

Eradicating Poverty in South Asia

Lessons from Experience

By: Shoaib Sultan Khan
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Mr. Babar Ali!
Distinguished Delegates!

I am most grateful to the Steering Committee of the Conference, especially Professor Rehman Sobhan, for giving me the honour and privilege of addressing this august gathering.

When I look back on nearly 58 years of my working life in Government, United Nations , Aga Khan Foundation (AKF) and the Rural Support Programmes (RSPs), my greatest successes and satisfaction were when I succeeded in forging genuine and meaningful partnerships with communities. Over fifty years ago my mentor Akhter Hameed Khan about whom Nobel laureate Prof. Yunus wrote:

“It is not enough to say that he was a great man. He was one of the great human beings of the past century. He was so much ahead of everybody else that he was seen more as a “misfit” than appreciated for his greatness ... We have a lot to discover and a whole lot to learn from him”,

Akhter Hameed Khan (AHK) gave me my first lessons in forging partnerships with communities. AHK always emphasized the importance of the principles and theory of subsistence holders development based on the distillation of the experiences of successful initiatives worldwide spread over decades. He used to mention the theory so formulated is as precise as the law of gravity and any attempt at flouting these principles is like building crooked walls. Unfortunately, many of the third world public sector programmes of poverty reduction come to naught, because these are based on total disregard of the proven principles. Sensing my undue exuberance and misplaced confidence and ego, as a young field officer in a subdivision of East Pakistan, now Bangladesh, he advised me not to aim as a reformer because that is what prophets do, don't try to be an innovator because inventions are rare and he did not see any revolutionary zeal in me considering my choice of the civil

service. He advised me against reinventing the wheel and strongly advocated implementing proven theory of development, if I wished to improve the lot of the million people who lived in the Brahmanbaria Subdivision. He demonstrated the implementation of these principles in Comilla and in 1970 when I visited my subdivision, after a lapse of over a decade, I could not believe the transformation AHK had brought about in the countryside. When I asked his advice what should I do in West Pakistan, he suggested a similar approach like Comilla. In 1972 I got an opportunity to put the principles of development, advocated by AHK, into practice, as Director of the Pakistan Academy for Rural Development (PARA), Peshawar. AHK even left his visiting professorship at Michigan State University and came to Peshawar to advise me. Unlike Comilla, in Peshawar, government of the day thought AHK and I were indulging in subversion organizing communities and showed us the door.

However, situations change, governments change and the environment also changes. In 1982, I was again given the opportunity to experiment with the implementation of the theory of development I had learnt from AHK. Although AHK was fully involved in implementing the well renowned urban programme the Orangi Pilot Project but he kept on making many visits to Northern Areas to guide the progress of the Aga Khan Rural Support Programme (AKRSP). He used to say “chor chori se jata hai heera pheeri se nahi jata (a thief may give up theft but does not desist from fraud)”. His heart was in rural development. His twelve reports on AKRSP are like a text book of Rural Development.

During the last 30 years I got the opportunity, thanks to UNICEF and later to UNDP but mainly due to His Highness the Aga Khan to fully and exclusively devote myself interacting with communities in Pakistan, Bangladesh, India, Maldives, Nepal and Sri Lanka. Over this period I have personally held dialogues with over 5,000 communities and this afternoon I intend to share this experience with you.

I still vividly remember the bitterly cold December in 1982 when I drove 600 kilometers from Islamabad to Gilgit on a borrowed jeep. This was the beginning of the Aga Khan Rural Support Programme (AKRSP) and forging of partnerships over the next twelve years with a million people in one of the most inhospitable and harshest terrain anywhere in the world. I

brought them a simple message but time tested from the days of Raifessen in Nineteenth Century Europe followed by Japan, Taiwan, Comilla (Bangladesh) and South Korea. This was a message of partnership in Development. AKRSP was not there to listen to their demands, needs and problems and offer solutions. AKRSP offered them only a methodology, an approach and social guidance to overcome their handicaps themselves. The villagers used to look at me with disbelief. A programme bearing the name of one of the richest person in the world not willing to solve their problems and asking them to do things first. I explained this is a partnership which entails obligations on both sides and unless the community was prepared to fulfil its obligations how can the partnership be formed? Many were impatient and would pester me to tell them what was the limit to which the Programme would help them if they accepted the terms of partnership and my simple response used to be your limit is our limit. Whatever the community can do or was willing to do was the programme limit.

