

Helping Farmers Prosper: Announcing a New Model for Partnership



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Commonwealth of Learning

Introduction

As a former resident of Alberta it is a special pleasure to be in Calgary again and an honour to address this 22nd Commonwealth Agricultural Conference on behalf of the Commonwealth of Learning. I have prepared these remarks with my colleague Dr. Krishna Alluri, our Education Specialist for Food Security. Our title is *Helping Farmers Prosper: Announcing a New Model for Partnership* and we acknowledge the seminal and continuing role in this breakthrough of our collaborators in India, notably Dr. K. Balasubramanian and Dr. Ajit Maru.

I shall first describe the work of the Commonwealth of Learning, which is a small but dynamic Commonwealth intergovernmental agency based just over the Rockies in Vancouver. We have only been working in agriculture for a few years but we think that we have hit upon a winning formula to help farmers and landless agricultural labourers (henceforward referred to as 'farmers') improve their livelihoods in India. The approach looks very positive and may have great potential for the Commonwealth. Perhaps you can help to implement it.

I hope that by describing our work here to the Royal Agricultural Society of the Commonwealth you will act as our publicists and put us in touch with people who can be advocates and multipliers for this model. We have invented an approach to improving the rural economy that does not depend on external donor support and we should like to see it extended. The Commonwealth of Learning is not interested in who gets the credit. Our ambition is simply to improve the livelihoods of millions of farmers and smallholders around the Commonwealth.

The Commonwealth of Learning

So what is the Commonwealth of Learning? We have lived our lives through a continuous communications revolution that started long before the Internet. Back in the 1980s this communications revolution focused on television, radio and computers. The Commonwealth Heads of Government wanted these technologies to be used to extend and improve education and training in their countries. There were already successful examples of the large scale use of educational technology; notably the open universities that were giving many more people access to higher learning in several Commonwealth countries.

When they met in Vancouver in 1987 Commonwealth Heads of Government decided that it would be good for their countries to have an agency dedicated to helping them make better use of the new technologies in education, training and learning generally. They created the Commonwealth of Learning as a small intergovernmental agency supported by the voluntary contributions of Member States.

There was a 'beauty contest' to choose the host for the new agency, which Canada won with the support of British Columbia. So the Commonwealth of Learning is based in Vancouver and is one of the rare Commonwealth organisations not based in the UK. Being located in Canada gives us a somewhat different take on the Commonwealth from our colleagues at the Commonwealth Secretariat and the Commonwealth Foundation in London.

Today some 35 Commonwealth governments contribute to the budget of the Commonwealth of Learning. Our six major donors in absolute terms are Canada, India, New Zealand, Nigeria, South Africa and the UK, whilst the biggest donors as a proportion of their GDP are the Pacific Island states of Kiribati, Samoa, Tonga and Tuvalu, along with St Kitts & Nevis, Swaziland and Sierra Leone.

We are a small agency of only forty people. Most are located in Vancouver but we also have an outpost in India, the Commonwealth Educational Media Centre for Asia in New Delhi. However, what they lack in numbers our colleagues more than make up for in quality. I have the privilege of leading an extraordinarily talented staff from all over the Commonwealth, backed up by a much larger and equally talented diaspora of colleagues who help us in their various countries. Nowhere is this diaspora more brilliant than in the field of agriculture and the rural economy.

So what do we actually do? At the beginning some wanted the Commonwealth of Learning to prepare courses and beam them by satellite to countries around the Commonwealth. But the majority view, which prevailed, was that - if I may paraphrase the famous Chinese saying - we should teach people to fish rather than giving them fish. COL helps countries to develop policies, systems, models and materials for harnessing technology to education, training and learning generally. We also advise and assist with particular applications.

I put a special emphasis on the notion of models. We try to find new ways of combining people, communities, organisations and technology to foster learning that improve lives and livelihoods. Our aim is sustainable development without donors. The Commonwealth of Learning is not a donor agency. We do not sustain our innovations by pushing money at them. They must be sustainable because all those involved ensure that they continue. Indeed, our ambitions go beyond mere sustainability. We look for

models that are so patently powerful that they replicate themselves. We want people copy the model spontaneously because it is so obviously better than present practice.

Development is Learning - Learning is Development

We focus particularly on learning in support of the international development agenda in poorer countries. This agenda combines three sets of goals: the eight Millennium Development Goals; the six goals of Education for All articulated at the Dakar World Forum in 2000; and the Commonwealth values of peace, democracy, equality and good governance.

Today I shall focus on the Millennium Development Goals and especially on the goal of reducing poverty and hunger. The other MDGs address primary education, gender equality, health, the environment and partnerships for development. COL starts from the principle that a massive expansion of learning is a requirement for the achievement of any of these goals.

