

## 0503. Philosophy of Economic Projects undertaken by NGOs (1984)

*Elaborates on the previous paper on Cooperatives. It starts with an elaboration of the concept of economic change and then examines the type of economic projects undertaken by NGOs. It then spells the non-economic benefits that can be pursued by projects taken up by Development Workers.*

### 1. THE CONCEPT OF ECONOMIC CHANGE

The economic position of people belonging to a class can be altered only if that class itself can alter its position and relation to the mode of production operating in society. Therefore it is not economic projects, small or large, that alter the material status of the poor, but economic events and achievements that are a result of class struggle and altered production relations in society.

For example, the serious implementation of the Land Reforms Act, the Tenancy Act and the Banded Labour Abolition Act changes production relations in the countryside, and to that extent effects the mode of production hitherto prevailing. These very fundamental structural changes in the village economy have the consequence of altering the positions of all the classes in society © of the exploiting as well as of the exploited ones. These altered positions have the result of bringing about an economic change. The class of hitherto tenant peasants would have now become the independent small peasant class trying to survive on a subsistence economy. The class of hitherto bonded labourers would have now become the landless agricultural labour class struggling to get work and wages.

Seen in a narrow perspective, such economic changes can be advantageous either economically, politically, or both. In our example the release of bonded labourers and the altering of the position of their class to that of landless agricultural labourers in a drought effected region can be seen, from an economic point of view, as a not very beneficial change since it may result in less food and less assurance of day to day security in a region where work is very hard to find. Yet from a spiritual or political view point the change is a very healthy one which results in further humanisation of the poor.

But a very important aspect of this economic change should not be overlooked; that it is not the result of charity or benevolence on the part of anyone. Economic changes in society are a result of long drawn out and often heroic struggle. Therefore it is not correct to say that this change has had a negative economic result for the bonded labourers in our example. The very fact that the law was enacted and then implemented presupposes that bonded labourers struggled for the abolition of their bondage and made a conscious option for freedom even at the risk of empty stomachs. To call the economic outcome of the resultant change negative is taking a very compartmentalised and misleadingly narrow interpretation of the term.

On the other hand, changes in the economic organisation of society that are brought about by the exploiting classes in order to further intensify exploitation do not have a basis in mass struggle. They are often the result of trickery and clever manipulation and sometimes brought about with sheer brute force. These economic changes also result in a reshuffling of the positions of the various classes in society with regard to the prevailing mode of production, and inevitably result in the poor losing some of the concessions they have struggled to obtain. Such changes are certainly negative and they are always met with severe resistance from the working classes and the peasantry.

## 2. ECONOMIC PROJECTS OF NGOS

All economic projects normally undertaken by NGOs can be categorised into 2 types:

- Projects which bet on the strong and thereby appear to succeed.
- Projects which, because of a conscious choice, aim at increasing the material status of the poor and often fail.

This paper will not go in depth into the former type of status quo oriented efforts of so-called social workers who seem to feel that the only defect of capitalism is that there is not enough of it in the countryside, and so their efforts should be to stimulate growth centres and foster rapid economic development, hoping that the overall growth rate would somehow result in the betterment of the poor, as a side consequence of this growth.

While there is an irrefutable truth in this argument, it must also be pointed out that this position does not reflect any deep compassion for the poor and that such projects motivated by this philosophy need not, by any logic, be taken up by NGOs. This kind of class biased professionalism can be implemented by business directly. To our mind this represents plain and naked infiltration into the NGO sector by big business and its lackeys in order to profit from voluntarism, commitment and sincerity of motivated social workers. It is nothing but an attempt to underpay their workers and at the same time ensure that a good job is done.

Pretexts at social work by these big professional so-called development agencies in the Third World with a little sprinkling of liberal attitudes does very little to hide their true orientation and design. In recent years they are trying to complete their infiltration into the NGO sector by pretending a prerogative on development and trying to monopolise resources available for development by projecting their so-called professionalism into the forefront.

These attempt at confusing the issue of poverty and under development using bullying tactics can be easily resisted by exposing their true anti people positions which lie just below the surface of their professionalism and cannot stand up to critical examination. It is shockingly surprising that intellectualism in the First World has degenerated to such low levels that it cannot penetrate the sham of these so-called development projects that only further the unjust trends in society; economic trends of a class society that further disparity, injustice and dehumanisation. This diversion of resources meant for development can only signify that agents of conventional capitalist development have infiltrated into the ranks and overall ideology of development agencies in the First World. This has to be immediately corrected through serious development education of citizens in the First World who contribute, at least intuitively, in order to counter the noxious results of capitalist development.