Gradually and incrementally we moved forward. I had already learnt my lesson a few years earlier at Daudzai in Frontier Province of Pakistan when using a blue print approach a portfolio of projects was prepared without consulting the communities, which later on was found to have nothing in common what the community wanted. The micro-variations at the local level demand consultation and dialogues with each and every community. I was very happy when the approach was reinforced by the first World Bank Assessment of AKRSP in 1987 saying that the first four years of AKRSP are the missed four years of most rural development projects in the world where blueprint took precedence over a process approach. AKRSP did not go to the communities with a pre-conceived package and left it to each community to identify their potential not only as community but also at the household level.

I have seen people coming out of poverty with my own eyes and smiles on their faces instead of abstruse statistics.

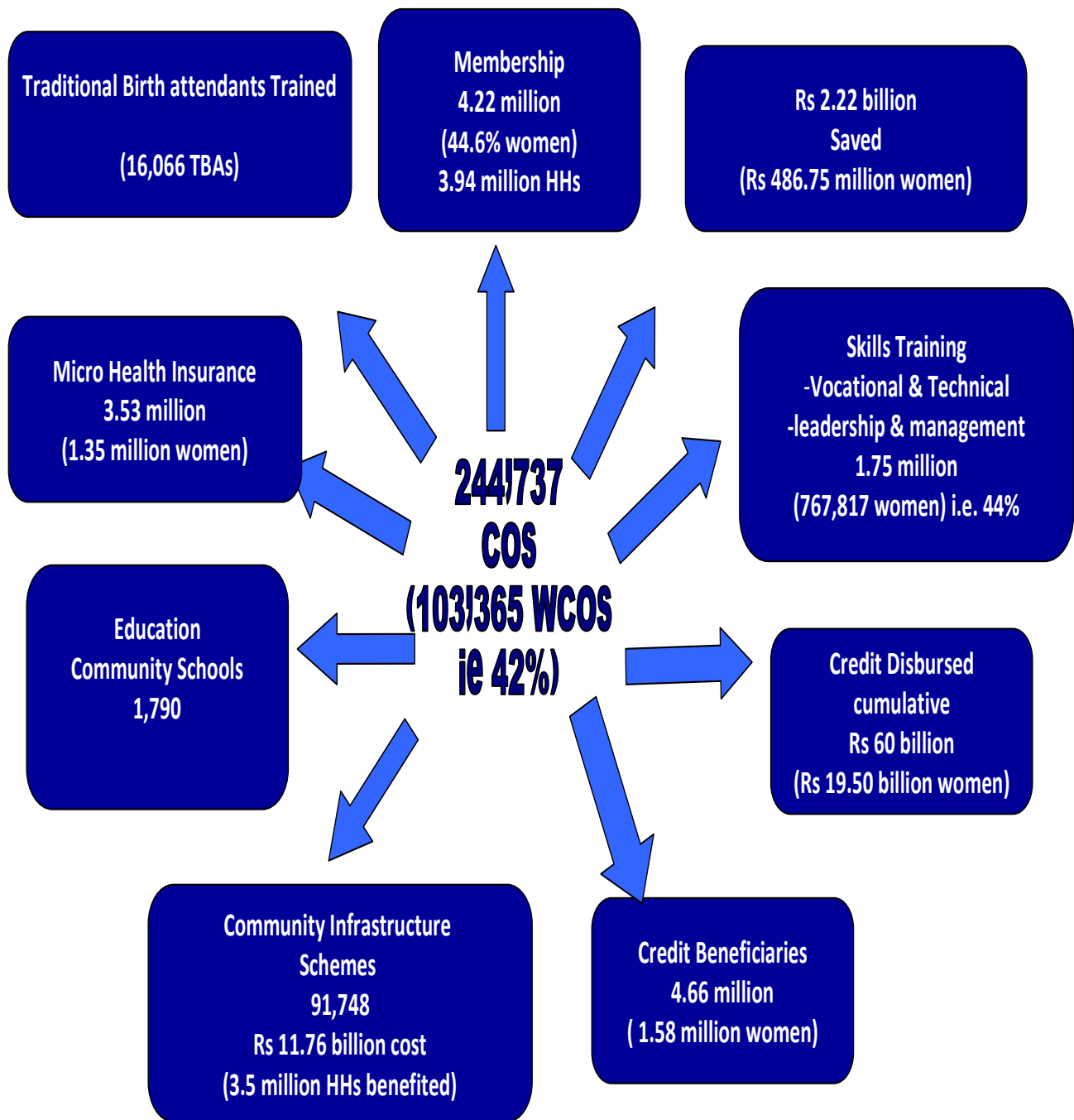
The one million people I worked with for 12 years in Northern Areas of Pakistan through the Aga Khan Rural Support Programme reinforced my conviction of the tremendous potential and willingness in people to do many things themselves to come out of poverty. All that they needed was a support organisation to help them unleash their potential. Once organised the

