

## Working with Groups

In Afghanistan, as well as in many other countries, farmers unite in groups with a common objective. Such groups are often associated with the production and marketing of agricultural products. Farmers' groups are a useful organisational form for mobilising farmers' collective self-help action with the aim of improving their own economic and social situation, and that of their communities. Farmers often also unite to defend their joint interests and even to provide services to their fellow farmers, including Rural Advisory Services (see e.g. GFRAS 2015).

Many governmental and non-governmental organisations have been trying to organise farmers into groups and integrate them into the development process by actively involving them in extension activities, production and marketing, planning, implementing and monitoring of different projects on rural development, agriculture and, natural resource management etc. Their basic consideration is that it is easier to reach scale by working with groups instead of with individuals. This is certainly correct. However, the fundamental lesson to be learnt is that a group formed solely for the interest of an external institution (such as a governmental extension service, a NGO or a development project) will not be sustainable because it lacks a genuine shared interest of its members.

Nevertheless, farmers' groups of all types can play an important role in development if they are built on shared interest or vision. They provide space for participation, which contributes to group members' ownership of the issue and of any solutions. This in turn builds group cohesion, solidarity and promotes mutual support. They can be the platform for building a sense of community, increasing self-confidence, learning together and providing a sense of equality. Box 1 summarises a set of characteristics of sustainable and successful groups. Note that the key to the success of a group is that the **principles of good governance** (highlighted in the box) are followed (compare with the concept note on "Good Governance"). Annex 1 explains this at the example of a Saving & Lending Self-Help Group, etc.

Common-interest groups can secure access to services that individuals cannot such as agricultural inputs, capital, equipment and infrastructure, but also to knowledge and skills (= extension), etc. This is particularly the case where farmers organise as a response to marketing concerns, as there are clear economic benefits from working in groups. These include the ability of groups to access more distant markets and gain access to information. Working together can increase members' bargaining power, which helps to spread and reduce risks and costs. The importance of such groups is even greater in areas where farmers are scattered geographically, and transport and communications are difficult, Table 1 on the next page summarises some of the advantages of, and challenges for, farmers' groups,

Working together can take many forms, such as collective action, farmers' organisations, women's groups, unions, co-operatives, self-help groups, networks and committees. Examples in Afghanistan include:

- Dairy cooperatives (FAO)
- Water User Groups (e.g. Acted)
- Watershed Management Committees (e.g. Helvetas)
- Bee keeper associations
- Self-help groups (e.g. on poultry keeping)
- Agro Ecological Committees for Farmer Field Schools (FFS) and business planning (Afghan Aid)
- Saving groups

### Box 1: Characteristics of successful and sustainable farmer groups

- Member have a shared interest.
- Members decide democratically on the group's goal, objectives and action plan. The group's purpose is recorded in a written document (bylaws).
- Members **participate** regularly in decision-making and activities, and share benefits.
- Members elect the group leaders and other duty bearers (accountant, secretary). Group leaders are **accountable** to their members.
- Groups develop their own **rules** which are observed by all members. The rules assure an **effective functioning** of the group and **equitable access** for all members to the services of benefits.
- Groups keep proper records (e.g. minutes of meetings) and accounts for **transparency**.
- Groups establish a conflict resolution mechanism.

**Table 1: Advantages of and challenges for farmer groups**

Advantages	Challenges
<ul style="list-style-type: none"> <li>• <b>Ownership:</b> Through working in groups, members develop the capacity and ability to participate in the planning and decision making of their own development.</li> <li>• <b>Defence of own interest:</b> If united in groups, it is easier for farmers and other groups to make themselves heard. Working in groups contributes to self-confidence in speaking up and expressing ideas.</li> <li>• <b>Economy of scale:</b> Collective purchase of inputs, production and marketing offer economies of scale and reduce operational costs and risks.</li> <li>• <b>Joint management of common pool resources:</b> Unlike individually owned resources, common property resources (forests, rangeland, wasteland, water sources) need cooperation and coordination among the resource users. This is best done in groups.</li> <li>• <b>Provision of services:</b> Well-functioning groups provide services to their members, including the provision of advisory services.</li> <li>• <b>Access to services:</b> Uniting in groups can facilitate access to services for farmers, particularly the disadvantaged (poor, women and youth) such as information, extension, technology, credit and markets.</li> <li>• <b>Good governance:</b> Working in groups allows to learn and experience the importance of following the good governance principles.</li> <li>• <b>Joint learning:</b> A group offers the space to its members for peer learning.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Time constraints:</b> Working in groups is time consuming. Farmers intuitively make cost-benefit analyses when they join a group. If their costs (in terms of time) are higher than the expected benefits, they will leave the group. Lack of time may also exclude disadvantaged members of a community to participate in a group.</li> <li>• <b>Elite capture:</b> If good governance principles are not strictly followed, it may well be that more influential members of a group take more advantage of the group than other members. A loss of trust into the group leaders may lead to the dissolving of the group or conflicts.</li> <li>• <b>Internal conflicts:</b> Conflicts of interest may occur and hamper the group's performance. Therefore, groups need agreed upon conflict resolution mechanisms.</li> <li>• <b>Withstand external pressure:</b> Groups also have to deal with external pressure or influence, and always have to operate within the local political and economic environment.</li> <li>• <b>Skills required:</b> Running a group successfully requires a skill set including leadership, accounting and record keeping. In a society with a low educational level, this may be an unsurmountable obstacle.</li> </ul>