The latter type of economic projects are ones undertaken by social workers and NGOs when they misguidedly introduce economic inputs into their work hoping that these projects will materially alter the status of the poor. Invariably these projects fail to attain this goal of enriching the poor. Very often sincere, committed and hard working project holders implement these projects for the poor and yet they fail. Many appear to succeed as long as the flow of money and effort is there, but tend to slacken and then reverse in desired effect some time later. It is common to see efforts aimed at the poor being appropriated by the rich in a short time after the project implementation phase is over.

If for example irrigation wells were given to landed agricultural labourers, the richer peasantry soon press on old pending dues and claim the newly irrigated fields against these outstanding, otherwise forgotten, debts. The greater tragedy, however, is that the implementers of these projects are unable to grasp the reason for these failures which in fact in the very conceptual definition of economic change.

If capitalistic technology of improved practices and high yielding varieties are introduced in an area where feudal relations are strong and wages low, the effort is bound to fail; because it

is not these technical inputs which will bring about the change from feudalism to capitalism, but struggle of the classes which will benefit from the new system. At the same time, if these same technical inputs were implemented close to a metropolis where previous history of struggle and liberal bourgeois influences have already weakened feudal ties, the project will succeed.

But, understandably, there is a reluctance among sincere social workers to work in such relatively advanced regions with relatively better off people. Thereby they fall into the opposite extreme trap of betting on the weak ones at the wrong time. This, however, is the case when the objectives of the economic projects are perceived to be only economic – i.e. the raising of the poor above the poverty line, the eradication of poverty, etc.

### 3. NON ECONOMIC OBJECTIVES OF ECONOMIC PROJECTS.

We do not believe that economic projects can pursue viable economic goals. They can, perhaps, raise the levels of daily, weekly, monthly or annual income of the beneficiaries by a few rupees; but these increases in income should not be confused with the attainment of any tangible economic objective at a broader level. It may be possible to help a few persons here and there to escape from the utter destitution of poverty through economic projects, but this cannot be a viable and realisable goal for a broader base of more persons.

There are very viable, real and valid non economic objectives that economic projects can pursue. These could be termed as socio-political or spiritual objects which aim at strengthening the position of a class of poor people so that they can enter into struggle – struggle which will lead to economic change or development.

It may, for example, be felt that the process of educating and organising the poor cannot be further pursued because of stark realities of their blatant poverty which practically limits participation; that the poor are no more in a mood to listen and participate in a programme aimed at their liberation because of the fatalism that arises from their blatant poverty. Or it may be felt that there is a need to help the mentally and emotionally marginalised poor to enter into the mainstream of production realities in their villages; that this alone can foster an atmosphere congenial for learning through reflection. Under any of these circumstances economic projects could be undertaken with very clear non economic objectives; objectives which are real and attainable.

It goes without a saying that it is not the attainment of physical targets in these realistically planned economic projects that count. It is the manner in which the projects are planned, implemented, and intellectually followed through ongoing discussions and evaluations that gives meaning to such projects. This is where the importance of grass root planning and poor peoples participation comes out in full significance. This does not mean that lower levels of performance or efficiency have to be condoned or that the work can be justified to be shoddy and non-serious. Then the very purpose of having economic projects as a component in adult education and mass organisation efforts will be defeated. On the other hand, hard work should ensure certain minimum levels of success in spite of envious societal forces acting against such ventures.

These economic projects will have less success than the first type which bet on the strong and only give a further impetus to something that would anyhow have happened naturally. But they will have more success than the second type, which for emotional and compassionate reasons, blindly bet on the weak.

The reason for this is because economic projects pursuing non-economic objectives do not try to introduce or further capitalistic development patterns. They aim at educating the poor and making them aware of what capitalism really is. The inputs are used as examples for the poor to learn through actual participation and in this sense, like notebooks in a literacy project, are

thus expended. Through the implementation of these projects the poor become aware that, as contributors of labour power, they are not a marginalised force, but the solid pillars on which the whole economic system rests. For the poor to get this confident identity and feel emotionally comfortable as agricultural labourers or workers, they first have to stop aspiring for other, higher functions in society as direct producers. These economic projects must aim to explain to them that they would very quickly be wiped out by the economy of scales in capitalistic society; that the getting of the one cow or whatever that they aspire for will not be able to compete in terms of viability, with the large dairy farms of the rich; that the quantitative definition of capital is growing every day in order to further the polarisation of capital in the hands of a few. Thus, the poor must realise, their inescapable fate in capitalism is to become property-less sellers of wage labour, and that this is a role they must accept with honour and pride. That they must not try to find non-existent solutions for this by individually or collectively imitating the propertied classes.

