factors of both experiences.

Objective:

An identification of the key success and failure factors of government (ie. DINA) assisted Indian owned and operated enterprises in Canada as compared to similar assisted development programs in the Third World. This identification process should culminate in the provision of a comprehensive document, by the consultant, containing the necessary guidelines and policies required in implementing community-based programming.

Scope:

Proponents should pay particular attention to the most cost-effective and efficient manner in which the work can be completed. Also, proposals should clearly describe the methodology to be utilized. The methodology should outline, if any, the basic requirements, the next steps and the preliminary work necessary for the achievement of the project.

Client support and responsibilities:

Background material pertaining to some of the Indian experience will be made available to proponents by the Director, Economic Development.

The Client will periodically review, through the project officer, the consultant's progress towards the achievement of the objective, according to the milestones described in the proposal. It will be the responsibility of the consultant to secure all other required elements necessary in the provision of this service to the client.

Scheduling and Budgeting

Proponents will outline a time-frame for the completion of this project.

The proposals will also contain a financial breakdown describing the costs of the undertaking.

The client would like the project to be completed as quickly as possible, without jeopardy to quality, and before the end of the 82-83 fiscal year.

Selection:

In addition to the preceding elements, proponents should be made aware that proposals will be reviewed according to:

- Demonstrated experience and knowledge of Third World development programs;
- Providing a description of project participants relevant experience;
- The qualifications of the consultant to do the work;
- The proposed approach of the consultant toward meeting the requirement;
- The pricing and terms offered to carry out the work.