

## SECTION 5

### Asset-Based Community Development as a Methodology

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#### Overview

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In partnership with the Coady Institute, or independently, several NGOs and local governments in Ethiopia, Kenya, India and the Philippines have begun adopting Asset-Based Community Development as a methodology for working with communities.

There is no “blueprint” for carrying out an ABCD approach, but the principle behind the methodology is that communities that recognize their assets and opportunities are more likely to be motivated to take initiative to mobilize and strengthen their asset base. Guided by this, the NGO has to decide which combination of tools and methods are appropriate for helping communities organize themselves to identify, link, and mobilize their assets.

An ABCD methodology, usually begins with a period of reconnaissance: identifying communities; building relationships with community members and conducting basic background research. *Appreciative inquiry* techniques can then be used to set the tone for an asset-based approach – recognizing and appreciating past successes in that community’s history.

The NGO then assists this group in planning a series of inventories or asset-mapping exercises that the group can conduct. This mapping process identifies:

- the various informal and formal associations in the community;
- the skills, talents and capacities of individuals;
- the assets of local institutions; and,
- all the physical assets and natural resources the community can draw on.

The results of the inventories and mapping exercises are brought back to the larger community where some community economic analysis and visioning takes place. The NGO helps the community access external resources to consolidate the gains from the community’s own activities. Ideally the process results in the formation of a community foundation or structure (such as an association of associations) that can sustain this community-driven process.

Throughout the process, the NGO has to bear in mind that mapping assets is as much about *organizing* as it is about discovery.

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## Tools and Methods 1: Purposeful Reconnaissance

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- Identifying a community(ies) interested in applying an ABCD approach
- Starting to build relationships with community members
- Completing background research

NGOs that choose to apply an ABCD methodology must decide which community or communities to engage in this process. In many cases, NGOs have a history of working with communities in a way that may be quite different from the ABCD approach. In fact, the NGO may have focused more on needs than assets and, while always committed to using participatory methodologies, the community development process was largely driven by the NGO not by the communities themselves. Adopting ABCD requires a 'shift' in approach as well as methodology.

The question of which community(ies) to work with using an ABCD methodology is often a difficult one for these NGOs. The most common dilemma is whether to work in a community where it has worked before and try to shift to an ABCD approach or start a fresh relationship with a new community. There are pros and cons to each choice. An advantage to working with an existing community is that field staff may have developed strong relationships with key leaders and community associations. A disadvantage to this strategy is the community may be used to a relationship based on needs and may see the NGO as a benefactor.

Whichever type of community the NGO decides to begin with it is important to find a community where there is a high probability of success using an ABCD methodology. This means doing some "purposeful reconnaissance" to find a community(ies) where, for example, there may be a history of endogenous community development, a high level of social capital, strong local leadership, a good relationship with local government, etc. Finding communities like this requires taking the time to talk to field staff, local government officials, other key informants and of course, members of the prospective communities.

A good way for NGOs to undertake this purposeful reconnaissance is to develop a background research template. This template will not only allow the organization to assess if the conditions in the community would seem to support an ABCD approach, but it also provides the NGO and the community with baseline data on the community that will be important for future documentation and evaluation efforts.

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## Tools and Methods 2: Motivating community members

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- Appreciative interviewing to recognize existing strengths and assets
- Analyzing success

An excellent “entry point” for NGOs that want to stimulate an asset-based and community-driven development process is to ask people to tell stories about past community successes where communities have taken the initiative without outside assistance. An effective strategy for learning about this kind of success includes interview techniques used in *appreciative inquiry*. This requires an intensive period in the community talking to a wide range of community members, asking questions about past success and what can be learned from an analysis of this success. The process is designed to build a sense of pride and confidence and for community members to build an analysis of what is involved in designing an initiative that will be successful. In this context, looking at the problems that communities overcame can be instructive. The main focus of the inquiry, however, is on learning about the strengths of the community through questions about how people have mobilized in the past to create positive changes.

As one of the first activities by the NGO with the local community, it is important to establish a culture of positive thinking and of genuine learning on the part of both the NGO and the community members. We suggest that interviews with the local community about past successes can start off very informally with individuals, and then become more systematic, as more people are interviewed in groups.

Interviews can generate considerable information about individual and community skills, strengths, and assets. It is also a way in which development workers can gain new found respect for the knowledge and the experience of community members. By asking questions rather than telling communities what to do, a genuine partnership is more likely to emerge. To make these interviews as productive as possible it is important to keep the discussion focused and to ask detailed questions.

For example, a discussion might begin with either of these:

- *Tell me about a community project that you consider to have been successful; that this community undertook with no direction or help from outsiders.*
- *Tell me about an activity undertaken by community members that benefited the local economy and continues to benefit the local community.*

To help the story-teller remember detailed information about strengths and assets, the interviewer needs to probe. The interviewer is trying to understand the reasons for success, learning with the person who is telling the story. S/he might ask questions like:

- *What was the role of particular people in the community in making this a success?*

(Find out about group/community/individual/institutional strengths and capacities)

- *What was it about the situation itself?*  
(Find out about the environment, the weather, the legal situation, cultural values, government policy, people's past experience etc.)
- *What was it about **you** that made it successful?*  
(People may be unwilling to talk about their own individual strengths and capacities. If so you may need to find out about their strengths by asking others. If the person is too shy ask others)

Other examples of appreciative inquiry questions:

#### **Personal Questions**

*Recount an event where you demonstrated remarkable leadership abilities. What challenges did you face? How did you overcome them?*

#### **Internally-looking group questions**

*Tell a story about a time when you felt the group was really at its best; when energy and enthusiasm were particularly high*

#### **Externally looking community questions**

*When you think of all the achievements that this community has made, which one has produced the most enduring benefits? What made it so sustainable?*

Adequate documentation of the strengths, assets and enabling factors is important, as this information will be used for the mapping phase.

With encouragement, these questions will generate rich stories that reflect individual, group, and community achievements, values and aspirations. The role of the facilitator is to help the group draw common themes from the stories and to begin to understand why the process unfolded as it did and to see the connections between the various community assets.

#### ***Creating an organizing committee***

The discussion during appreciative inquiry will usually excite a few people who want to see their community driving the development process in the present and future. These people may be interested in forming an organizing committee to steer an ABCD approach forward to the next stage (documenting the community's assets and acting on the opportunities identified). Some of these individuals may agree to sit on such a committee and/or help to recruit other community-minded members.

- How? Usually, in the AI process, leaders will emerge who are interested in taking part in understanding more about the community and then taking part in community building activities. This initial group will grow as a wider group is invited to participate. In smaller communities this may be quite straightforward. In larger communities or in more transient urban neighbourhoods, it may be necessary to seek out local leaders.
- Who? Local informal leaders (people with influence, with a network of relationships, a willingness to act, a willingness to ask others to act). A wide variety of leaders should be invited to participate based on who are the “movers and shakers” in different associational groups. Such leaders may not be known to all, especially if they are from more disadvantaged groups without public leadership roles.
- Effort needs to be made to identify such leaders and to encourage their participation. Sometimes the NGO can be helpful in encouraging the group to be more representative (i.e., including more women or youth). The NGO can also provide helpful advice to the group in how to recruit other members of the community. For example to encourage someone to participate, think about: What is that person’s “individual interest” or “motivation to act” (concerns/fears, dreams/gifts to give). How is our work an opportunity for this person to act on his/her motivation (the overlap of individual interest with common interest)?

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### Tools and Methods 3: Identifying assets and opportunities

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- Asset maps, skills inventories, Venn diagrams, transects:
  - Associations (social capital)
  - Individual skills (human capital)
  - Institutions (physical capital, social capital, opportunities in the policy environment)
  - Natural resources (natural capital and land use/ownership policy environment)

#### **The True Value of Asset Mapping**

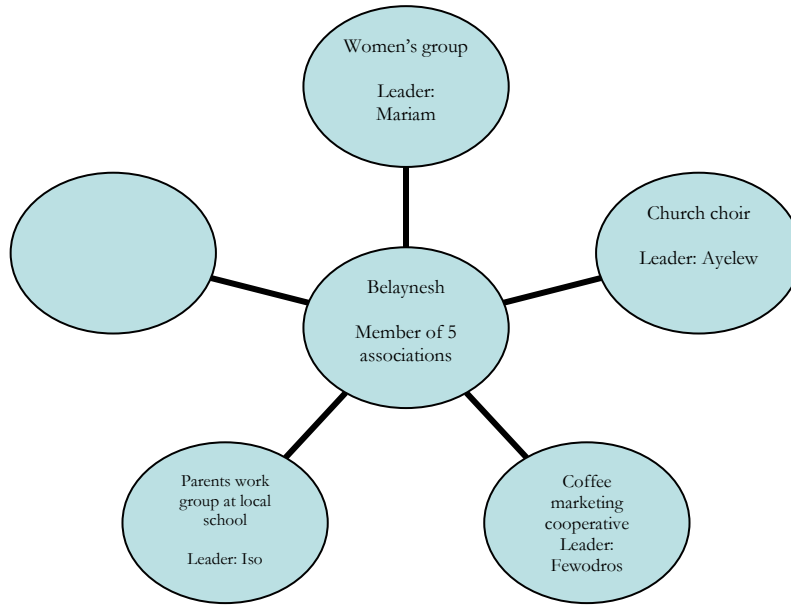
Asset mapping engages representatives from voluntary associations to come together for a journey of discovery. This discovery phase consists of local people ‘mapping’ all of the community’s assets. This process leads to new relationships forming between the individuals doing the mapping and the ‘subjects’ being mapped. A resident who has just had all her skills and capacities inventoried by someone in the community feels appreciated and affirmed. Individuals carrying out the mapping exercise begin to see ways in which individual skills, can be combined with associational, institutional, and business assets to create new enterprises or opportunities.

