

## THE HUMAN DEVELOPMENT APPROACH

The approach to Human Development includes appropriate site selection, necessary project design and effective program implementation. The selection of an appropriate site for a Human Development Project involves consideration of six factors. First, it must exhibit obvious human suffering acknowledged as fairly typical of that nation and region and thus having a symbolic significance beyond the community itself. Second, the selection must consider the advice and suggestions of the Public and Private Sectors from the local to national levels to assure appropriateness and the permission to do the project. Third, the project location needs to be self-contained with an identity of its own and access to transportation and other services that insures a visibility for the purpose of demonstration. Fourth, the site needs to be able to demonstrate the possibility of replication in the region and nation in which it is located. Fifth, the project site needs to be assured of adequate financing from local community funds, donated labor, and assumed lines of credit and includes public and private support in terms of funds, technical inputs and services. Sixth, the project site needs to be able to move rapidly toward a demonstration community which means an invitation from the local community leadership to do the project, small local population, willingness of the community residents to undertake the project, and manageable social and economic improvements.

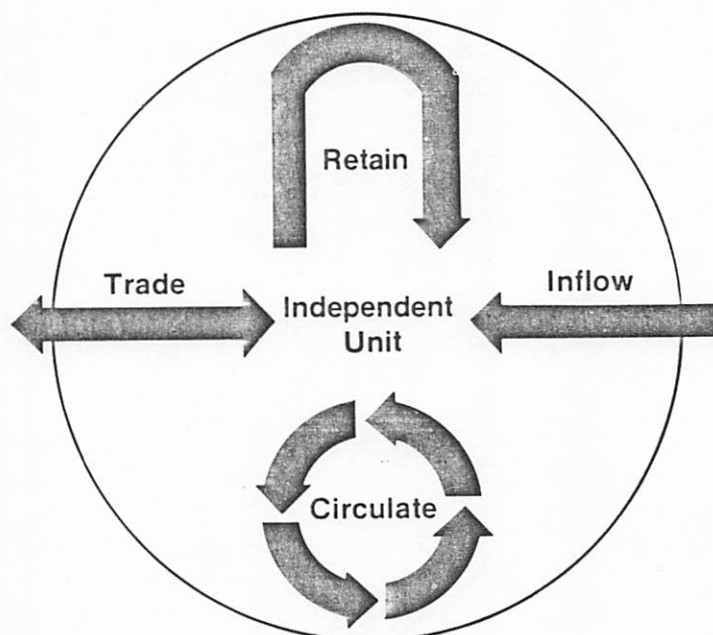
The design of the project is done during a three week consultation process on site by the community residents with the assistance of outside volunteer consultants and ICA staff. The first week of the process begins usually within one month from the site selection decision following the moving into the community of a small number of residential ICA auxiliary staff and includes the arrival of the ICA consult team of five persons, practical preparation for the consult week (logistics, food, housing, office set up, etc.), total village visitation, planning for the consult with the community leaders, visiting key public and private sector officials, gathering baseline data, and preparing for the arrival of the outside volunteer consultants. The second week is the consult itself which is a five day workshop bracketed by opening and closing ceremonies. The week of the consult includes sessions with 100-300 community residents, 20-40 outside volunteer consultants, both public and private sector, from various fields of expertise usually 50% in country and 50% extra national, ICA consult team and ICA auxiliary staff all working together in teams. A typical day in the consult includes a morning session for contextual lecture, workshop,

and daily team instructions (later in the week the morning session includes a consult plenary and team reports), and from mid-morning through the rest of the day is devoted to team work. The consult participants are divided into teams such as Agriculture, Small Industry and Business, Environment and Community Design, Community Organization and Identity, Health, and Education, all of which include community residents and volunteer consultants. The teams do field work during the late morning and early afternoon visiting in the community and nearby town service centers and in the late afternoon and evening do team workshops and prepare team reports for the next morning's plenary. The first step in the consult is to elicit the community's operating vision of its own future; second is discerning the underlying contradictions which are blocking the community from actualizing its vision; third is creating the practical proposals to deal with the contradictions; fourth is devising the tactics to implement the proposals; and fifth is pulling together the tactics into actuating programs for the new project. At each step in the process the local community residents are part of the team and plenary work as well as each household is visited by at least one team during the consult assuring villager input into the process and their participation in their own development

The third week of the consultation process is concerned with pulling together the consult data into a usable form to be published as the Consultation Summary Statement in local/national language and English and with starting immediately some of the newly created programs, e.g. demonstration garden or farm plot, feasibility study for a small industry, getting leads on financing and lines of credit, holding a village workday on environmental beautification, erecting new signs, visiting local health services, and beginning a preschool. During this week the local community residents are involved in both writing and in program initiation. Also, during this week the ICA consult team and some of the outside volunteer consultants remain to work as well as the ICA auxiliary staff who will remain in the community from two to four years.

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## Effective Economic Development . . .