Take the example of health. The Millennium Development Goals in health are to reduce infant and maternal mortality sharply and stop the spread of diseases like AIDS and malaria. Attaining such goals clearly requires improvements in health services. But it is even more important for people learn how to avoid disease and to keep themselves and their children healthy. We know, for example, that if each person on earth washed their hands five times a day the incidence of disease would plummet. We know how to avoid malaria and HIV/AIDS and but millions of others need to learn this too.

The same reasoning applies to the other Millennium Development Goals. Development means learning and learning means development. The problem is that learning needs are so massive that conventional face-to-face instruction simply cannot address the scale of the challenge. There are not enough teachers and health workers to go around. So COL's second principle is that technology must be used to expand learning. Technology has already transformed most aspects of life, including agriculture. It is now time to apply technology to learning.

We explain how we are doing this in rural areas so that farmers benefit from the technologies and systems that can improve their livelihoods. As you know very well, most people in developing countries live in rural areas and depend on farming. We will never create a better world unless we tackle poverty in the rural areas, which means improving the livelihoods of the many millions of farmers and smallholders on whom millions more depend.

Lifelong Learning for Farmers: A New Model

We have created a model for this purpose that we call Lifelong Learning for Farmers, or L3Farmers. It starts from the premise we must give farmers easier access to the information and knowledge that could improve their livelihoods. This is the task of agricultural extension services, which are staffed by dedicated people where they exist. There are, however, too few of them to address the challenge. Where we work in India there is one agricultural extension worker for every 1,150 farmers. If you add in the landless labourers, each extension worker has to serve 2,500 people, which is impossible. The consequence is that the wealth of information resulting from agricultural research and development fails to travel the last mile to where it is most needed, the villages of the developing world.

How can we scale up the impact of extension services? Can technology help? In the last few years many villages in India have been equipped with ICT kiosks as a result of governmental or commercial initiatives. Since each kiosk provides its village with Internet and telephone connections COL wondered whether these kiosks might help to carry useful information and bridge that last mile to the individual farmer.

We began in 2002 by studying the impact of ICT kiosks in four regions of India. The results were clear. The impact of the kiosks was less than expected. The reason was simple. They had been introduced in a top-down manner without involving local communities. This criticism can also be levelled at agricultural extension systems on the old model. They convey knowledge on new agricultural technologies in a unidirectional way from the researcher to the farmer. That ignores the extensive experiential learning and traditional wisdom that farmers already have. Such communications fail to unleash the huge capacity for innovation latent in the farmers.

So a fundamental principle for the new model was to get away from top-down planning and unidirectional communication. We began in 2004 in a number of villages in two regions of Tamil Nadu, India: Theni and Sivaganga, which have different agricultural regimes. Villages with different cultural and socio-economic backgrounds were chosen in consultation with the communities themselves.

Our first step was to mobilise the farmers by encouraging them to form an association and create their own vision of development for their village. This included identifying how they thought that their livelihoods might best be improved.

The challenge then was to help them achieve that vision, acting first on their ideas about how to improve their livelihoods from farming. These might be acquiring better livestock, growing new crops, or simply improving the process of marketing their produce. Those ideas generate questions - often rather simple questions. How do I identify a good cow? How do I keep wild boars off my land when they are a protected species? How can I get my produce to market in good condition?

The next step is to get those with the information to work together to answer these questions. In Tamil Nadu, for example, we helped to create a consortium of the Agricultural University, the Open University, the Veterinary University, a large Engineering University and the University of Madras (for questions with a social science element). These institutions previously operated separately and sub-optimally in their relationships with farmers. Now they work together.

This is important, because local communities of farmers are not as homogeneous as unidirectional models of knowledge transfer have assumed. Each farmer has a different attitude towards risk and has different objectives in participating in the market. These attitudes change as the market evolves. Farmers also differ in their access to resources, which means that the information each needs for improving their livelihoods is different. They need a basket of options of processes, products, technologies, skills, ideas and information from which to make a choice.

Furthermore, they learn to make choices through discovery, not through instruction. Learning is a participatory process that needs a community information space to provide the information from which both the individual and the community can learn.

The ICT kiosks are used to link the farmers to the consortium and support this community information space. In our villages these are commercial ICT kiosks, which we prefer to kiosks provided by the government. Farmers are prepared to pay for useful information, such as very local weather forecasts. The commercial kiosk operator and franchisee, usually a local youth, becomes a stakeholder in the project with an interest in providing useful information that helps to make the project sustainable.

In Tamil Nadu the kiosks are set up by n-Logue, a company that developed with the Indian Institute of Technology - Chennai a technology called Wireless in Local Loop that links the village kiosks to the base tower at block headquarters. Each village kiosk has a Pentium computer with digital camera, Uninterruptible Power Supply and printers. n-Logue provides an intranet portal, video conferencing facilities and some generic content, but the local franchisee, who pays a bit less than \$20 a month for the Intranet, has to develop local content in response to demand.