#### ***Mapping Associations***

Identifying assets usually begins with an inventory of associations because of the work that has just been done in organizing a core group of people, drawn from the “associational” part of community life. In fact, it is usually people drawn from this “associational” base that carry out the community asset mapping. Thus, the process of making an inventory of associations becomes less one of “mapping” than one of “organizing” or “recruiting” associations into the identification and mobilization of community assets. The best community organizers in the world know that community associations (no matter how informal) are indispensable vehicles for development and that many of them can in fact be stretched beyond their original purposes and intentions to become full contributors to the development process.

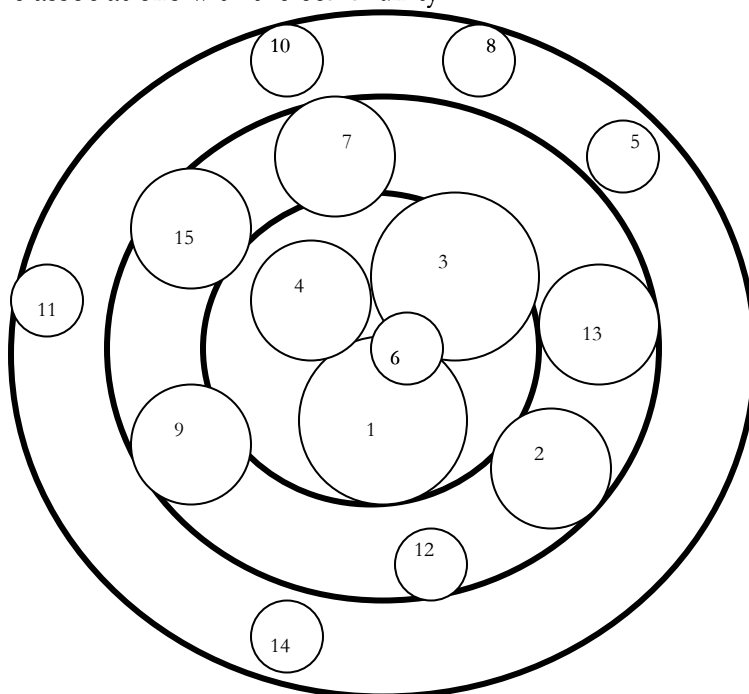
Any inventory of associations should include all voluntary (not for pay) citizens’ associations (religious, cultural, athletic, recreational etc. – refer to “Types of Associations” – Section 4, pg. 4).

1) Start with the organizing committee. Ask them to list personal connections to associations. Describe the nature of the relationship. Put each person’s name by his or her association list. List the leaders of these associations.



2) Expand the list to other associations. Ask each of the organizing committee members to identify other associations that he or she knows about. If known, list the leaders and name the person among your group who is best connected to the leader.

Once you know what associations are present within the community, it might be useful to understand the relationships the associations have with the community and with each other. The following is a Venn diagram completed by community members in Tunyo, Lutaso, Chenjeni and Namawanga, Kenya. The Venn diagram represents the associations present within the four villages and the degree of contribution to and the interaction of the associations with the community.



- 1 S. Kulisiru Health Development Group
- 2 Bisunu Community Water Project
- 3 Bisunu Jua Kali Women Group
- 4 Chenjeni Wachalusi
- 5 Khaka Onyole
- 6 Lutaso Development Women's Group
- 7 Lutaso Pefa PTA primary school
- 8 Tunyo Chama Cha Upendo Self Help Group
- 9 Nombela Women's Group
- 10 Tambulukha
- 11 Umoja Self Help Group
- 12 Wakholi Women's Group
- 13 Chenjeni Youth Group
- 14 Bisunu Jua Kali Self Help Group
- 15 Bisunu youth football team

3) Identify best prospects (Which are the most likely associations to participate in working toward a common purpose?)

The key to building relationships among local assets is in mobilizing associations to undertake action. This starts with association leaders.

Sample questions for association leaders:

- What is your group's main purpose?
- What else do you do now? (for your group? for the community?)
- What might you do in the future? (concerns to address/dreams to realize)
- Are you interested in working on "x"? (issue or activities from community plan)
- If yes, what are the next steps to involve your membership in our purpose?
- What might your group want to contribute?
- Will you personally come to a meeting with other associations interested in an "association of associations" working together in our community on "x"?
- What other associations are you connected to? (Particularly those that are interested in issue "x")
- Where do you get information from? What are your sources/lines of communication?

#### **Some Principles for Mobilizing Associations:**

***Follow relationships:*** Engage associations through people meeting with leaders of groups they know.

***Listen for interests:*** The key to engaging associations is listening for their group's "motivation to act" – what will they actually do? What do they want to do? What might they consider doing?

***Three ways to common ground:*** Associations can be brought together around similarity, geography or theme.

***Work "inside-out":*** Associations can best be engaged doing what they want to offer rather than be "volunteers" for what we want done. Ask the question - what do you want to do to address "x"? Don't push an answer.

***A good issue is one for which you can answer yes to the following:*** "Can we succeed?" and "Will this build our participation?"

***Do the easy thing first:*** Associations can start to work together by doing what is a natural fit - success builds participation.

***Keep a focus:*** Do not try to do too many things at once - associations have only so much energy.

***Tip the expectations:*** Expect people to be contributors. Speak about 'us'. We are the community. We need you! Often people need to be 'authorized' to do important work.

**Source:** Mike Green, Halifax workshop, 2001

## **THE POWER OF ASSOCIATIONS: NOT MAPPING BUT ORGANIZING**

**Adapted from an article by Mike Green, ABCD Institute**

There is a danger in starting out with a big project of association mapping. Data collection is not community building. A process to identify (map) associations is only valuable if it leads to working relationships among associations.... The point is gradually to build a working relationship among a growing number of associations. Mapping your community to find 300 associations is only a potential for associations to work together. Organizing 15 associations this year to work together on common issues is building real power. Association mapping is really identifying prospects for organizing. To be a good salesperson a prospect means nothing unless you make the sale! The sale for us is groups who work together as an "association of associations with a common purpose".

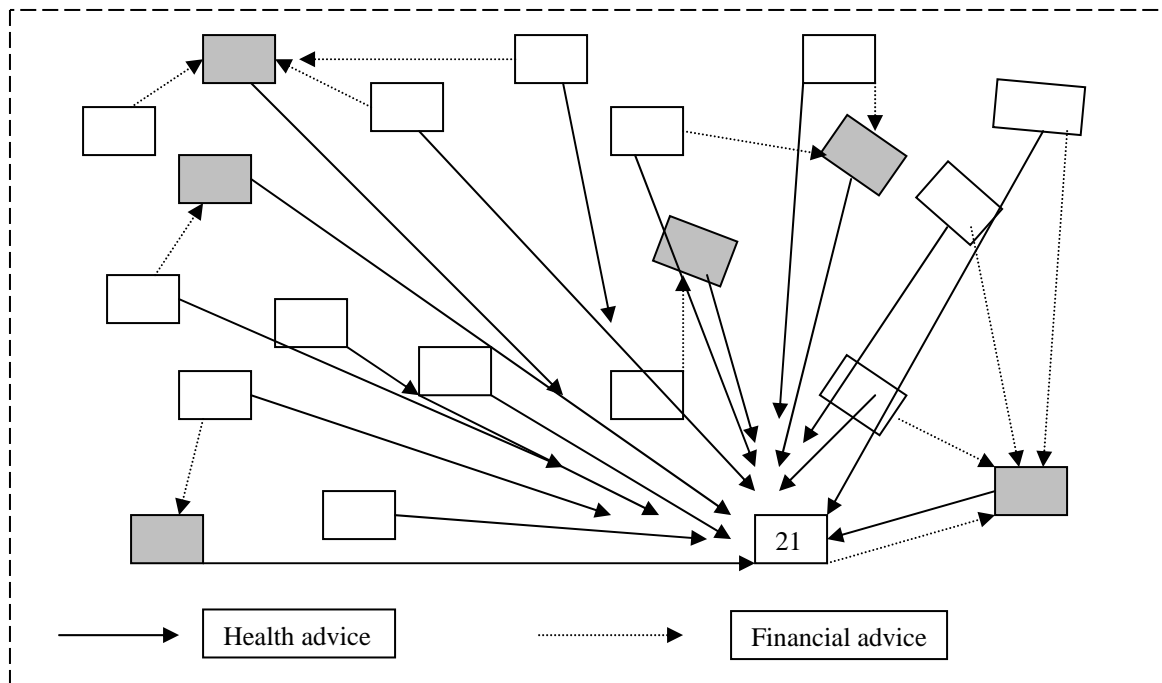
A core principle of ABCD is to focus on the relationships within a community...Find out who is connected. Connect these networks for work in common for a strong community...Power is relationships. For example, if you find ten association groups, each with twenty people, they have the potential for 200 people to work together for something of importance. If you speak to an association leader you will find that they can usually tell you several things their group has considered doing in the future. Associations have a present purpose within their stated mission, and usually some activities outside their present stated purpose. For example a youth group develops recreational programs for young people, but has also built a community hall (which includes a resource centre and training facilities) and is now starting a savings and credit cooperative.