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### **REGARDS THE COMMUNITY AS AN INDEPENDENT ECONOMIC UNIT**

Economic development efforts can be easily dissipated unless the community is seen as a self-contained economic unit. The Village Treasury in Kwangyung II, Korea, was the means by which local investment was encouraged. At the present time 85% of the village families invest in the co-operative savings and loan plan which helps the community build self-sufficiency.

### **INCREASES THE FLOW OF MONEY INTO THE COMMUNITY**

Developing economies require outside monies and credit access to *prime the pump* of economic growth. A seed grant, loan and government assistance permitted the establishment of a common grain mill in Kwangyung II. A poultry industry, initiated through outside start-up funds, increased egg sales 500% in five years. By quadrupling tangerine production, the primary cash crop, the average yearly family income increased from \$882 in 1975 to \$4165 in 1979.

### **RETAINS FUNDS IN THE COMMUNITY AS LONG AS POSSIBLE**

Self-sufficiency depends on community residents spending cash locally. Production and local processing of barley, rapeseed, poultry and livestock supplied local consumers and outside markets. A new repair shop, trading post, bathhouse, storage sheds and small stores provided needed commercial services locally. Community profits were invested in the preschool, primary school, health outpost and training centre. These needed services employed an additional 4% of the village labour force in non-agricultural jobs.

### **CIRCULATES FUNDS RAPIDLY AND CONTINUOUSLY**

The more often money turns over within the community, the better the cash flow and the opportunity to make greater profits for investment. As family income increased, many hired local builders to remodel their homes, replace roofs and install toilets. Preschool tuition paid seven village teachers; farmers used the mill to process grain; tangerine growers rented community warehouse space and trucks. The village treasury used the savings of 225 families to make 254 loans for agricultural and home improvements.

### **FUNCTIONS WITHIN EXTERNAL ECONOMIC REALITIES**

Even at the local level a balance of trade is necessary with the inclusive realities of the municipal, regional, national and international economies. Road improvements, increased storage space and the purchase of eight new trucks have facilitated export of Kwangyung II produce. Vegetables are raised year-round in vinyl houses and sold to hotels in Jeju City.

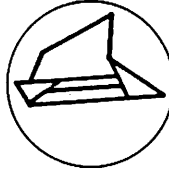
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The image of self-sufficiency is demonstrated in the first phase by initiating short-term, low-cost, labour-intensive economic ventures that use available skills and result in a rapid cash return. Broad-based local participation is encouraged through the investment of time and labour in planning and set-up. The other three sectors are contacted by the community as their skills and support are needed. The longer term needs such as utilities are also initiated during this phase since roads, electricity and water systems require more time to accomplish.

The second phase takes advantage of initial successes to expand participation. People are eager for training in mechanical, technical and manufacturing skills. Therefore, industries in the second phase involve more people and provide a variety of formal and on-the-job training experiences. Often during this phase the public and private sectors outside the community provide seed money and basic equipment needs. The interest and commitment of a larger group of people is catalyzed by demonstration farming, fabrication industries and local shops which acquire inventory through small loans. Carpentry, mechanics, assembly, machine operation, driving, bookkeeping and clerical skills are emphasized in the economic programmes.

In the third phase, markets and product lines are extended, new enterprises are initiated and previously operating businesses are expanded. The

initial investment from both inside and outside the community is reinvested in longer term enterprises. Typical new enterprises that are initiated include bakeries, food processing factories, restaurants, laundromats, hybrid cash crops and integrated agricultural cycles. New markets are obtained as stores expand to sell more local products and retain profits in the community.



In the fourth phase, technical expertise and management training are sought from both private and voluntary sectors outside the community. This is key to establishing the practical, on-going structures required during this phase to see that the higher capital risk enterprises get off to a good start. Local management and ownership are solidified with more capital-intensive industries which become registered corporations. Investment capital and long-term loans from both the local entrepreneurs and private sector sources provide more permanent financing.

Economic development in any local community is a challenging task. However, the reawakening of local initiative and creativity enables the investment of community resources as well as capital from outside the community. The resulting economic growth brings a new maturity to the people and enables the support of the health, environment and education programmes of the community.

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## Economic Development Learnings

**Initiating capital is generated from the local community** through invested assets, sweat equity, property and consultation and takes advantage of resources available in the community.

**Too much outside funding in the early phases** of economic development blocks growth toward self-sufficiency for the residents and reinforces their dependency.

**Initiating many small business ventures**, even if some prove to be temporary, is beneficial to the community because they provide important training and catalyze more expansive future industries.

**The availability and accessibility of markets** is a key factor in determining the feasibility of an enterprise.

**If community enterprises supply the local market** with goods and services not previously available, then more money is retained and circulated within the local community.

**Limited proficiency in management skills** is the key contradiction to sustained viability of the economic enterprises in a community.

**The economic ventures generate income to support the social and human programmes** of the community and the social and human programmes provide the training, organization and significance to assure the viability and integrity of the economic ventures.

**Local economic development corporations enable broad-based citizen participation** and serve to funnel both local and outside resources into community development.

**When the resources of the public, private and voluntary sectors are used**, the actual assistance is determined by the actual needs of the local community.

**When there is a measurable improvement in the situation of the community's poorest residents**, effective economic development is demonstrated.