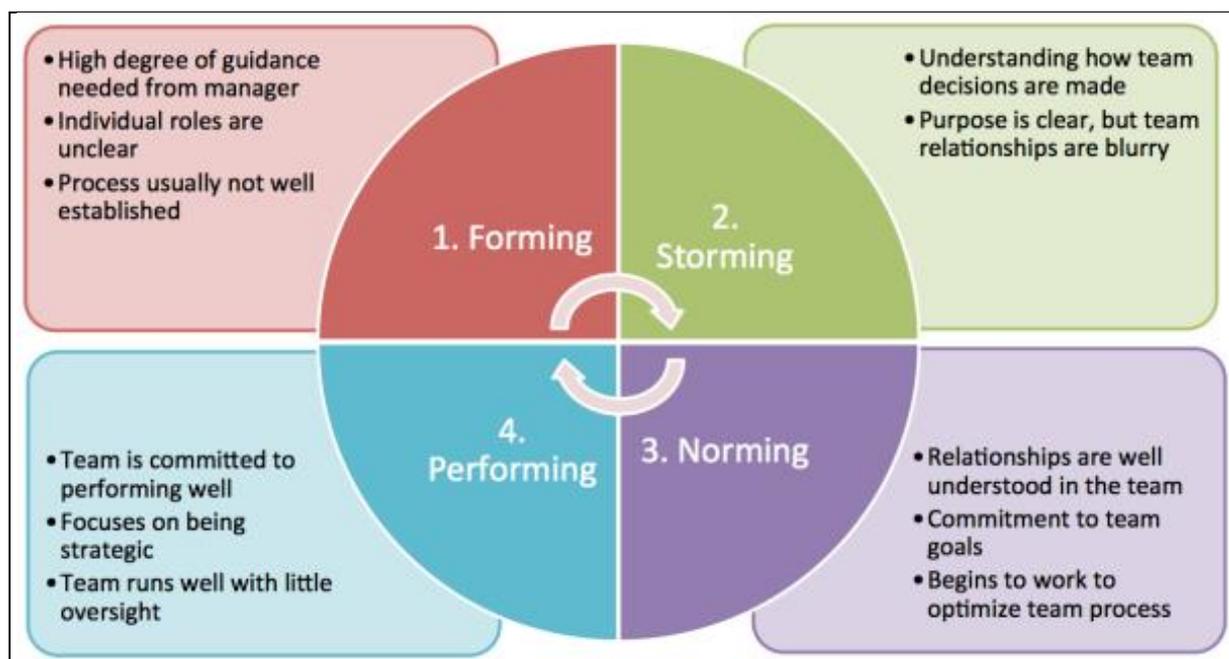


Figure 1: The stages of group formation – forming, storming, norming, performing and adjourning (Dan Radigan, 2013)

## Group Formation

Experience of working with groups – in development cooperation and beyond – has shown that the evolution of any group follows a certain pattern. Extension workers often have the duty to facilitate the forming of groups and to coach them during their lifetime (Table 2). Therefore, it is important that extensionists are well aware of the stages of group development as shown in Figure 1 above.

**Table 2: 10 Steps to provide support to a performing farmer group**

Step	Group and its members	Extension worker
1	Farmers decide to form a group based on a shared interest/vision.	Ideally, this decision is based on a genuine motivation without external involvement. It may also evolve from an (extension) need analysis, a PRA, a Participatory Innovation Development process or another development initiative. The extension worker pays attention to an equitable participation (e.g. based on a gender analysis and/or a wealth ranking).
2	The future members meet to discuss and develop the vision, goal and objectives of their group. They develop an action plan for a defined period (e.g. a season, a year). Members commit themselves, e.g. by enrolling on a membership list.	Extension worker supports the facilitation of the meeting. Keep objectives tangible, simple, achievable. Support to record keeping and establishing the required documents.
3	Election of group leader, deputy, accountant, secretary and any other duty bearer as per need.	Extension worker supports a fair and inclusive (gender!) election process.
4	The group discusses the responsibilities and duties of the members, the leaders and other duty bearers and establish their own rules and regulations. It develops an internal procedure for resolving internal conflict.	Extension worker supports facilitation and assures fair participation and that chosen procedures are feasible and locally adapted.
5	The group members sign a membership contract and the formation of the group is made official; if indicated and required formal procedures are initiated (legal registration of the group; receiving a postal address, opening a bank account).	Extension worker provides support.
6	The group leaders and duty bearers are trained in leadership, facilitation, management and other required skills.	Extension worker conducts a training needs assessment and provides or organises training.
7	The group performs its activities as per plan.	Extension worker provides support as per plan. Encourage the group to share all learning broadly among its members.
8	Meetings of the group leadership and members take place in regular intervals as agreed and as needed. Conflicts are resolved as per an agreed mechanism.	Extension worker supports facilitation, focus on building trust among group members.
9	Group leaders review the progress and prepare operational and financial reports.	Extension worker supports as per group's demand.
10	Group members meet at least once a year for a General Assembly to approve reports and accounts, prepare future plans, conduct elections and revise bylaws if required.	Initial support by the extension worker.