Associations can come together for work in common by developing a "common interest". Every association group, like every person, has various "individual interests". These are concerns (what they don't want), dreams for the future (what they do want), and present activities they are contributing to the community (action and projects). The key is to identify individual interests with strong "motivation for action". Associations can be organized to work together by developing a common interest, which is like a tapestry weaving together the threads of several groups' specific interests. This is the art of community organizing.

### *Mapping Social Capital and Social Networks*

It may be useful for the community to look at social networks more closely. For example, using a community map drawn on the ground with households identified, a kinship mapping exercise can quickly illustrate the different kinds of relationships each household has with other households, and which households are more central with respect to social relationships, and which are more isolated. Once the households have been identified, different coloured string can be used to show the relationships that households have with others (for example, parent-child, siblings, blood relations, marriage relations). Once the community has an understanding of this approach, different kinds of relationships (friendships, associational links etc) can also be included. This kind of mapping exercise can also be used in urban areas, or in areas recently resettled. In these contexts it is helpful for the community to see how social capital is built up over time as people get to know one another, begin to trust and cooperate with one another, and then begin to intermarry.

Another way of discovering social capital is to map the places people visit in a community and the reasons why they visit them. In Khalde, Nepal, women mapped where they go to seek different forms of support (financial, social and health support). The map that resulted from this is shown below. It illustrates who the women go to for health advice (the local healer, in House No. 21), and who they go to for financial advice (key households). The networks are all within the village and none of the women have made linkages with external agencies.

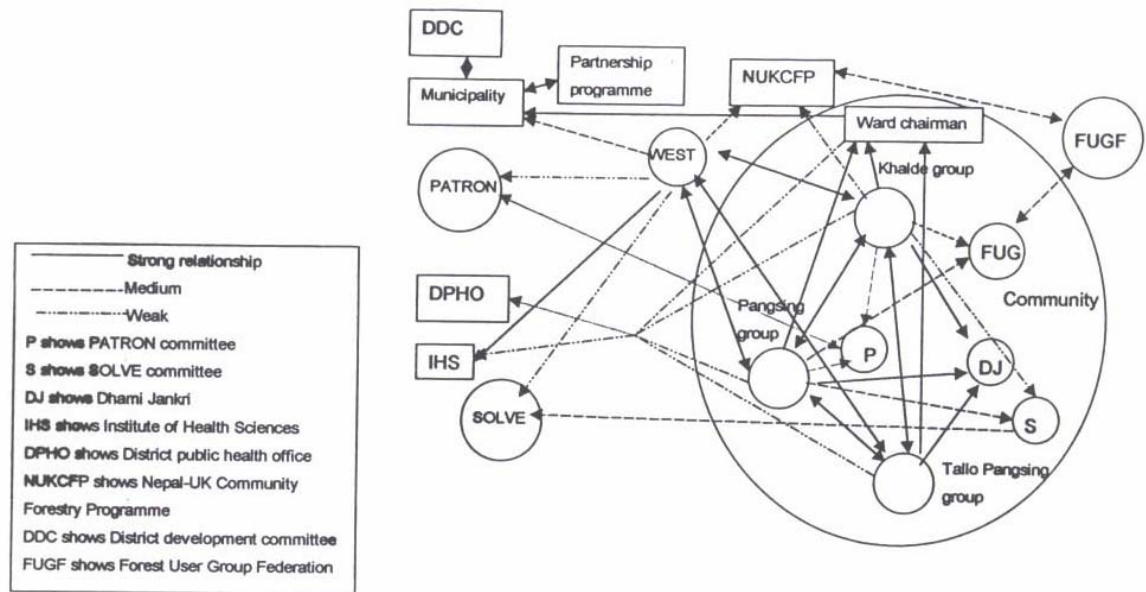


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Adapted from Gibbon and Pokhrel (1995) in *A Trainers Guide for Participatory Learning and Action*. SARL's Methodology Series.

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In another community in Nepal, women had much wider networks with links to various external institutions. Conducting this mapping exercise with the women of this community helped them to appreciate the potential they have to connect and influence others.



Source: Gibbon and Pokhrel, 1998

### ***Mapping Individual Skills and Capacities***

Mapping or making an inventory of the skills, gifts and capacities of community members can take many forms. The organizing committee may want to visit each household or they may prefer to gather a group of community members who collectively will know virtually everyone in the community. The decision about how to do an inventory will depend on the size and character of the community. For example, in small communities, each member of the committee could take responsibility for interviewing a portion of the total number of households. In urban communities there may already be a list of associations with rosters of members and their skills which can be built on and expanded.

Below is one possible way of building up the inventory:

- 1) Start with the skills, strengths and assets that emerged from the appreciative inquiry interviews. Make sure there is a sufficient representation of the community: elderly, middle aged, youth, artists, women, entrepreneurs, disabled etc.

- 2) Organize these by categories such as:
  - a. **General skills and abilities:** A skill can be anything from food preparation to cattle rearing to climbing trees. In some cultures people may be very modest about their talents and skills. They may or may not have experience in offering their skills to others either as a gift or as goods or services for sale.
  - b. **Civic Skills:** Community-building skills such as organizing, communications, ability to work with youth or the elderly, leadership skills.
  - c. **Entrepreneurial skills and experience:** business skills, such as the operation of a small business; book keeping; marketing; dealing with suppliers; etc.
  - d. **Cultural and artistic skills:** Craft making, dancing, theatre, story telling, music.
- 3) Indicate levels of ‘interest’, ‘experience’ and ‘ability’
- 4) Expand this capacity inventory to include everyone in the community

This kind of mapping can be done with a few community members, and then can be expanded as required. A big chart in a community center can serve as the place where people’s skills and talents are recorded. A Community Member Profile can be kept and easily retrieved when these skills and expertise will be needed by the community.

The following example is a list of individual skills uncovered by community mapping exercises in the villages of Lutaso and Chenjeni, Kenya

<b>Skills Inventory ~ Lutaso, Kenya</b>	<b>Skills Inventory ~ Chenjeni, Kenya</b>
Farming, leadership, sewing, house painting, masonry, house roofing, business, digging pit latrines, tree planting, singing, teaching, defense, basket making, tablecloth making, carpentry, radio/TV repair, bicycle repair, herbalist, public speaking, animal rearing, pottery, football, circumcising, beehive construction, rope/broom making, dancing, hair plaiting (braiding), crocheting, driving, running, preaching, embroidery, cooking, treasury, tailor, volleyball, knowledge of sports.	Farming, business skills, traditional birth attending, teacher, sports, carpentry, animal rearing, composting, tailoring, sewing, dressmaking, singing, bicycle repair, granary making, dancing, broom making, bicycle riding (boda boda), thatching and roofing, strength, hair plaiting (braiding), crocheting, spinning, dig boreholes and latrines, house construction, ploughing, masonry, radio/TV repair, key cutting, house painting, leadership, hairdressing, tablecloth making, traditional healing (toothaches).

***Mapping the Assets of Local Institutions***

Local institutions are often overlooked as sources of assets that community groups can draw upon to support community development activities. But time and time again the stories of spontaneous community-driven development that have been documented by participants in the Coady Institute’s educational programs highlight the importance of, for example: a old church building made available for a group of local women to process

food; or access to a phone, fax or computer made possible by a local government official or NGO; or a local business offering to transport goods to market for a nascent community cooperative. Making a list of the assets of local institutions can often result in the discovery of assets the community had never previously considered as potentially assisting community development efforts.

1) Make a list of local institutions. These might be:

- Various government institutions (agricultural extension office, health care centre, schools, library)
- NGOs
- Churches
- Private sector institutions such as cooperatives, banks, market vendors and individually owned businesses

2) For each institution list its potential assets. When we talk about the assets of local institutions we generally mean the following kinds of resources:

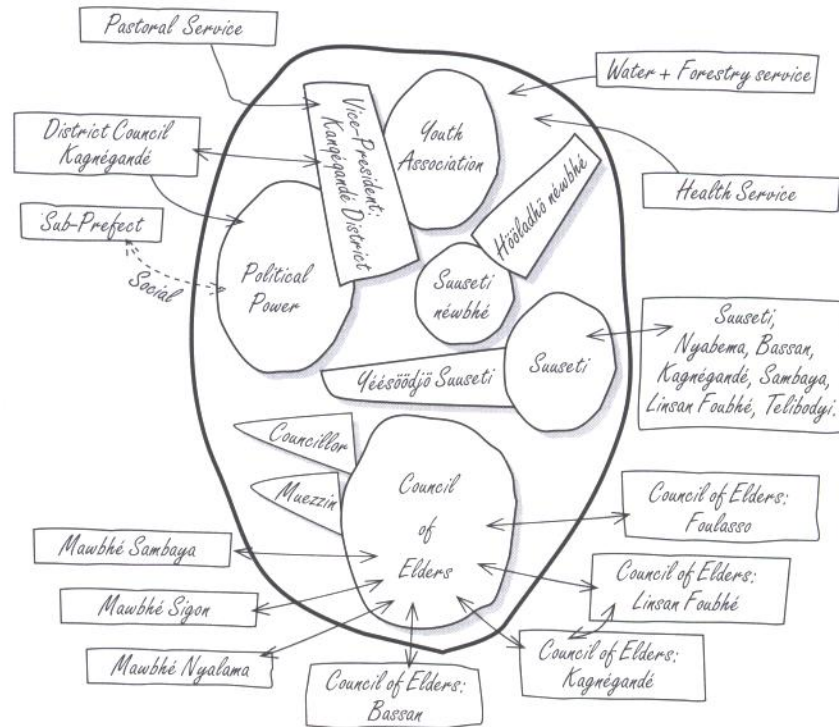
- Service provider
- Space and facilities
- Materials and equipment
- Purchasing power
- Employment practices
- Expertise
- Personnel
- Links to outside institutions

Institution	Services on offer	Facilities	Materials	Expertise	Purchasing Power	Links	Other
Local Govt.							
NGO 1							
NGO 2							
Local Business 1							
Local Business 2							

***Illustrating the Links Between Associations and Institutions***

One way in which the relationships between associations and institutions can be illustrated is by using a Venn diagram (below). Associations and institutions are given different shapes. The size of the shape (and its positioning relative to the centre of the circle) could indicate the perceived importance of the organization to any development activities the community might want to undertake. The closeness of the shapes to each other indicates the strength of existing relationships between the organizations. For example, this type of diagram could help organizing committee members see which associations might be in the best position to draw on the assets of certain local

institutions, or it could highlight the need to recruit someone from a key association into the organizing committee.