The fourth and crucial element is to involve the commercial banks. The key to development without donors is using local resources. In India the banks are under pressure from government to increase rural lending. The Reserve Bank of India has a norm that the public sector banks should focus 18% of their credit on agriculture but the reality falls far short of this figure because the record of rural repayment has been poor. To give an idea of the shortfall, the 2002-07 Plan calls for an annual disbursement of \$30 billion of credit to agriculture - which the President of India thinks is far too modest - whereas the figure for actual disbursement in 2001 was only \$13 billion.

As a consequence the average capital formation per year is only \$45 per farmer. 55% of the capital required by farmers comes from the informal sector: local money lenders whose interest rates vary from 36% to 3,600%. The public sector banks reach only 17% of the rural credit market: only 20 million of India's 130 million farmers - and almost none of its 100 million landless agricultural labourers.

The banks do so little for the rural economy because of high transaction costs and a high proportion of non-performing assets. The L3 Farmers initiative addressed both issues through three hypotheses:

1. Blending agricultural credit with improvements in the knowledge and capability of farmers will improve productivity, return on investment and repayment of loans.
2. Improving the knowledge and capability of farmers will also enlarge the market for bank credit among small farmers and landless labourers.
3. Using ICT kiosks can help the capacity-building process in a financially viable and socially acceptable way.

The State Bank of India agreed to help us test these hypotheses and we introduced it to the village associations that the farmers had created. The bank's policy is to link credit to a contract farming system, so it puts the associations in contact with potential buyers that it has identified. Once an association and a buyer reach a trade agreement, which defines price and quality, the bank gives credit to the association and its members. The advantages of scale and a direct link to the buyers create an efficient marketing system and reduce price spread.

This contract farming system then determines the content and timing of formal learning in the village, which focuses on how to make a success of the contract. The issues may be choosing inputs, for instance how to identify a good cow; how to manage the quality of outputs so as to meet contract criteria; or other issues such as insurance, which is a new concept to most of the farmers. The learning process is simple and addresses needs defined by the farmers themselves through video-conferencing and multi-media tools. Not surprisingly, learners retain new information best when it is immediately useful. Some material is specific to the particular village profile of crop growing or animal husbandry, some deals more generically with quality management, credit management and literacy.

Learning involves groups of ten members in a peer group with a facilitator who uses learning materials available from the Internet, prepared by the community on CD-ROMs, or available from the local service provider's Intranet. Each group has a 60-minute learning programme once a week. Each village may have 250 of its members involved in such classes in the Internet kiosk and each learner has some 24 hours of formal learning over an eight-month period. The Intranet and Internet are also used to study dynamic phenomena such as market prices and the weather.

To give a concrete example, the farmers' association in one of the villages near Theni decided that improving dairy production was their best route to greater prosperity. Their key question to the information providers was, 'how do I tell a good milk cow from a poor milk cow?' The specialists worked together and came up with a check list with diagrams which the women of the village, who have learned some web programming, made into an instructional sequence on the computer in the ICT kiosk.

The bank loaned money to the farmers to improve their dairy cows, some \$US 200,000 so far, and also brought in a dairy company from the nearby town, which agreed to buy a guaranteed quantity of milk and take it to market provided that the farmers agreed to meet certain quality standards.

An interim assessment

Let me step back and ask what has been achieved so far. In these villages the project only started in the spring of 2005, so this is an interim assessment. It also comes with the caveat that such projects tend to benefit from a halo effect in the early stages. Nevertheless, we have good reasons to be optimistic.

First, this really is development without donors. COL has spent less than \$US 80,000, mostly on local consultancies. All other resources have come from routine local sources, notably the loans from the bank to the farmers. In the four villages the bank has made loans approaching \$US 200,000 to 120 villagers. Loans of an equivalent value are now being processed for 100 more villagers and another 300 are preparing loan applications. One of the villages had previously been blacklisted by the banks because of a poor record of loan repayment.

Note that some 60% of the farmers involved are women and this project is particularly empowering for them. For example, buying a cow was traditionally the men's responsibility but they then handed the cows over to the women to care for. With L3 Farmers the women now know how to select and purchase a healthy cow; the steps to be taken in insuring a cow; and how to claim insurance if the cow dies. When a woman whose cow died recovered the insured amount her fellow villagers were amazed. Insurance was a new concept for them.

Furthermore the men are happy that women are taking over responsibility because it makes them even more committed to taking care of the cows - and they can't complain to the man if they selected a poor cow!

