

## 0605. 1<sup>st</sup> Progress Report on the DLDP 2nd Phase (Sep 1992)

*This Report contains 3 sections.*

*Section 1 deals with the contextual background in which the project was conceived and is being implemented.*

*Section 2 gives detailed figures on the build up and functioning of the CCFs, the village level instruments through which this project is being implemented.*

*After describing a major education campaign which formed the backdrop for the project, Section 3 goes on to chronologically describe the activities undertaken by the Coolies of Bagepalli and highlight the many issues which arose.*

Sombre and serious was the mood here on 8th November 1991 when NOVIB's official sanction letter for the 2nd Phase of the Dry Land Development Project reached us. There was no jubilation or sudden elation of spirits which normally accompanies the approval of a long awaited proposal. Obtaining of funds was not an important accomplishment in itself. Instead the date marked the final break the people had to make from past realities.

ADATS had placed itself on an almost untenable limb by staking so much on NOVIB's appreciation of a very subtle description and complicated argument. But we were overwhelmed by other emotions when the sanction letter did come. Whether our insistence on the Coolies shedding hitherto held survival strategies was valid. Whether internal rectification and the creation of a social milieu was the most vital prerequisite. Whether the Coolie Sangha would evolve into the community capable of fostering positive individualism in its member. Whether the Coolies would be able to etch a security and self respect for themselves in the emerging market economy.

On hearing of the sanction, the Coolies privately pondered the big step they were about to take in a quiet and poignant way. A step which would alter all hitherto valid but now fast becoming obsolete equations which had kept them at subsistence in a peasant economy. And prepare them to enter into the new land of opportunities where there would be no subsidies, no reservations, no special considerations and a severe credit squeeze.

Many months of intense discussions had preceded this approval, making the official start of the project almost a second phase in the implementation of a Herculean readjustment process which the Coolies had undertaken in the context of the nation's structural adjustment. A culmination of months of careful reflection and planning.

### 1. CONTEXTUAL BACKGROUND

For the very first time in nearly half a century, macro economic changes in India have a direct bearing on the micro realities of her citizen's day to day living. All of a sudden, the common woman and man cannot afford to miss the daily news or not read newspapers. Every single happening of the past 15 months have a direct bearing on the every day living of each and every one of us, women and men, in the cities and countryside.

#### 1.1. Changes in the Indian economy

The economic situation in India has been undergoing very fundamental changes since mid 1991. The political economy is rapidly transforming from a pretence at socialism to a competitive market economy.

We share the common concerns regarding the many negative impacts which flow from fatalistically accepting the mainstream economy as an inevitable fallout of present trends of today. We are appalled, just as everyone else, and frightened that these mainstream developments

will lead to an inhuman and continually de-humanising set of consequences. But we do not think it correct to therefore reject the predominant trends of capitalisation, close our eyes and wish it away.

When capitalism is being ushered in at such a rapid pace by forces beyond our control, we have a role in preparing the Coolies to enter into it with dignity. Otherwise, in spite of all our empty curses and eloquent condemnations, they will be forced by circumstances to crawl into the new social order on their knees and land in the slums and pavements.

Because poor peasants eke their subsistence *outside* the market system. They will not derive any benefit from the increased commodity production which will result from structural adjustments in the Indian economy. Not even marginal benefits which the urban poor can hope for through the flourishing of an “informal sector”.

On the other hand, a reduction in State subsidies and schemes for their betterment will not only hit the poor peasants, but the peasantry as a whole in semi arid drought prone regions like ours. Middle peasants who supplement their uneconomical cultivation and paltry farm incomes with cuts and profits siphoned off from the implementation of anti poverty schemes will be as badly hit by the contemporary process as the poor who depend on them for their livelihood in a clientele status.

While increasing bargaining power and struggling for their rights remains vital for the Coolies to survive with any measure of dignity, struggle alone will no longer assure them a security. Poor peasants in India have to adjust to the new reality without merely crying against the wind, even when the logic of the market economy is intrinsically against them.

## 1.2. Entrepreneurship

Readjustment to these changes cannot be simplistically understood as just the learning of new skills, shaking off a supposed lethargy, or working hard. It needs far more than the creation of physical infrastructure of technology transfer, credit, logistics and markets. Entrepreneurship has deeper requisites and certain societal preconditions have first to be fulfilled.

The State fulfils these, including the reshaping of normative values of the population and the making of socio-legal adjustments, for the advantage of only a select few. Liberal elements in capitalism, like democracy and human rights, sometimes makes us loose sight of the fact that the bourgeois State is class oriented and not market oriented. It is an organ which works exclusively in the larger interests of a particular class. It possesses no idealism and has no special commitment to capitalism as such. All that is in the interest of promoting the market, per se, is not in the interest of either that class or the State.<sup>1</sup>

The State very deliberately ignores the creation of a congenial climate for the vast majority to enterprise since this would go against the inherent logic of capitalist development - the development of a few and a trickle down effect for the remaining. Through their mass organisations, the Coolies have to actualise spaces and improvise a milieu for themselves.

At a micro level, individual poor who have only just come out of semi-feudal stagnation will find it very difficult to grasp these prerequisites. Entrepreneurship is very different from hard labour. It requires specially developed managerial and conceptual skills which enable one to

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<sup>1</sup> The earlier State, which made an almost 5 year preparation for this radical restructuring of the economy, had to make pretences at reaching out to everyone. The logic of new schemes they launched for the general population were attractively packaged. They reduced problems of poverty alleviation to easily solvable ones in environs of good management gilded with abundant good will and well meant intentions.