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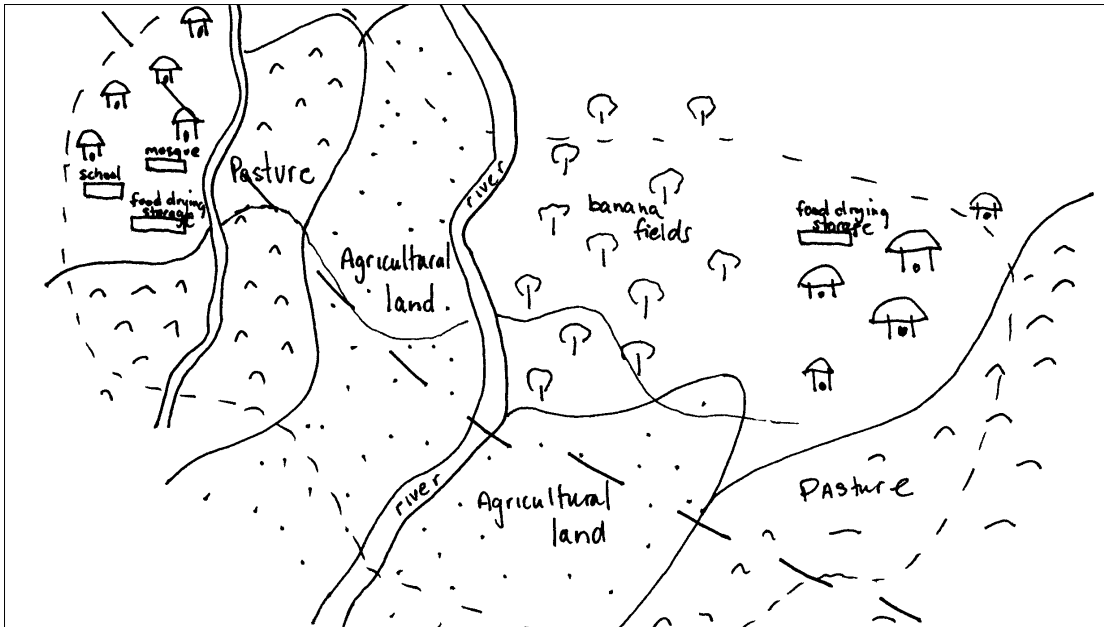
Source: Freudenberger, K.S. (1994) *Trees and Land Tenure*, Rome: Food and Agriculture Organization of the United Nations, Rome.

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### ***Mapping physical assets and natural resources***

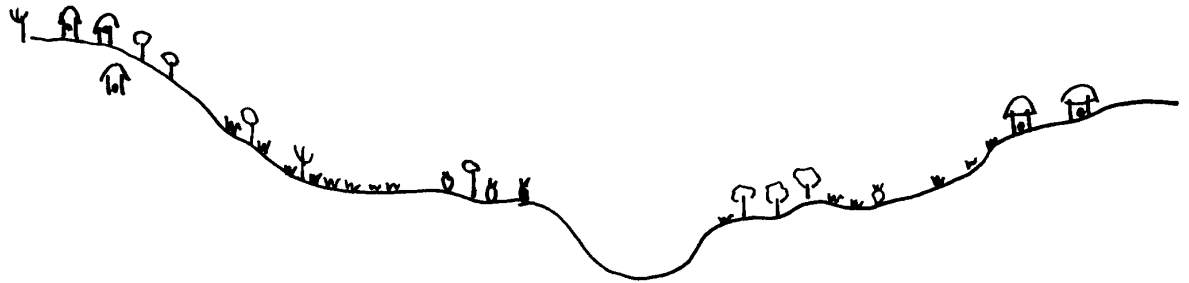
There are many participatory methods for mapping physical assets and natural resources, such as community maps and transects.

A community map can be drawn by people in the community to show land use, land tenure, water sources, buildings and facilities, roads, boundaries etc. It is a good idea for a group of people to do this together so that they can discuss the various features and their location before agreeing what should go on the map and how it should be represented. Typically this activity would be done on the ground using a stick to draw lines and various sticks, soils, leaves, flowers and stones to represent the features on the map.



It is revealing to see the differences between maps drawn by men and maps drawn by women, because each group will emphasize the features that are important to them in their daily lives. Men and women should discuss these differences. Together, they will appreciate the contributions that different genders (and other social groups) make and the kinds of assets and resources they prioritize over others.

A transect (on the next page) is an effective way of documenting natural and physical assets in more detail. A transect is an imaginary line across an area to capture as much diversity as possible. By walking along that line and documenting observations, an assessment of the range of assets and opportunities can be made. For example, by walking from the top of a hill down to the river valley and up the other side, it will be possible to see the full range of natural vegetation, land use, soil types, crops, land tenure etc. The following transect was completed by community members with the help of an NGO fieldworker in Senegal (Source: Freudenberger, 1994)



Zones	Upland	Hillside	Riverine	River	Riverine	Hillside
<b>Landuse</b>	House, huts, Mosques, food drying and storage, animal pens	Pasture	Fallow land, pasture, water sources, fields	Water sources	Fields, fallow land banana fields	Houses, huts, food drying and storage, fields, fallow land, pasture
<b>Trees</b>	Parkia biglobosa, Combretum micranthum, Lophira lanceolata	Parkia biglobosa, Acacias, Combretum micranthum, grasses	Erythrophleum suaveolens	--	Bauhinia reticulata, Pterocarpus erinaceus, Parkia biglobosa	Mangifera indica, Citrus aurantium, Carica papaya, Borassus aethiopicum, Tamarindus indica
<b>Animals</b>	Goats, sheep, cattle, poultry	Goats, sheep, cattle, poultry, squirrel, hare, field rats	Monkeys, domestic animals	Fish	Monkeys, field rats	Goats, sheep, cattle, poultry, hare
<b>Soils</b>	Gravel surface, Little soil development, Humanly created soils in tapades	Skeletal soils, over dolerite Gullying	Black soils, easily worked. Increased clay content	--	Ferrallitic soils, silty or sandy clays, soil accumulation, ochre reddish or grey colour	Black soils, Easily worked
<b>Resource Tenure</b>	Compounds and tapades: private individual holdings Pastures: open access	Open access	Fields/fallow land: limited access. Private individual/family holdings and communal management Water sources: open access, communal management Pasture: open access	Open access, communal management	Fields/fallow land: limited access. Private individual/family holdings and communal management Banana fields: private holdings	Compounds, tapades, enclosures: individual/family property, private. Outer fields: limited access Private/individual holdings and communal management

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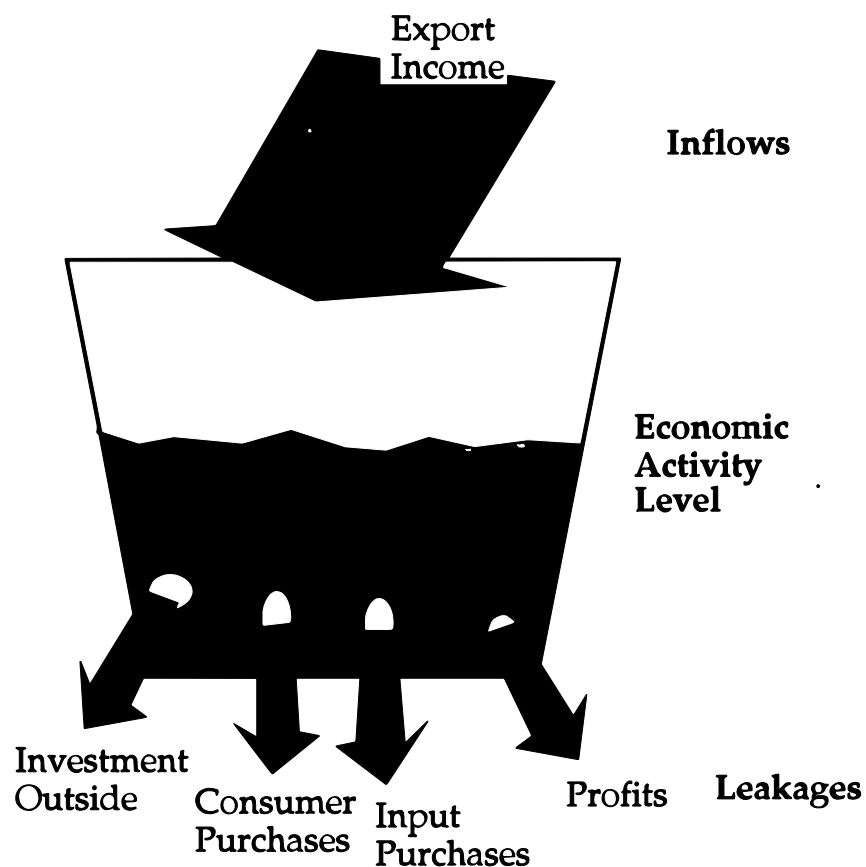
## Tools and Methods 4: Identifying economic opportunities

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- “Leaky Bucket tool” for Community Economic Analysis

One of the challenges of using the asset-based community development approach is how to engage community members in an ongoing process of identifying and mobilizing local assets for community economic development. One popular education technique, known as "The Leaky Bucket" is a useful tool for demystifying community economics for people as well as a useful framework for identifying the various categories of community assets and the possible economic opportunities for linking some of these assets together.

