

# The conditions of success or failure of farmers' groups: A case study in Xam Nuea District, Houa Phan Province



This report is the result of a study conducted in Xam Nuea district of Huaphan Province, where a Shifting Cultivation Stabilization Project (ADB - UNODC) was implemented between 1999 and 2006. The main purpose was to study group's implementation for community development. It aimed at drawing lessons from past experiences about (i) the factors that strengthen or weaken farmer's group and (ii) the social network involved in rural community development.

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## ❖ Objectives

- To learn from both achievements and mistakes of past initiatives in developing farmer's groups, local organizations and cooperative models.
- To understand the social networks which contribute to the emergence and to the survival of farmers' groups after the end of the development projects.

## ❖ Study sites

The study was implemented over a six months period from November 2007 to April 2008

It took place in five target villages [Ban Hamtai, Ban Houaykhong, Ban Nahouay, Ban Phonxay and Ban Korhai] of Xamnuea district, Huaphan province. The study sites were selected across a gradient of agricultural intensification from shifting cultivation to permanent agriculture and a gradient of integration to market. Both gradients are influenced by village accessibility.



## ❖ Methods

- Basic quantitative data were collected for all households (367 HH) on livelihood systems and group membership in the 5 selected villages. They were analyzed statistically (chi-square tests and correspondence analyzes).
- Qualitative data was collected from semi-structured interviews of key informants, focus group, direct observations and survey of 47 household group members and 13 farmer group leaders. Households were sampled based on the first survey to cover a large range of situations. Most of the interviews were carried out in the respondent's house as this also provided a chance to observe living conditions.

## ❖ Key findings

- Setting up groups based on existing activities in the village has better chances to succeed.
- Wealth and status of individuals in the community are the main factors to access to credit (Khi2 test highly significant). Poor households hesitate to get credit as they fear they may not be able to reimburse. On the other hand, group leaders worry to serve credit to them because there is a high probability they would fail to pay back the loan.
- The leadership is the main factor - after access to credit - that encourages members to join the group (92% of respondents). The group leader should be an individual interested in the group activities and who has knowledge and skills related to these activities.
- Good communication between group leaders and members is a key factor to success. The members usually refer to the leaders as the main factor of success in group management (87 % respondents). On the other hand, the leaders said their success relies heavily on the members and of the social bounds within the community. The status of the leaders in the community impacts on the group management (power, connections in social network).

## ❖ Household typology

Three groups of households were identified from the statistical analyzes:

- **A** - 10% - high ranking position in the village, medium age of HH head (40-50 years), large family size, leader position in farmers' groups,
- **B** - 69% - medium economic status and better-off farmers, large livestock herd, credit group members,
- **C** - 21% - poor households, young (< 30 years) or old (> 60 y) HH head, low membership in farmers' groups.

## ❖ Implications for research and development

- Conflict management mechanisms should be developed at the district or Kumban level (by the LWU or other independent agency) to avoid small conflicts to degenerate into big one that created lasting tensions within the village communities. In most case the problem is not technical but social.
- The capacity of the leaders, be it at village, Kumban or district level, to sanction faults rapidly is essential to avoid the spread of bad behaviors that jeopardize any efforts of other group members.
- It is therefore important that the groups are offered the possibility (i) to build-up at their own pace with activities they are confident with, (ii) to develop the social linkages and the trust necessary to engage in further activities, (iii) to set up their own monitoring mechanisms with the support of a third party that will still be present at the end of the project and will help during the critical transition towards a self-managed independent group.