men and women took their destiny in their own hands. They knew what would bring them out of poverty. They got thousands of villagers trained as service providers in agriculture, horticulture, livestock, forestry etc. and as managers of their organisations, identified constructed and maintained thousands of physical infrastructure works – irrigation channels, link roads, sprinkler irrigation, flood protection works, school buildings etc., increased their productive capacity, planted 50 million trees on land brought under irrigation range, generated about six megawatts of electricity through village built and managed mini-hydels acknowledged as the biggest concentration of community managed micro hydro projects anywhere in the world and accumulated over Rupees four hundred million as their savings resulting in setting up of the First Micro Finance Bank.

In agriculture, horticulture and livestock, the organized communities made quantum jump in introducing and later marketing apple varieties from California and cherries from France. Their apricot is picked up by a London buyer from the farm gate at Gilgit.

Their initiative in protecting wildlife in collaboration with IUCN and WWF has given rich dividends sharing 25% of the proceeds of trophy hunting with the Wildlife Department. The tourists can now watch ibex, morkhor and sometimes even the snow leopard from the roadside.

Last time on my visit to Northern Areas now called Gilgit-Baltistan, I went to a village Ahmedabad where 24 years ago I had gone sitting in a basket pulled across the river as there was no bridge on the river. The village with 110 households was totally isolated although the Karakorum Highway passed by it. The village had no access, no road, no school, no health facility, no potable drinking water and no electricity. Today it has everything including two micro-hydels supplying electricity 24 hours and savings and credit fund of over millions of rupees. These people would never have been touched by any growth strategy or macro planning. They needed a development strategy which involved each and every household in the development process. Unfortunately this is what our macro planners fail to comprehend. When I asked them what was the secret of their success, their spontaneous response was “we got organised”. The village roads were marked with dust bins and the environment was litter free.



As of September 2010

Pakistan RSPs Outreach

According to second World Bank evaluation of AKRSP, in ten years the income of the people of Northern Areas had in real terms more than doubled.

In the eighties Bob Geldoff had attracted world attention by helping the plight of poor Ethiopians and there was a strong lobby advocating NGOs taking over poverty alleviation, as governments had proved a total failure. I was struck by a comment in the London Economist criticising this line of thinking as impractical for countrywide poverty reduction programmes. Instead the Economist advised why not persuade governments to act like NGOs. May be it was my earlier incarnation in the civil service or what I saw AHK had done through the Comilla approach that I came to believe that the Economist was talking lot of sense. The first opportunity came my way to put this idea in practice, when exactly a decade after the initiation of AKRSP, the Prime Minister of Pakistan Nawaz Sharif, not only asked me to replicate AKRSP countrywide, but agreed to the idea, with of course full support from the Finance Minister Sartaj Aziz, to let government act like an NGO and financed the setting up of the National Rural Support Programme (NRSP). Unfortunately the government did not last long and the replication happened in patches and at intervals of time and is long way away from comprehensive coverage. But it certainly reinforced my conviction that what the Economist was saying was doable. The idea received full endorsement by the Independent South Asia Commission on Poverty Alleviation set up by SAARC heads of State in 1991. The overarching recommendation of the Commission was that social mobilization should be the centerpiece for all poverty alleviation strategies of the SAARC governments and also the financing from government resources of independent autonomous support organisations to undertake social mobilization.