Perhaps the best way to demystify the local economy for citizens is to get them to do some community economic analysis. One way to do this is to imagine the community's economy as a bucket with money and goods flowing into the top as well as spilling out the sides and bottom.



The bucket analogy represents a number of key concepts (Shaffer, 1984).

- 1) The community is intimately linked with the rest of the world through the inflow and outflow of income, goods and services, raw materials, jobs, expenditures, investments, profits, ideas etc.
- 2) The community uses resources to produce the output it sells. These resources can be available locally or purchased elsewhere.
- 3) The size of the bucket is determined by the inflow of outside income, the leakage of income and the volume of resources used to produce the community's output.
- 4) The level of fluid in the bucket represents the overall level of economic activity.

Community economic analysis is essentially the systematic examination of the components of this bucket. This can be translated into some basic questions (Shaffer, 1984):

- 1) What are the linkages with the rest of the world?
- 2) What are some of the ways to increase the potential inflow of income?
- 3) How can the community reduce the loss of resources to improve its local income situation? (A community's ability to sustain a level of economic activity depends however not only on the inflows but also on the leakages from the system. Leakages occur when people in the community purchase goods and services from outside.)
- 4) How can the community better use its existing resources and businesses to produce more output and therefore more jobs and income?

One way for community members to begin answering these questions is start thinking of their local economy in terms of three main economic flows: money coming into the community, money circulating within the community, and money flowing out of the community.

#### **Money coming in:**

The first economic flow, money coming into the community, can have many components. A few examples are: payments for goods or services sold outside the community; payments by tourists or visitors for goods or services purchased inside the community; wages or salaries for people living in the community who work outside the community; remittances from household members living outside the community; transfers from government or non-governmental organizations outside the community to branches or agencies located within the community etc.

#### **Money circulating within:**

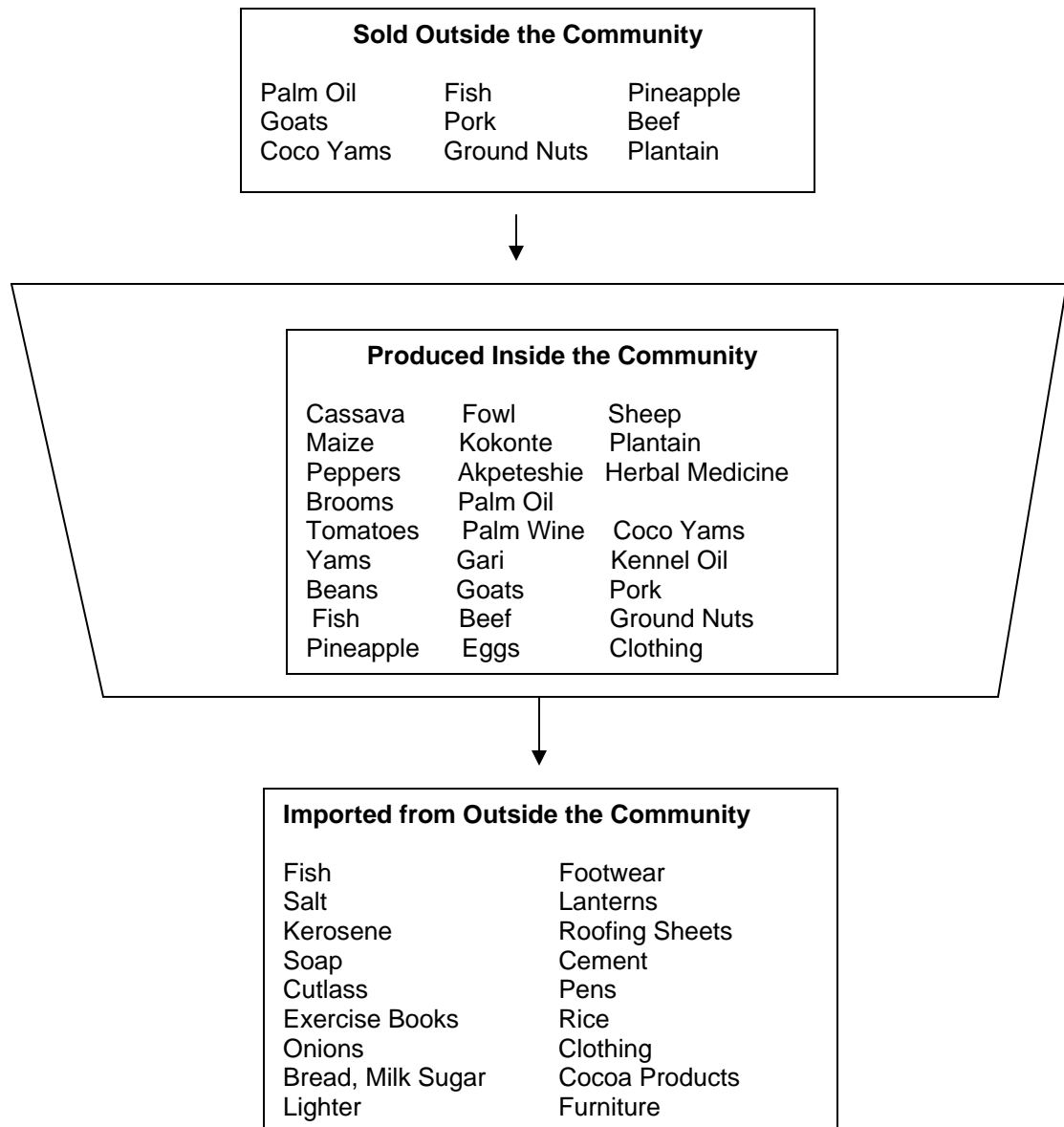
The second economic flow, money circulating within the community, can include: wages or salaries to people who provide labour to government agencies; non-governmental organizations; large, small or even micro-businesses in the community; purchases of goods and services from businesses within the community; sales and purchases by businesses from other businesses; household savings which may be mobilized through informal savings and credit groups or more formal savings and credit cooperatives etc.

#### **Money going out:**

The third economic flow, money "leaking" out of the community, often includes:

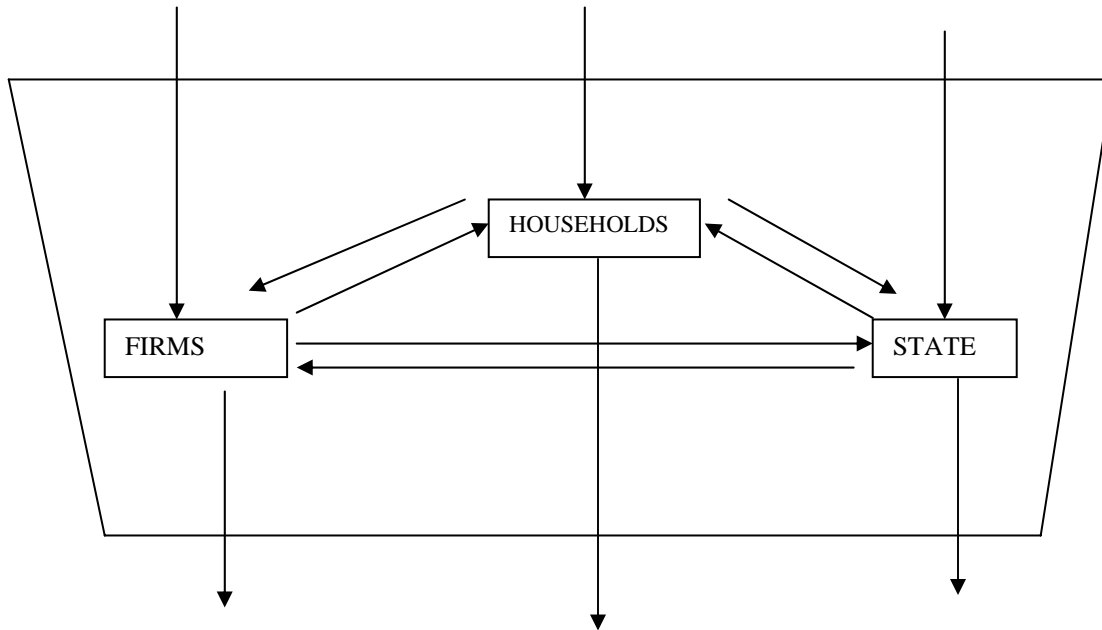
household consumption (food, clothing, furnishings etc.); household savings (to the extent that it is deposited in financial institutions outside the community) and investment (one could argue school fees for children are an investment); purchases of inputs to the production process by businesses in the community; purchases by government and non-governmental agencies; private and public sector wages to people outside the community; profits of businesses owned by people outside the community etc.