Therefore, these economic projects will have to be based on collective authority, control and management of geopolitically viable groups of the poor, while at the same time giving a role for very realistic individual aspirations and interests of present day society. They cannot, with romantically misguided visions of socialist society, be based on the totally collective logic.

Yet another characteristic of these economic projects is that, since they are based on a critical analysis of societal forces operating in a class economy, they can plan to reduce some noxious elements of capitalistic logic. Most of the sincere attempts to help the poor through the second type of economic projects we talked about end up contributing to the pauperisation/polarisation process in the countryside. So too with the so-called anti-poverty programmes of the government which, we hold, is not an unintended effect but a planned and conscious design of the ruling class (see our paper on Recent Trends in the Taluk's Economy).

These economic projects with non-economic objectives can avoid such painful and tragic consequences by building in more safety mechanisms. The most important feature of these safety mechanisms is that these projects do not presume that the poor can ever compete with the rich in the open market economy. They are not plans designed to help the poor stand on their own feet and then release them into the capitalist arena of cut throat competition. On the other hand these projects plan at building up participatory structures commonly managed and drawing strength from the collective logic in a very realistic way, never losing track of the present day reality.

They are constantly guided and protected by a critical understanding of capitalistic economy and there is, therefore, a permanent role for critical leadership of the intellectual friends of the poor in such economic projects with non-economic objectives. Even after the nuts and bolts mundane operational and managerial details of these projects are completely handed over to the poor themselves, the intellectual vanguard role has to be retained by the initiators of these projects. Otherwise, the temptation for the poor to totally open up their ventures, chasing greater profits, to the natural logic of capitalistic economic influences will guarantee the total failure of such projects. There are quite a few examples of such ventures which started with fairly noble ideals and then got corrupted somewhere along the way, and are today outstanding models of good capitalistic entrepreneurship.

Success or failure of such economic projects must be measured keeping all the above factors in mind. Therefore the yardsticks like percapita income, poverty line, etc. used for evaluating the accomplishments of conventional economic projects will have to be abandoned. Instead, educational awareness, organisational strength, monetary gain, the ability of the poor and their accompaniers to deepen their microanalysis and theorise societal trends, etc. should be the yardsticks used to evaluate these projects.

We do not believe that the size of these economic projects matter. Often, a small economic project can reach the objective of allowing the poor to reflect, through actual participation, on the unjust and class based ways in which societal forces and influences operate. But there will be situations where these economic projects are conceived of in order to raise the levels of daily income of the poor by a few rupees, so that they need not be at the mercy of total destitution which will act as an effective brake on any mass organisation attempt. In such cases though the individual economic input may be small at, say, one cow per family, the actual size of the economic project will have to be fairly large to cover, say, 10 families per village in 100 villages.

The argument “small is beautiful” is an attempt to find the optimum size of viability in capitalistic enterprises (small farms versus large tracts, etc.) and has nothing to offer in an attempt to use economic projects for furthering adult education and mass organisation work with the poor.

Similarly, we cannot have a clear and definite position on the involvement of banks and the tapping of institutionalise finance for these economic projects. We must be very open and flexible to this question, and the answers must be determined by the actual levels of organisational and political consciousness of the poor in particular regions and situations.

Very often, the involvement of the banks will kill participation and the poor will become victims of formalities and procedures that are basically alien to them; the little spirit of freedom and dignity we manage to imbibe in them through our organisational work can very easily be cowed down by a series of visits to the Bank Managers office. On the other hand in a more developed and mature mass organisation of the poor, bank funds may be recognised as their due share from the exchequer, and the poor may opt for fighting for this right.

But it must be clearly recognised at all times that the logic behind interest rates in bank financing is that the schemes undertaken by the poor for their economic development are viable. This is an illusion that will ultimately lead to the ruination of the poor and also have a very negative effect on our own credibility with the poor who will feel that we trapped them into losing what little they had.

Based on our own concrete experience we at ADATS will be very hesitant to finance an economic project for the poor through the banks. We see a very clear and definite role for monies from development agencies in the I World for supporting these economic projects with non-economic objectives.