Professor Rehman Sobhan in his admirable book Challenging Injustice of Poverty has comprehensively and critically covered the recommendations of the Commission and its fate.

In India the concept of government acting like an NGO received an unprecedented endorsement. When I took the Chief Secretary and some other high officials of Andhra Pradesh State to visit Pakistan to see first hand what independent and autonomous support organisations mean, they asked Sartaj Aziz “how come government agreed to provide

resources for such organisations?”. His simple answer was it was all a question of political commitment. On return, they persuaded Chief Minister Chandra Babu Naidu, fully backed by the World Bank, to set up the Society for Elimination of Rural Poverty (SERP). Sometimes I feel uneasy about its autonomy and independence but over a decade SERP has now built up an over ten million households constituency to support it.

In 1994, when UNDP asked me to take lessons learnt in Northern Areas of Pakistan to South Asia, India being the largest country in the region it was the greatest challenge to South Asia Poverty Alleviation Programme (SAPAP) and to me personally as a Pakistani to make a difference to the lives of women and their households there. My apprehensions were baseless. The people of Andhra Pradesh and the State Government welcomed me with open arms and treated me with unforgettable kindness, hospitality and affection and continues to do so. The 20 Mandals which SAPAP took as demonstration area for empowerment of women and poverty reduction have a different story to tell today. On my visits to Andhra Pradesh to SAPAP Mandals, I had never seen such a tremendous transformation in a short period in the lives of the people especially the women not only in terms of economic empowerment but in every aspect of life. Given the opportunity and support by SAPAP these illiterate rural women demonstrated dynamism, managerial and productive skills and a sense of responsibility and sensitivity to social evils such as bonded and child labour, social discrimination, indifference or excesses of local bureaucracy that one had to see to believe it.

In Andhra Pradesh, I was told that after 7 years almost 75% of the organised households had risen above the subsistence level. When I doubted this statement, the women insisted on taking me to their homes. I visited a number of houses which I had visited on my first visit in 1995 which had barely any amenities of life available. I was wonderstruck to find modern amenities like TV, telephone, toilets etc., in the houses. In one house, I did not see TV and I asked the lady if she had been left behind others. She asked me to visit her backyard where more than 35 goats were standing. She explained her children are young and unlike other children, do not insist on going to neighbours to see the TV. Hence she made her choice of preferring goats to TV. This reminded me of Nobel Laureate Amartya Sen's book "Development As Freedom."

One of the important outcomes of mobilised communities in Andhra has been the adoption of Community Managed Sustainable Agriculture (CMSA) todate adopted by over 300,000 farmers. It has enabled the poor to break out of the exploitative relations with the money lenders, fertilizer and pesticides traders. By 2014, the Society for Elimination of Rural Poverty (SERP) plans to take it to 12 million acres covering 50 to 60% of the cultivable area of the State. The environmental benefits of CMSA are enormous. It will convert the State into a “green State” with impact on climate change and global warming. However, the main motivation for the poor for adopting these practices is the quantum jump in their net incomes. The lesson is that however good the technology may be, without peoples involvement through their strong grassroots institutions, it will remain in the laboratories and universities. We need a people centred solution to food security and climate change.

The Andhra Government keeps on inviting me despite phasing out of UNDP SAPAP in 2003.

In July 2008, I was again invited to Andhra which had by now organized over 10 million rural women households and helped them in accessing in 2007-08 over US\$ one billion from commercial banks for agricultural and other activities.