Some 500 villagers regularly attend the ICT-based learning sessions, which are compulsory if they want to stay in the programme. They are happy to participate because of the benefits. Initially the communities were hesitant to use the Internet, but when they started to hear local voices and see familiar faces they relaxed and lost their fear of the technology

This year COL engaged a professional external evaluator to look at its work and Dr Patrick Spaven took L3 Farmers as one of his case studies. To quote from his report:

"For anyone who met the stakeholders and visited the villages... it would be difficult to come away without a very positive impression. The optimism and excitement among the stakeholders was palpable. This even included hard-nosed banking officials. The interests of all the stakeholders are being addressed and the mutual awareness of this among the consortium members underpins their confidence in the project.

Meetings with farmers in four of the villages produced a wave of personal accounts of benefit, ranging from improvements in milk yields, to attitude change such as a determination to plan for, rather than be resigned to, the future. Some women in particular appear to be experiencing transformational change in their lives.

The farmers and other project stakeholders are already exploring new agricultural strategies for the future based on non-traditional crops such as jatropha (biodiesel), aloe vera, and gherkins. Landless labourers are beginning to negotiate the purchase of small parcels of land for fodder. Non-agricultural community development - such as better housing - is also being discussed.

Driving all this is the confidence and empowerment that the learning process, the expanding access to information through ICT, and the prospect of financial independence are generating.

Self-replication is beginning. Three neighbouring villages have formed associations for implementing the model in their villages with minimal help from the project. Vidiyal, a local cooperative-model NGO with 5000 women members already organized in Self-Help Groups, has asked to join the L3 process."

You will understand that we are excited and encouraged by these results. Is this a model that can contribute to the long-awaited transformation of the rural economy in the developing world? That is the question I want to leave with you and ask you to expand and extend the implementation of this model.

To conclude, let me enumerate the elements and logic of the new model of partnership that is evolving and try to identify the critical factors in the very encouraging trends that we observe.

The model has six elements. First and last there are the farmers themselves. Getting the farmers, especially women, to organise themselves and letting their vision drive the project is the most fundamental innovation in L3Farmers. Second there are the information providers, working as a consortium to answer the farmers' questions rather than pushing information at them separately. Third, there the ICT kiosks in local ownership that facilitate the information exchange and provide a focal point

in the village. They are backed up by ICT companies. Fourth there are the banks, whose fundamental business of making loans is facilitated and enhanced. Fifth, the banks involve other businesses to market the produce. Sixth, there is an organisation that provides the initial spark for the process. In this case it was the Commonwealth of Learning, but in another place it could be you.

The logic of the model, and the key to its success, is that each stakeholder wins.

Farmers are encouraged to **organise**, develop a vision of a better future and pose questions generated by that vision. Information providers work in **consortium** to answer those questions. This generates a **learning process** designed to improve farmers' productivity. Banks are prepared to **fast-track credit** because of the lower risk of loan-default offered by the learning-productivity process - and lower transaction costs offered by the farmers' organisations. Learning and credit leverage greater **productivity**. Farmers maximise the returns on their productivity by entering into contracts with **marketing** organisations such as dairies and secure their returns by taking out **insurance**.

The greater the farmers' income and its security, the more the **banks stand to gain** so they help to mediate the contracts and the insurance. The farmers' learning is centred on **commercial** village ICT kiosks whose owners mobilise the community and facilitate the learning. The kiosk owners' incentive derives from the **income** they obtain from increased kiosk usage, as well as community status. Banks are willing to fast-track kiosk owner **loans**. ICT companies gain from better kiosk contract performance and are willing to offer **ICT enhancements** to encourage further usage.

Learning content is delivered by educational and social organisations **committed** to serving rural communities. Farmers are motivated to participate in the learning process because it leads to tangible improvements in their lives. They are willing to **pay for** internet access to more learning. Farmers give **feedback** to educational and social organisations helping them to make their knowledge services more relevant. Finally, the success of model attracts other communities.

Conclusion

You are agricultural professionals. I am not. You are best placed to judge which elements of this model will be most difficult to reproduce in other settings. My own view is that the technology is the easy part. In the many places that don't yet have ICT kiosks other media, such as radio, particularly community radio, can be used. All this requires is for governments to be less constipated about giving community radio licences.

Credit is probably the critical success factor. In India arrangements for credit existed but were not working. L3Farmers has made them work. Other countries may not have credit arrangements at all. However, the strength of a model is that it does help you determine which elements need fixing in a particular situation. I invite you all to reflect on our L3Farmers model and extend it. We think we have made a breakthrough in bringing greater prosperity to the rural economy. But our key measure of success is whether L3 Farmers self-replicates. Please help us to replicate it. By all means take credit for success yourselves, but please let us know so that we can keep track of the progress of the model and better understand how to adapt it to different rural contexts.