One way to start identifying these flows is for the community to do some simple brainstorming of goods that are produced locally versus those that are imported into the community.



Source: Adapted from - *Listening to the People: Linking National Policy and Local Action The PAPP Field Guide to Poverty Alleviation in Ghana*, Richard Ford, Francis Lelo and Barbara Thomas-Slayter, (2001) p. 25.

Next, a simple diagram can be drawn that identifies the main economic actors in the community. Community members can then try to identify the relative amounts of money that flow into, out of, and between each actor. The thickness of the arrow can be used to show the rough order of magnitude of the flows.

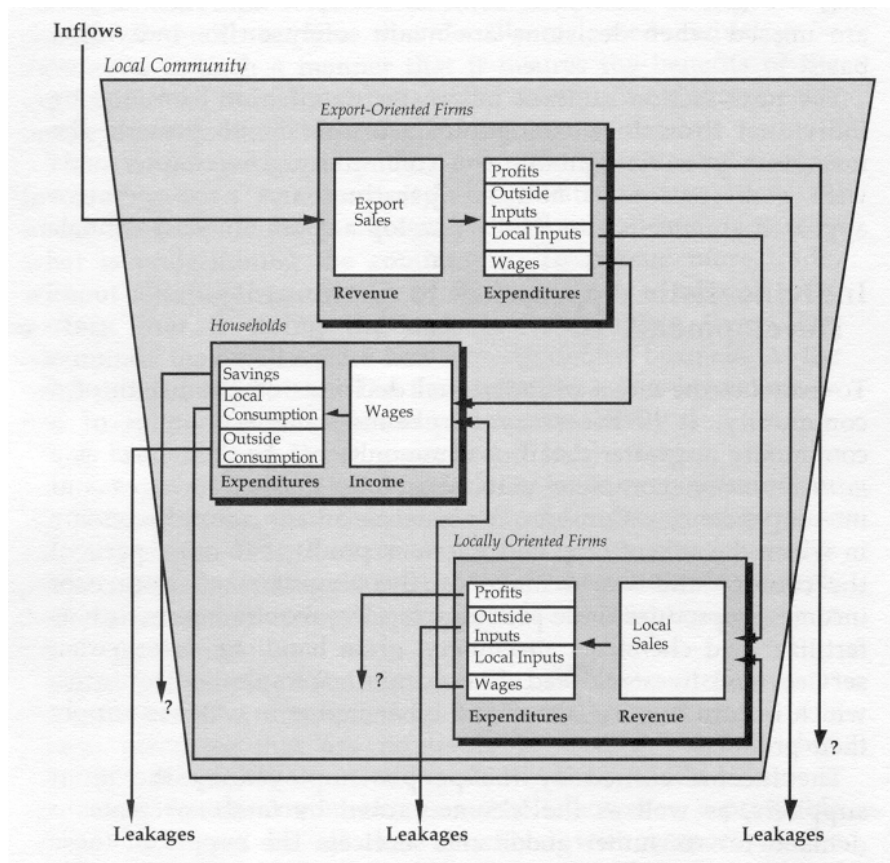


In 1991, Fairbairn (see diagram on next page) improved the analytical potential of the “leaky bucket” model by dividing firms into two categories: “locally oriented” and “export oriented”. The earnings of export oriented (selling outside of the community) industries are viewed as inflows. From a community perspective the balance between export and local trade therefore became critical. Export oriented firms bring new money into the community while locally oriented firms tend to circulate money within the local economy and reduce leakage. Both types of firms are important and the potential for linkages between them are often overlooked.

### ***Mapping Local Economic Flows***

An often overlooked community asset is the savings and spending power of households and local institutions (including larger businesses). In even the poorest communities people save and spend money. By examining community expenditure patterns, (asking households where, and on what, they spend their money) you will find that there is more local expenditure power than you think. Along with expenditure power, consumers have preferences:

- Preferences about which products to buy
- Preferences about which businesses to patronize
- Preferences about how far they will travel to make purchases
- Preferences about what prices they will pay for their purchases
- Preferences about what service they think is best



(Fairbairn, 1994)

In addition to households, institutions and businesses make decisions about where to purchase inputs, whom to hire and where to do their banking (or at least to place their savings).

### *The Community Perspective*

Many economic development efforts focus on “enterprise development”. There is an assumption that successful enterprises will benefit the community. Enterprise profitability often becomes a “proxy” for community economic development. But highly profitable businesses may not be that beneficial to the community as a whole. If businesses do not bring in new export income nor add value in any way, do not purchase inputs inside the community or if they destroy or consume large amounts of non-renewable local resources, then the firm may not be of net benefit to the local economy.

In order to be able to assess the health of the local economy, and the relative importance of various firms, it is helpful to know:

- 1) What amount of economic activity (and employment) is export oriented vs. locally oriented? If you know this you can get a sense of the employment multiplier; the

degree to which locally oriented sector has been built around the export base. You can then compare how the export base of various sectors in your community compares with those of other similar communities to see where opportunities for export or value-added production may lie.

- 2) What percentage of money coming into the community is likely to become income for local people (local wages/salaries/profits)? This can tell you how beneficial the export base is to the local economy.
- 3) What percentage of local people's incomes is likely to be re-spent in the community? Knowing the income multiplier can help you assess the health of the locally oriented sector. It is critically important that informal sector activities are included.
- 4) Where is money leaking from the local economy? This can reveal many opportunities to re-capture money through the local production of goods and services currently purchased externally (forward and backward linkages).

### **Leaky Bucket Analysis in Kaimosi, Kenya**

Below is an example of a leaky bucket analysis undertaken by a Coady Diploma Program Graduate (John Kennedy, 2001) on his own community in rural Kenya.

#### **Description of Community**

Kaimosi sub-location, which also happens to be my home, is located in Vihiga District, which is one of the most densely populated areas of the world with over 110 people/km<sup>2</sup>. Vihiga is a high potential area as it rains here most months of the year. Kaimosi sub-location is in the region of Vihiga that borders the largest rainforest in Kenya: the Kaimosi/Kakamega/Nandi forest.

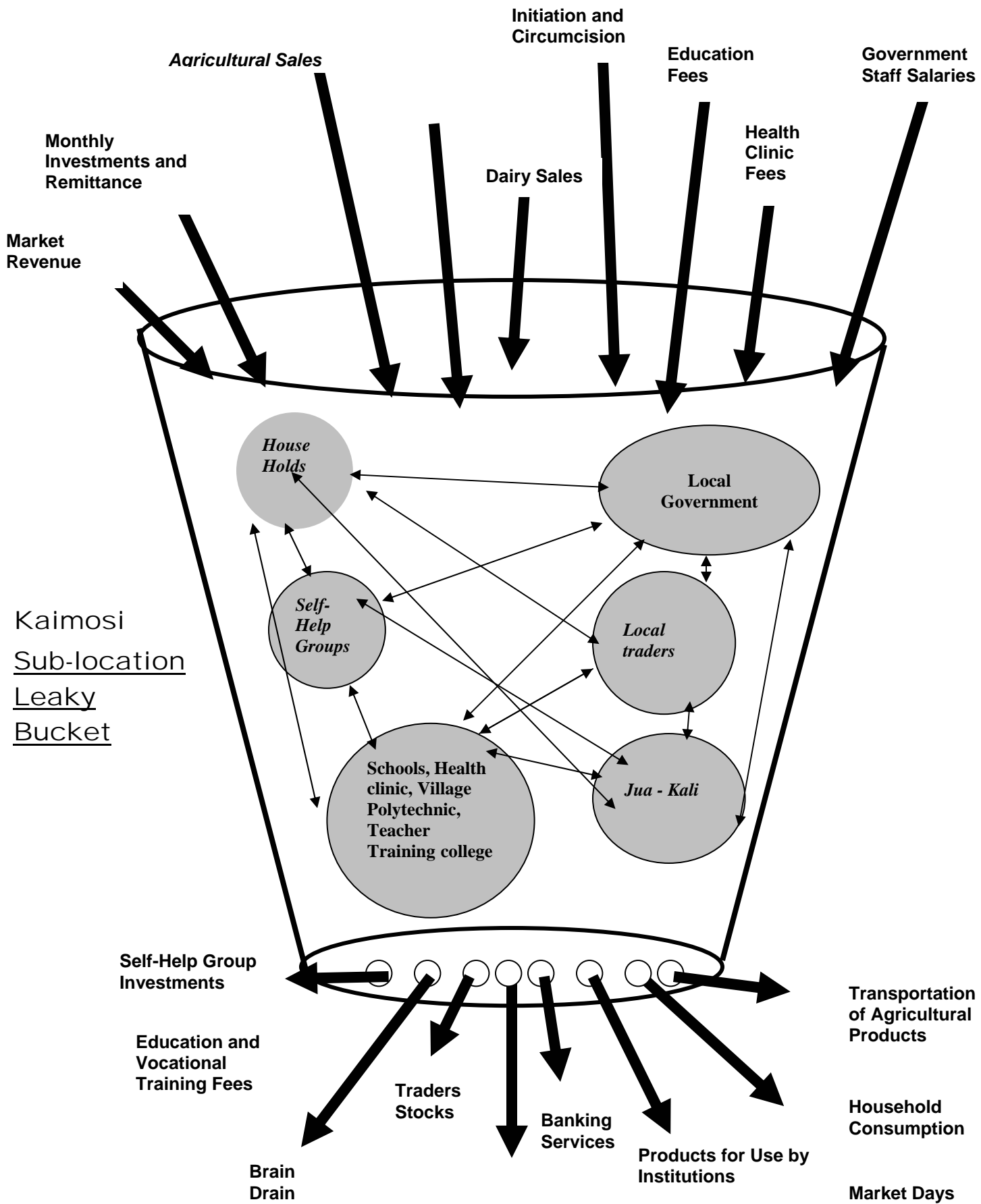
The people inhabiting this region, the Tiriki, are a sub-tribe of the larger Luhya community. They practice both subsistence and cash crop farming and also rear both indigenous and cross-bred cattle.