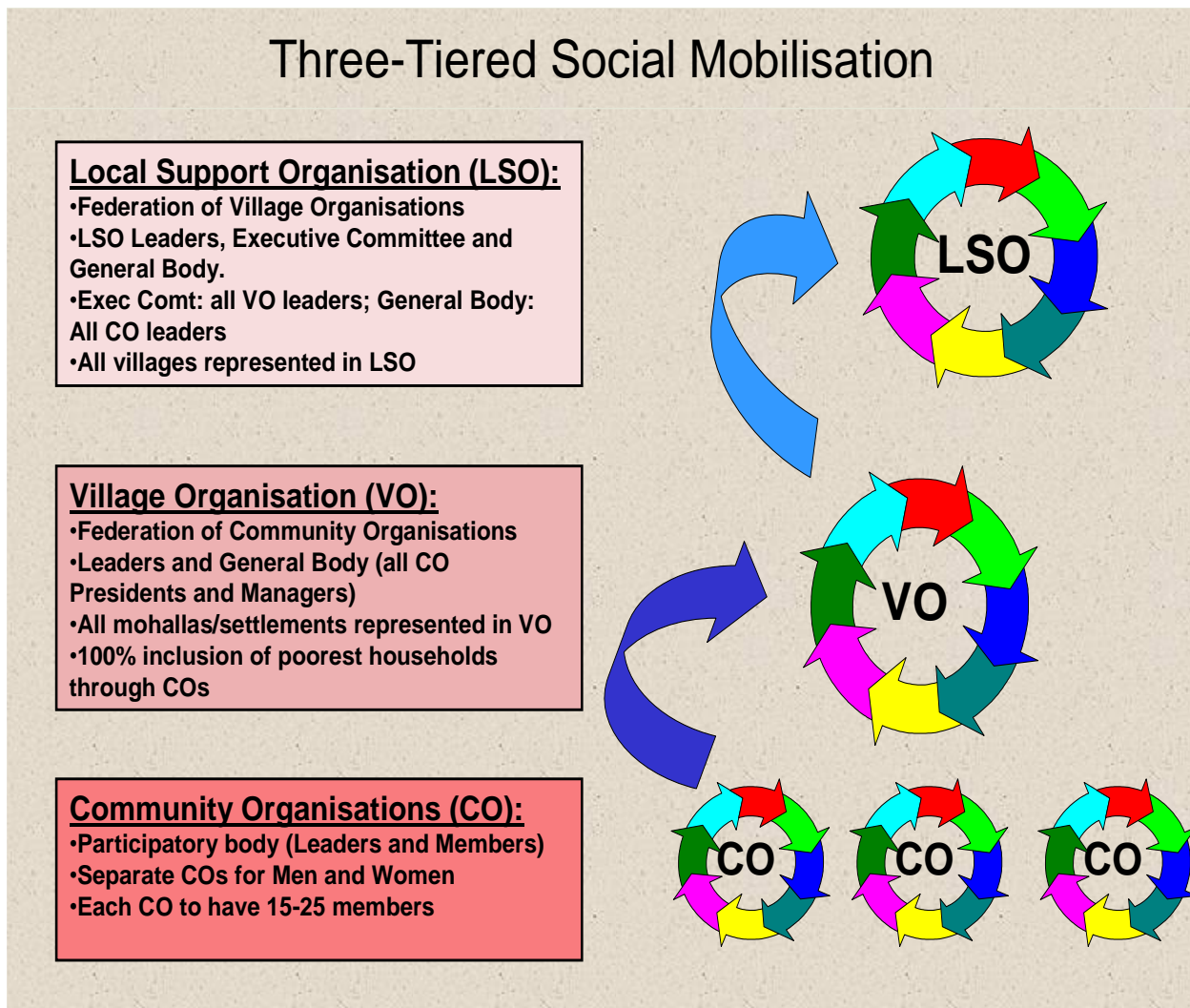
When I asked late Mr. Reddy, Chief Minister of Andhra Pradesh in 2008, the rationale for giving interest subsidy. He said it made political sense to do so, if by spending 750 million the commercial banks could be persuaded to lend 35,000 million costing only 3% to the poor people, what better use there could be of public funds.