## Further reading and references

GFRAS 2015: Producer Organisations in Rural Advisory Services: Evidence and Experiences. Position Paper. Global Forum for Rural Advisory Services.

IFAD 2010: Group Formation Process. Forming and Empowering. IFAD Target Groups.

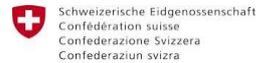
BGP Engineers and Ministerie van Buitenlandse Zaken, 2011: Cooperatives and Farmer Organizations in Afghanistan. 2<sup>nd</sup> draft. Kabul.

Mukhlid, K., 2011: Economic Empowerment of Female Farmers through Savings Box. A Case study of Horticulture and Livestock Project in Balkh Province, Afghanistan. A research project submitted to Van Hall Larenstein University of Applied Science.



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## Annex 1: Example of a Saving and Lending Self-Help Group Afghanistan

This skill set includes the ability to save regularly, to manage these savings so that they are protected, to lend group savings to members of the group at a reasonable interest rate. The group should be able to follow and enforce its own rules so that the savings and lending decisions of the group are transparent to the group as a whole.

Importance of internal saving and lending?

Internal savings and lending skills contribute to development by developing people's capacity to maintain and grow their financial assets in groups. Poor households and poor women in particular generally lack ways to safeguard and grow their financial assets. This intensifies their poverty as well as their vulnerability to risk. It can help households to accumulate income by practicing thrift instead of draining it in non-productive ways (such as cigarettes). It can act as a kind of insurance policy against household emergencies such as sickness, funerals, weddings, school fees, or natural disaster, because members can borrow for immediate needs. At the same time, it supports longer-term investments in productive enterprises.

Internal savings and lending also provides benefits beyond increased savings and income. It teaches group decision making and can lead to group cohesion in times of need. It can also lead to the increased power of group members within the household and the community due to their increased control over financial resources.

Case study (Mukhlid, 2011):

The savings box was established in 2009 by National Horticulture and Livestock Programme (NHLP). NHLP's purpose is to be an independent, profitable provider of financial services to the members which will empower and give them a status within and beyond the household.

A savings box is managed by its members who make all their own decisions. Every savings box has a written constitution. Every savings box has a Management Committee, which is changed once a year through elections, composing of: Chairperson, Treasurer, and Secretary. The Management Committee will be assisted by: Money Counters and Key-holders. The General Assembly makes the decisions and the Management Committee carries them out. All members have the right to vote and to be elected to the Management Committee. In voting, the rule of "one person, one vote" applies. The General Assembly is responsible for setting the rules and regulations of the Group in a written constitution.

The Management Committee enforces the rules and takes responsibility for running meetings and representing the Group to outsiders. If the Management Committee does not do its work well, the General Assembly may replace it, or any one of its members, by calling a special meeting, discussing the matter and deciding by voting if there should be any changes made.

Regular monitoring visits by the extension workers should take place during the first six months of the savings box's activities. The members of the group discuss and choose amount that everyone can contribute in the savings box this ensures that they can donate throughout the entire cycle at every meeting, including during the seasons when there is very little cash available. All members buy at least one share per meeting; up to five shares per member per meeting is permitted. The members pick a value that satisfies everyone and that the poorest amongst them can regularly contribute.

The savings box can, if it wishes, create a social fund to provide small grants to members who encounter serious problems. The members decide what types of emergencies will be covered and how much the benefits should be. The emergencies usually covered by a social fund include: funeral expenses, disasters such as a house burning down, and educational support to orphans. The members of group have the right to decide for how long people should be allowed to take out loans; and when loans are short-term. There is a minimum loan term of one month and a maximum loan term of three months during the first cycle, but may consider changing this after one year's experience. The savings box members decide the percentage rate of the service charge for loans, and note it in the constitution.

### Box 1: Role of an extension worker in facilitating a saving group

- Promote flexible and voluntary savings.
- Encourage regular savings. Some groups may prefer to save weekly, others monthly.
- Base the contribution level on the financial ability of the poorest members. This will promote participation of the poorest.
- Only group members should determine the specific size, terms, interest rate and use of the loans. Do not direct the size or schedule of group savings - these should be decided by the group. Remember, you are a facilitator.
- Wait until internal lending functions smoothly before encouraging groups to link to external sources of credit. In particular, ensure that group members have learned financial management skills.
- Facilitate transparency and accountability in the group.