The social institutions existing in the community are a health clinic, two primary schools, a village polytechnic, and a teachers' training college. It also had a small trading centre and a market.

#### **Main Economic Inflows**

The main economic inflows into the community are:

- Investments and monthly remittances by parents and children working outside the community.
- Community members' sale of agricultural products (maize, millet, bananas, avocados, pawpaws, vegetables, coffee and tea).
- The college sale of dairy products to neighbouring communities.
- The weekly market day revenue from other communities. A market fee is collected from all traders.
- Fees: During circumcision/initiation into adulthood, adolescents from neighbouring communities are hosted at a fee in a forest dormitory managed by the community.
- Expenditures by families with many indigenous technical skills such as blacksmiths, herbalists, circumcisors, brick-making, etc. who are hosted by the village.
- Expenditures of all visitors to Kaimosi Forest Station who pass through the village.
- Government salaries for its employees.



## **Main Economic Outflow**

The economic outflows from the community are as a result of the following:

- Community members working and living outside the community (brain drain, and loss of income and expenditure to the community).
- Many institutions (health clinic, schools, college and polytechnic) buy products out of the community.
- A lot of money is spent transporting agricultural products out of the community.
- Children from the community go to secondary /high school outside the community.
- Community members bank their money outside the community.
- For mobility purposes, community members sometimes hire vehicles from outside the community.
- Logs from Kaimosi forest (which is being depleted), are sold without processing or adding any value.
- During market days, business people from other communities sell their wares and leave with their income.
- Most Self-Help Group money is saved, and products (iron-sheets, kitchen-ware) are acquired, from outside the community.

## **Flows Between Economic Actors in the Community**

The economic actors in the community are the households, self-help groups, local government, two primary schools, the village polytechnic, the teachers' training college, the health clinic, the "Jua Kali" (or informal sector) and the formal business sector. The significant flows between economic actors in the community are indicated by the arrows in the bucket:

- Households exchange/barter food and other products when necessary. They also pool labour for agricultural purposes.
- Households pay tax to the local government (as well as a 17% Value Added Tax to the State for many products acquired from the local traders).
- The local traders cannot operate unless they are licensed by the local government. This also applies to the "Jua-Kali" or informal sector.
- Households and all institutions rely on this group, for all consumer and repair work.
- Some households acquire small loans from this group by providing collateral.
- The social institutions, which include the schools, health clinic, village polytechnic, and teachers' training college, charge a subsidized fee for their service from the community. The Health clinic is paid a fee to provide health services to other institutions.
- Many women (from households) belong to Self-Help Groups (SHG)-"Sindikiza," literally put, "to escort." They make monthly contributions and escort each other to present contributions to households on rotational basis.
- Though SHGs depend on the households for survival, they sometimes donate money for education and healthcare to social institutions.

### Main Opportunities Identified Through the Leaky Bucket Analysis

The main opportunities for raising the level of economic activity in the community are:

- Expansion of local businesses, especially the “Jua-Kali,” to tap the money that institutions spend outside the community on products which are not currently available locally.
- The establishment of a community bank would address the needs of many community members who acquire soft loans from the traders.
- The Self-Help Groups, could invest in buying a lorry to transport agricultural products at a subsidized fee thus cutting the transportation costs while saving income for the households.
- The local market could be expanded with the construction of more stalls and encouraging more people from neighbouring communities to rent them.
- The community could request a license from the government to cut some trees at Kaimosi forest, (and plant new species), develop processed timber products at the polytechnic and sell the value-added products locally and out of the community.

### Exercise

- 1) Draw a leaky bucket diagram making sure to indicate the main economic flows:
  - a) into the community
  - b) out of the community
  - c) within the community

*(Hint: read over the community description and make a list of the relevant economic data first).*

- 2) What economic opportunities can you identify and what assets might be mobilized for community economic development?

### ***The "Leaky Bucket" Exercise***

*The Wikwemikong First Nation is a subgroup of the Ojibway people – one of the aboriginal tribes that first inhabited what is now Canada. More than 100 years ago the Wikwemikong First Nation signed a treaty with the Government of Canada, in which they gave up control of their traditional lands in exchange for a small "Reserve" now known as the community of Wikwemikong. In this treaty, the Government of Canada also agreed to provide ongoing funding for education, health and welfare, and basic municipal services.*

*The community of Wikwemikong is located on the eastern end of Manitoulin Island, which in turn is situated in Lake Huron, one of the "great lakes" of east/central Canada. The area is largely dependent on logging, mainly for pulp and paper, and tourism, although only in the summer months. The community is home to approximately 2,500 people.*

*An additional 2,000 members of the Wikwemikong First Nation live "off-reserve". Although they have left the community, most residing in nearby towns and cities where opportunities for work are more plentiful, they still have very strong family and community bonds. Many return to the community several times each year for visits and cultural events.*

*Jobs in Wikwemikong are scarce, especially for women. Men hold more than 70% of the formal sector jobs in the community. Approximately 40 people (38 of whom are men) travel out of the community each day to work at a nearby pulp and paper mill. As many as 500 community members of working age, depend on the Canadian Government for social assistance (financial assistance to prevent descent into poverty), during at least part of each year.*

*Driving into Wikwemikong one gets a sense of the local economy. Approaching along the main road from the south the first view is of the Municipal Complex and the Amik-ook seniors building. A glance west finds the Junior School, Nursing Home, Health Centre, Elementary School, and at the top of the hill, the Economic Development Agency. Just off the road to the east, the Municipal Garage and Fire Station are visible. Further along the car will pass the Post Office, the Sports Complex, and off in the distance, the Sewage Treatment Plant. Altogether these departments and agencies provide 170 formal sector jobs in the community. By comparison the only visible private sector institutions are a gas station, a small grocery store and a laundromat, which employ roughly 20 people, and are all owned by the same family.*

*Just beyond the border of the Reserve lies the village of Manitowaning, a mainly non-aboriginal community. Numbering less than 1,000 residents, Manitowaning has: three hardware stores, two grocery stores, two hotels, two variety stores, two restaurants, two insurance businesses, two gas stations, a clothing store, a butcher, a liquor store, two craft shops, a racetrack, and a museum.*

*A recent survey undertaken by the Economic Development Agency uncovered the surprising fact that one in three households on the Reserve reported having some form of "informal" cash generating activity. Women run at least half of these informal sector businesses. The survey produced a list of microenterprises which included: small home-based stores, backyard mechanics, tiny repair shops, woodcutters, sawmill operators, furniture makers, carpenters, traditional craft material gatherers, craft makers, and craft sellers who would travel to nearby towns to sell local crafts.*

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## Tools and Methods: 5

### Linking and Mobilizing Assets

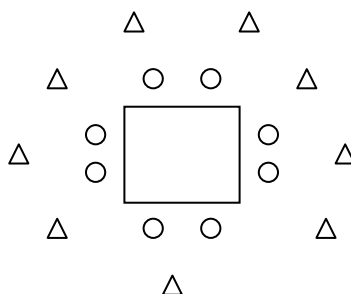
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- Convening as broadly representative group as possible for the purposes of building a community vision and plan
- Action-planning with interested community members

#### ***Convening as broadly representative a group as possible for the purposes of building a community vision and plan***

The process of systematically matching assets with opportunities often calls for some kind of community forum where the results of the mapping can be presented and analyzed. This usually involves the bringing together of a larger part of the community than just those who were involved in mapping the assets.

Who is at the community table for undertaking the analysis and the possible subsequent decisions to create an initiative? In an externally-driven community development process it is usually representatives of outside institutions (NGOs and government agencies) that tend to dominate this process. In an ABCD approach it is essential that citizens (either as individuals or as representatives of associations) are in the inner circle of decision making while institutions are in the outer circle supporting rather than directing any initiative.



#### ***Action Planning***

Several NGOs in Ethiopia have developed a process for helping communities undertake action planning by linking and mobilizing of assets towards a common vision.

Action Planning can range from a simple exercise to plan a one day event (“What do we need to do to repair the Church roof?”) to a more detailed activity (“What do we have to do to restore forest cover over the hillside in ten years’ time?”). In both cases, decisions have to be made about **What? Why? Who? How? Where? and When?**

In asset-based community development, *simple* action planning may be catalyzed by the process of appreciative interviewing and asset mapping. Often this renews a community’s confidence that it can make positive changes without any external assistance and a simple community activity is planned that can build on this momentum.

Other communities may instead choose to move directly into something *more ambitious*, requiring a clear vision and systematic planning. The following steps can be used to guide this process:

### **ACTION PLANNING STEPS**

1. Assessing assets and opportunities
2. Developing a future vision:
3. Identifying community assets to achieve the vision
4. Identifying partnerships:
5. Examining institutional consequences:
6. Understanding services provided:
7. Matching community actions with opportunities
8. Assessment of potential changes in asset base of all community members

#### **Step 1**

**Assessing assets and opportunities:** While carrying out “purposeful reconnaissance” and appreciative inquiry, formal and informal discussions have been held. During these discussions, memories of how people organized to improve their communities have surfaced. Reasons why people took action at that time are also discussed. Then, during the asset mapping phase, the resources, assets, skills and talents of the community are highlighted. Through community economic analysis, the community can begin to build an understanding of the local economy and where the opportunities lie for increasing the level of income earning economic activity.