Andhra has been able to demonstrate an approach of poverty reduction, encompassing over 10 million rural poor families, which has no parallel anywhere in South Asia comprising:

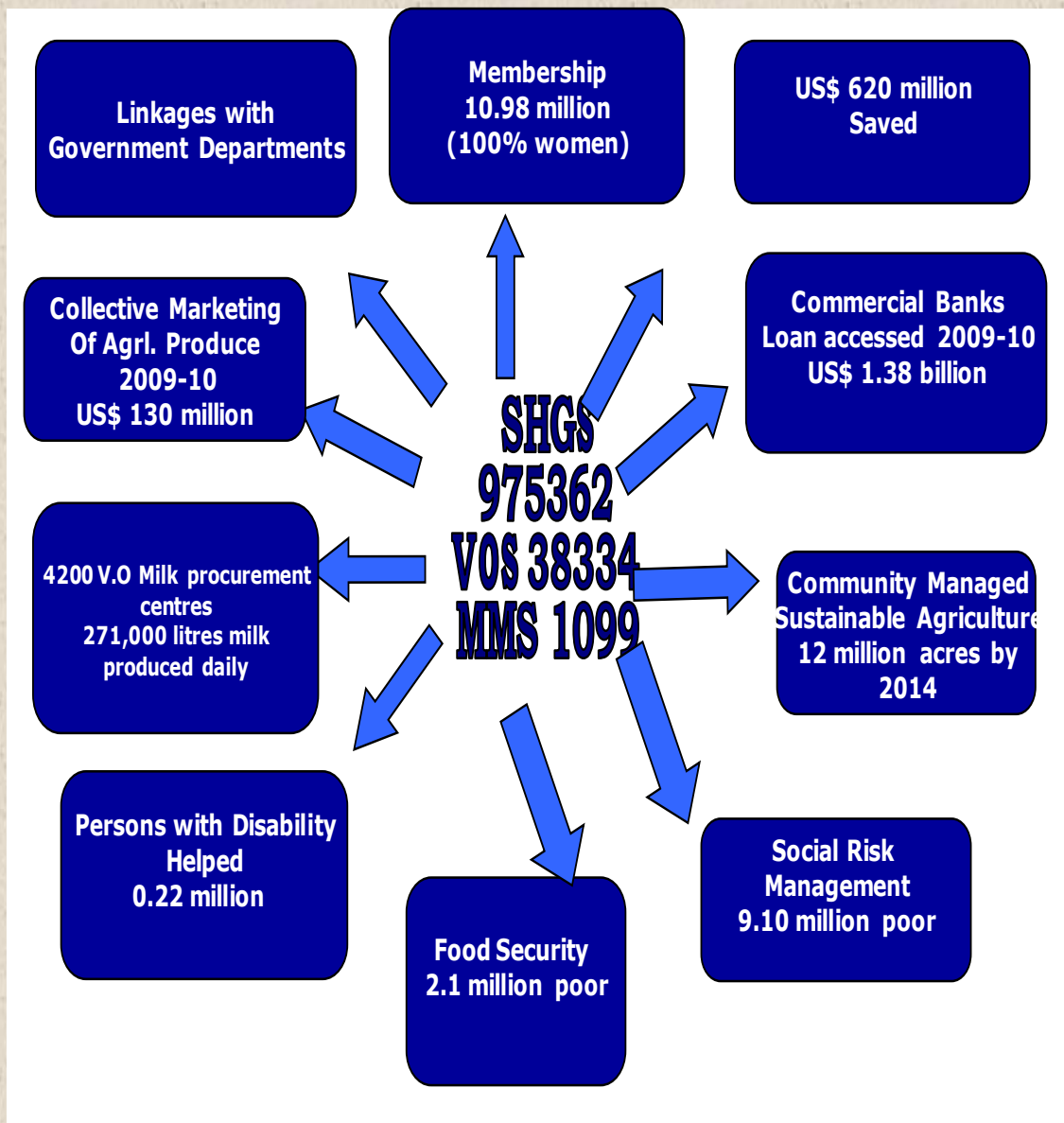
- i) a three-tier institutional grassroots framework of Self Help Groups (SHGs), Village Organizations (VOs) and Mahila Mandal Samakhyas (MMSs). I fully agree with the observation in the Concept Paper of the Conference that without encouraging people

to manage their own development, NGOs through top down programmes would not succeed in achieving sustainable development. What NGOs, intermediary or support organisations have to foster are institutions of the people because NGOs at best can only be institutions for the people and without financially viable hierarchy of the institutions of the people, sustainable development will not happen;

