

Enterprise Development Training Course

DAY SIX - SESSION TWENTY

Group Enterprises - When and How?

Objective: to enable participants to identify situations when group enterprise may be appropriate and to assist them effectively.

Time: One to one and a half hours

Material:

Sufficient copies of the Shantyburg Women's Groups case study.

Session Guide

1. Remind participants of the previous session. Group enterprises are not always the best way for people to run businesses. NGOs can do more harm than good by promoting groups when they are not appropriate or by misdirected assistance to them when they are.

We should not discard the whole concept of groups because it has been often discredited by governments and even by NGOs. The objective of this session is to help us identify the types of activities when groups are effective and then learn how to assist them in such a way as to help and not destroy them.

2. Many NGOs fund and effectively manage activities in communities but, if the NGO is to be able to withdraw, these activities must be owned and managed by the people. However, it is not always possible to start an activity under genuine community ownership and management and organisations often fail even to try because of the urgency of the need which the activity is set up to satisfy, or because there is nobody in the community with the necessary skills to manage it.

Ask participants to suggest examples of such activities and build up a list such as the following (without the G or P at this stage):

A savings and credit programme	G
A vehicle to transport people, crops and farm supplies	P
A well or other irrigation scheme to serve small farmers	G
A storage shed	P
A crèche	G
A retail shop to sell handicrafts	P
A raw material supply service	G
A tractor or threshing service for the farmers	P

Ask participants to imagine that their organisations have set up these enterprises and must now withdraw. Allow them up to ten minutes to decide which of these activities, all things being equal, would best be taken over by a community or group enterprise and which would best be owned and managed as private businesses.

3. Ask for their suggestions. Clearly there are no hard and fast rules and each decision should be taken on its merits, in consultation with the community. The right hand column of G for group and P for private represents one set of opinions. Hold a brief discussion on each case and evolve a list of criteria which favour group or private enterprises. This might include the following:

Group enterprises may be best when:

- it is difficult to make individual charges for the service
- the activity does not require full time management
- all the members have a vital personal interest in the service
- the activity does not require fast decisions
- the task is fairly risk-free

Private enterprises may be best when:

- there are likely to be competitive suppliers, to prevent exploitation
- the activity needs instant decisions on issues such as prices
- the community will not all benefit equally from the service
- the activity involves high risks
- the activity demands very hard continuous commitment
- the activity is one where it is difficult to share the work

Remind participants that the choice should of course rest with the community. Nevertheless, an NGO must be ready to advise its clients, and such advice should be given not on the basis of any prejudice or ideological preference, but on a realistic assessment of what will be best for the people.

4. Distribute the handout, The Shantyburg Women's Groups. Allow participants up to twenty minutes to read it. If time allows, they may then discuss it in groups or they can be asked for their individual views.

The case study can be interpreted in many different ways. Encourage discussion and obtain suggestions such as:

- Organisations should avoid giving gifts to anyone, since this 'pollutes' people's motives for participating in any future activities the organisation may undertake.
 - Even matching grants can be dangerous. People can never have the same sense of responsibility for money which is not their own.
 - The best policy for an outside change agent is often to float ideas and then leave people to do what they want to do. Too much follow-up can be worse than too little.
 - People should be allowed to sort out their own problems whenever possible. Any intervention to exclude Mrs. A would in fact have been disastrous.
5. The case study showed how groups can be very effective indeed and participants should have many similar examples. Groups are like sensitive plants, however - it is very easy to starve them but they can also be killed by over-feeding. It is important for outsiders to understand the processes involved in group formation, in order to know how to intervene or not to intervene, at the different stages of group development.

It is unlikely that any of the participants' enterprise experiences have been organised on a group basis, perhaps because they were not well-acquainted with one another when the course started or because people's natural preference is to work on their own. Ask participants to imagine that one of them has suggested that they themselves, as a group, should now undertake some activity such as organising an evening's entertainment. What stages would the group go through, in terms of its own development, before it would start to perform the task?

Participants may find it difficult to imagine what would happen. Ask them to recall any similar occasion when they have been members of a group. What stages did that group go through?

Most groups typically go through the following stages:

- a) The group comes together, usually with great enthusiasm (Forming).
- b) The members disagree over the activities and responsibilities, and some may drop out (Storming).
- c) The surviving members agree on office bearers and procedures, which limit disagreements and other problems (Norming).
- d) The group starts to undertake the actual tasks it was set up to carry out (Performing).

6. Ask participants to suggest what types of intervention, if any, are appropriate at each of the four stages of this process of "forming, storming, norming and performing". Ask them to support their suggestions by reference to their own experiences.

Elicit suggestions such as:

- a) During 'forming', outsiders should limit their intervention to suggesting (but not aggressively promoting or financially rewarding) the idea for the group to form. Members must be able to choose or reject their own fellow members.
 - b) During 'storming' outsiders should keep away and should not in any way try to persuade hesitant members to remain or to resolve outstanding issues for the group. It is up to them and it is better to allow a group to fail at this stage, than 'artificially' to keep it alive so that it fails later when far more is at stake.
 - c) During 'norming' outsiders can help with advice on procedures, responsibilities and regulations. The outsider must only advise and not take over, but he can offer valuable advice at this stage, when the group is ready to regularise its affairs.
 - d) Once a group is performing, it should be strong enough to make use of outside assistance without being taken over. The three earlier stages, and particularly the 'storming', may be necessary for the establishment of a strong group.
7. Summarise the session by stressing the most important skill in developing groups for enterprise may be to know when not to intervene. Paradoxically, the most successful groups are often the ones which have received the least assistance.