The results of the inventory and mapping exercises are displayed so that everyone can assess the assets:

- **Social Assets:** List of associations, collective experience
- **Individual skills and talents:** List of skills and talents and who is willing to share them
- **Institutional assets:** Lists of government, NGO and private sector institutions and their services
- **Physical assets:** Community map
- **Natural assets:** Community map, transect
- **Community Economic Analysis/Economic opportunities:** Leaky bucket diagram



Source: Adapted from Petra Rohr-Rouendaal (2001) *Where there is no artist*, Intermediate Technology Publications.

## Step 2

**Developing a future vision:** This is when the community develops a vision of what they would like to see in their communities in 5 or 10 years' time. A brainstorming session can be used to generate ideas, and this is often made easier by the fact that people have already started to think about their assets and may have thought about what the possibilities are. It may be a good idea for different groups (such as women, elders, youth) to discuss their different visions. These will then have to be integrated into a common vision. It is at this time that the facilitator can encourage people to think about how assets can be linked and mobilized towards that vision. The vision may include a number of different ideas. As consensus starts to build around a common vision, it can be mapped or drawn by community members.

## Step 3

**Identifying community assets to achieve the vision:** At this point, the community members can begin to identify what specific assets they can use to achieve their vision. It may be helpful at this point to review the leaky bucket analysis as any economic opportunities identified may be helpful to the visioning process.

Future change	Steps required	Local assets that can contribute	Outside assistance required
Reforestation of hill slope	1	<i>Relevant local assets</i>	<i>Seedlings for tree nursery</i>
	2		
	3		
	4		
Sustainable intensive agriculture	1		<i>Clear explanation of certification system</i>
	2		
	3		
	4		

## Step 4

**Identifying partnerships:** At this stage, people make suggestions about who will take part in the action. Sometimes people will volunteer themselves. Sometimes, based on the skills identified in Step 1, they will be invited to contribute because their particular skill or talent is valued and needed. If there is a need for an outside partner, the community will identify who that could be.

This step can be merged with Step 3 or carried out separately.

Future Change	Actions required	Local assets	Who will be asked to give? (mention associations or individuals)	Outside assistance	Who will be asked?
Reforestation					
Sustainable agriculture					

## Step 5

**Matching community actions with opportunities:** Events happening elsewhere may be seen as opportunities to bring positive change to the community. For example, a major highway may be built that is some distance from the community, but which helps the community by providing easier access to urban markets.

Elements of vision	Community actions required	Matching community assets	Matching services and opportunities available	How to address gaps
Reforestation				
Intensive agric.				

## Step 6

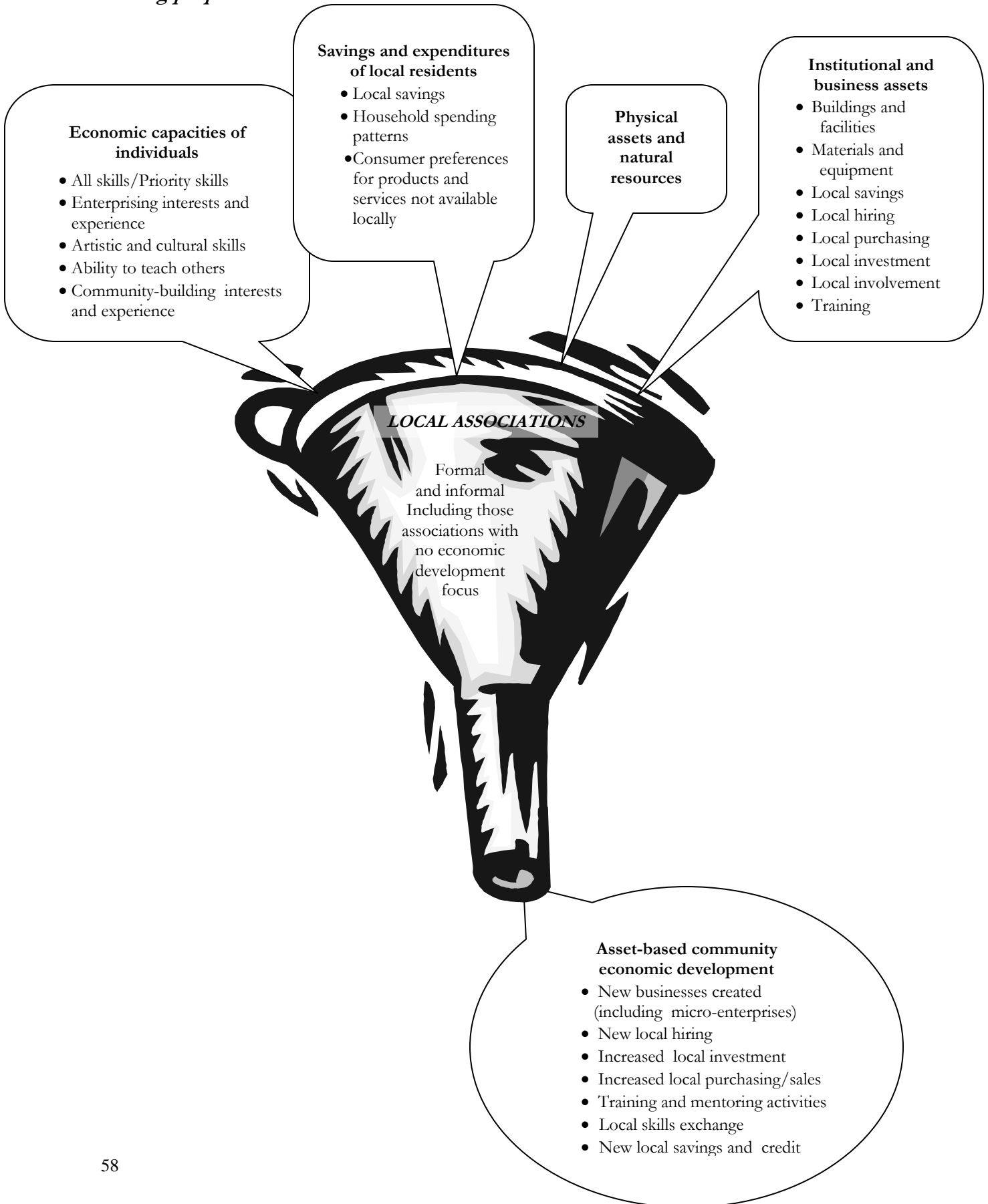
**Examining Institutional Consequences:** With local service providers invited to attend a meeting with community members (the organizing committee), this step examines what changes each stakeholder – the community, local government, NGOs and the private sector – needs to make to better support the community vision.

## Step 7

### **Assessment of potential changes in asset base of all community members**

At this stage, community members check that the process and expected benefits are inclusive of all members of the community. Community members should expect to see their “asset portfolio” expand and diversify.

*Mobilizing the community's assets for economic development and information sharing purposes*



### ***Building relationships among local assets for harnessing opportunities within the community***

As the preceding diagram illustrates, local associations are the vehicle by which the skills and capacities of individuals, the assets of institutions and businesses and the physical and natural resources of the community can be identified and then mobilized in new combinations to help build or rebuild the local economy.

#### **Building relationships among community assets**

An asset mapping exercise might well discover that even though a village does not possess a school, all the building skills, materials and labour are present in the village. Similarly, many microentrepreneurs may lack access to formal credit markets yet villagers' savings are being hidden in people's homes or kept with local moneylenders. A mapping exercise might also uncover that most women are skilled in a variety of handicrafts and that these women have organized themselves into local craft associations. These craft associations could be a vehicle by which women come together to bulk purchase materials. Eventually these associations might link with indigenous and northern NGOs that help with technical assistance in design and marketing for the urban-domestic, and international markets.

An asset-based approach also creates new relationships within and between associations. Voluntary groups that have no experience or apparent interest in community economic development have been known to take on local economy building initiatives. In Gaidakot, Nepal a voluntary club that was formed to provide recreation facilities for youth expanded their focus to include economic development and over the past few years has helped create the largest rural credit union (VCCU) in Nepal. This savings and credit cooperative has supported the creation of dozens of new income generating activities by matching local people's skills and interest with capital (mobilized solely from local savings).

The following diagram presents a depiction of how members from the community of Midkiwan in the southern Philippines plan to link and mobilize assets. The outside organization that facilitated the asset-based community development approach in Midkiwan is a Coady partner organization (SEARSOLIN) based on the campus of Xavier University in Mindanao.

*Handout to follow*

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## Tools and Methods 6: Sustaining the process

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- Demonstrating success as leverage for further investment
- Mobilizing additional resources through partnerships with outside agencies
- Help groups to work together – but let the most appropriate structures emerge gradually
  - Association of associations?
  - Community Foundations?

This is perhaps the most critical part of the ABCD process. As a methodology ABCD is in an early adoption phase and thus where it is being applied (South Asia and Africa) it is too early to say how the process will be sustained. The following section addresses ways in which NGOs can assist communities make the transition from undertaking small community-driven initiatives using their own resources, to undertaking larger initiatives in partnership with other stakeholders, while at the same time maintaining a community-driven process.