- ii) an independent and autonomous sensitive support organization like the Society for Elimination of Rural Poverty (SERP) for fostering a statewide 3-tier grassroots institutional framework;



**Key Impacts of Andhra Pradesh (India)
Poverty Reduction Programme through Social Mobilisation
As of December 2010**



- iii) an interest-subsidy policy for the poor matched with priority banking by scheduled banks for the poor;
- iv) a state-wide housing subsidy for the destitutes and shelterless identified by VOs;
- v) full and active support by the State and district administrations under the direction of the Chief Minister and the Minister for Rural Development; and
- vi) pro-poor Union Government policies such as the employment guarantee scheme and other pro-poor initiatives.

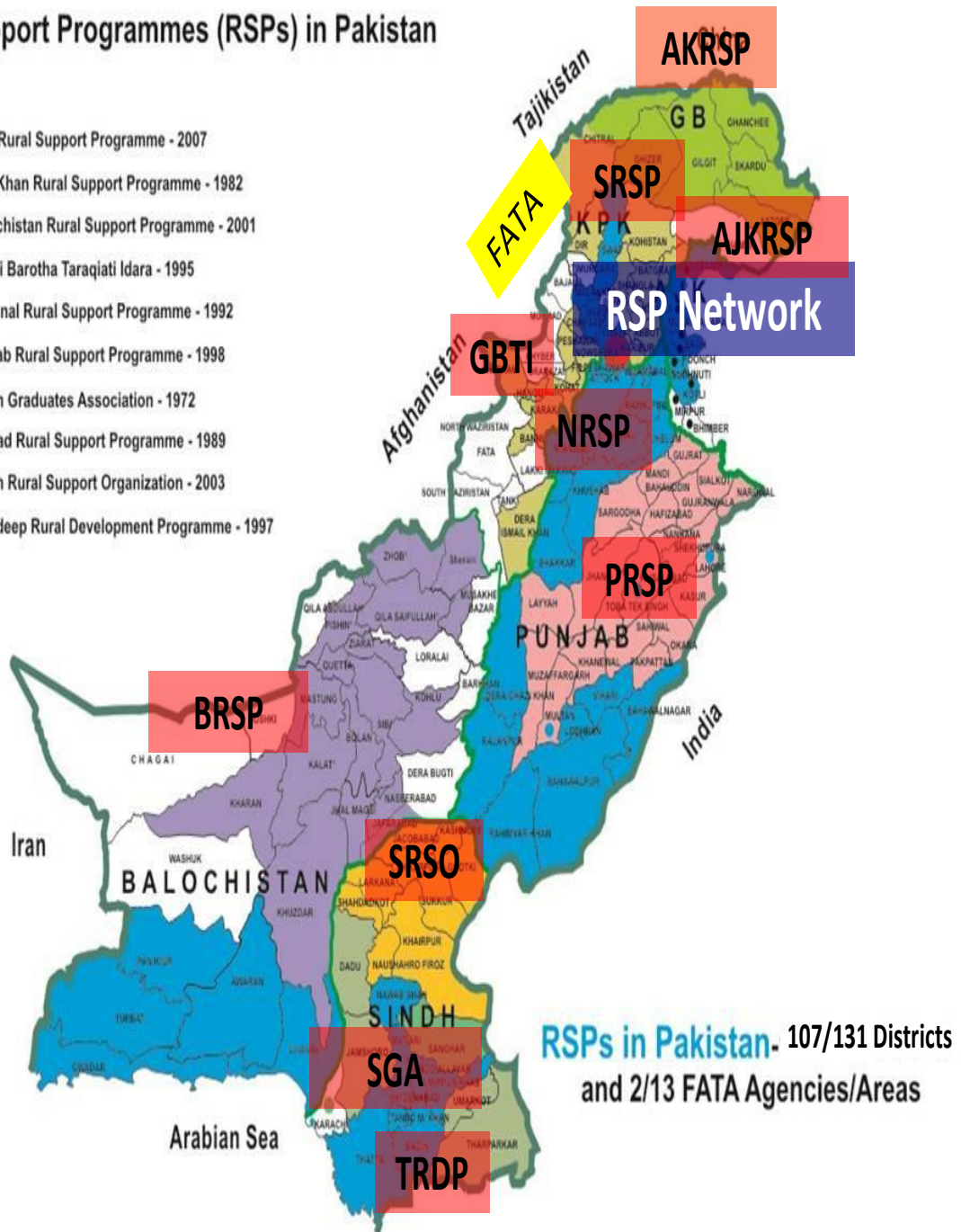
I also paid a visit to Rajiv Gandhi Mahila Vikas Preyोजना in Sultanpur-Amethi and met Mr. Rahul Gandhi. I was most impressed by his perception and understanding of the process of social mobilisation harnessing the potential of the people and his empathy and compassion for the poor and the down trodden and how he is determined to reach each and every poor household not only in UP but the whole of India. With such champions of poverty elimination, the goal of a poverty free country is certainly attainable. The village I visited with Mr. Gandhi, the women described the changes and transformation in their lives similar to Andhra Pradesh.

Dr. Akhter Hameed Khan used to say that in Pakistan, development will not come from the top. It will come from the bottom and it shall happen in pockets – one island formed here and one island there. AKRSP and its replication has shown how true it is. He also used to say that the problem of South Asia is not economic but moral. The organized communities at the grassroots in South Asia have shown there is both honesty and spirit of selflessness in rural areas of South Asia.

Today the Rural Support Programmes Network (RSPN) in Pakistan comprises ten independent autonomous support organisations, extends to 107 out of 131 districts of Pakistan comprising nearly 350,000 communities with over 4 million households as members. Pakistan is probably the only country in South Asia where successive Governments have provided resources, albeit not enough, since 1992 for fostering independent and autonomous support organizations, as envisaged by the 1991 Poverty Commission, set up by SAARC Heads of State.

Rural Support Programmes (RSPs) in Pakistan

- AJKRSP AJK Rural Support Programme - 2007
- AKRSP Aga Khan Rural Support Programme - 1982
- BRSP Balochistan Rural Support Programme - 2001
- GBTI Ghazi Barotha Taraqiati Idara - 1995
- NRSP National Rural Support Programme - 1992
- PRSP Punjab Rural Support Programme - 1998
- SGA Sindh Graduates Association - 1972
- SRSP Sarhad Rural Support Programme - 1989
- SRSO Sindh Rural Support Organization - 2003
- TRDP Thardeep Rural Development Programme - 1997



Conclusion

Detractors of AKRSP maintain that it cannot be replicated. I always clarified that indeed the programme package is location specific and is not replicable but the conceptual package has its roots in proven development theory, it would be replicable and applicable to all subsistence holders irrespective of race, religion, geography or culture. In my experience wherever I found a) a willing community with an honest and sincere leader or activist; b) a support organisation headed by a dedicated and dynamic professional supported by a board of volunteers, like minded and pro poor and c) adequate resources provided by government and or donors; the principles of development espoused by AKRSP are replicable. In Andhra but for K. Raju and his successor Vijay Kumar or his successor Rajsekhar, SERP would not have achieved what it has. A similar phenomenon I see in Uttar Pradesh under the helmsmanship of Sampath Kumar. In my experience, it is not impossible to find such persons to launch successful poverty reduction programmes. Successful programmes are replicated by dedicated workers. Thus the key is replicating such workers. In Pakistan, Rural Support Programmes have built up a pool of over 5,000 such dedicated workers led by persons like Izhar Hunzai, Masoodul Mulk, Rashid Bajwa, Sono Khangharani, Nadir Gul and Shandana Khan, just to name a few.

Over the years I have found no lack of willingness in the communities, neither dearth of honest and competent activists or community resource persons. All that we need for eradicating poverty in South Asia, is the political commitment of governments to provide adequate resources and support of donors, like the World Bank support in Andhra Pradesh, to eradicate poverty from the Region.

Thank you!