However, the catch in their plans was that there were 2 vital prerequisites for their success. The 1st was that the borrowers had to be prepared to enterprise, and the 2nd was that they had to understand a cash economy. Both these were alien to the Coolies, and the socio-cultural norms of village society did not encourage the poor to enterprise. As a result, none of these “golden opportunities” were “utilised by the rural poor”.

plan ahead and deal with market forces. The cash economy is cruel and unsparing, having none of the cushion which even the harshest of feudal realities had as safety nets for the poor in the webs of intricate patron-client structures.

Only a cohesively organised lot, capable of astute societal analysis, with the strength which comes from the large numbers that sustain serious efforts, the in-built discipline to instil confidence in its members to follow complicated strategies, can find the difficult paths and actualise spaces for themselves in the maze of subtle possibilities which capitalism unwittingly opens out for its victims.

Entrepreneurship requires this very special atmosphere wherein a knowledgeable and effective community responsibly strives to strike a balance between support, encouragement and control over its individual members on the one hand, and reshape the wider reality in its favour on the other. Only such an effective mass organisation will be able to deal with the dilemma of entrepreneurship; that in order to enterprise a favourable milieu has to be created, and only through enterprise can this milieu be created.

### 1.3. Rise in Fundamentalism

Many are going to be the people who will be left out of the direct and indirect designs of capitalist development. Many are the ones who will attempt to enterprise without community support and lose their everything. Many are going to be marginalised with no hope of benefit from the new order. This is an obvious result inherent in courses that bet on the development of a few.

Capitalism in India is not going to follow the text book model of the bourgeois democratic revolution killing all feudal relations as under. Nor is it going to create a people who chase the pipe dream of permanent growth. Capitalism in India is going to follow the maxim of uneven development, leaving large tracts untouched by what it has to offer, except perhaps in negative implications.

The population of India is not going to be homogenised into a uniform proletariat. There are far too many of us for that to happen. And technology is too advanced for it to be necessary. Instead, periodic regrouping of the frustrated and marginalised into caste, ethnic, regional and religious formations will lead to orgies of violence and mayhem in different parts of the country from time to time.

Superficially these may appear to be popular protests against imperialism, but a mere scratch at their surface will reveal the ugly faces of fundamentalism, chauvinism and intolerance. Neither will they be stray and unconnected incidents. The danger of rightist rule in India is very live and real.

### 1.4. Consequences for the Rural Poor

It must be borne in mind that none of the negative consequences we list below as illustrations will be brought about in a politically unacceptable manner. They will all be pushed through using the “inevitability” argument. Bourgeois democracy has the astuteness to bring about such changes in a very quiet and “acceptable” manner, manipulating the opinion of the urban middle class in a very dextrous manner.

They will hit the hardest in regions lacking grassroots political processes and democratic practices are weak; where no authentic organisations of the poor exist. This is a fair description of vast tracts of rural India where the population will be dumb struck by events which take place at too fast a pace for them to contemplate.

#### 1.4.1. EXTRA ECONOMIC COERCION

The unorganised and politically weak poor in the countryside - those without Coolie Sanghas, for example - will pay a heavy price for the mainly urban communal disturbances. Wherever strong and powerful Coolie mass organisations do not exercise a decisive influence, a feudal like power structure will be allowed to emerge in rural pockets.

The State will, perhaps unwittingly, permit these new power Centres to tackle law and order problems with an extra-economic coercion for as long as the population of these pockets are not needed in the mainstay of capitalist development. This will be a prescription for chaos. This new power structure will have none of the patron trappings that the earlier landlords had and their rule will turn into a new form of tyranny, albeit with the indirect blessings of a bourgeois liberal polity.

#### 1.4.2. OFFICIAL TYRANNY

Bourgeois democracy will set its cleansing machinery into operation. The gradual conversion of bureaucratic profit in the form of bribes and corruption into industrial profit has to be noted. With a lessening of government controls and red tape, official corruption will no longer be tolerated in places where a liberal middle class value begins to assert itself. This will, naturally, be in the cities and towns.

As a result all the losers - corrupt inefficient officials and demented policemen - are going to flock for transfers to the villages where their writ can still rule. This will only add to the agony of the rural population in general and the poor peasantry in particular.

#### 1.4.3. REDUCTION IN BASIC SERVICES

State attitudes towards the provision of basic services will also change, following the same principle of pocket development. Even the most basic of amenities like drinking water, electricity, roads and low cost houses will no longer be citizen rights that the population can demand and a conscious State has to at least pretend to satisfy in some measure.

Instead, expediency in providing an infrastructure for capitalist development and other considerations extraneous to people's pressure will determine the taking up of even basic schemes like public transport, health and primary education.

#### 1.4.4. THE CHARACTER OF THE NGO SECTOR

This will also effect the character of the NGO sector. Conditions will deteriorate to such dismal levels that development workers who relied on narrow determinism to analyse society will face an intellectual bankruptcy.

They will be drawn by the "inevitability" logic into making sectoral interventions instead of helping the poor manoeuvre into more holistic positions of strength in the new order. A new form of charity will develop in our sector. The State has already hinted at development workers undertaking the creation of a safety net and will welcome this shift in NGO priorities.

#### 1.4.5. THE CREDIT SQUEEZE

Along with a drastic cut in subsidies and anti-poverty programmes there will also be a severe credit squeeze in the villages. Banks will no longer be compelled to treat rural lending as a priority sector and this will have an immediate impact on both, capital availability as well as interest rates. Even co-operative lending will be hit.

Once again many NGOs will move to sectorally intervene, believing rural credit to be the cornerstone for all other economic development. They will fail to grasp credit as an integral part of an overall socio-political agenda to strengthen the poor.

### 1.5. Creating a congenial milieu for Coolies to enterprise

To understand its response to current developments in the national panorama, we have to take a look at the past few years when there has been a steady coming of age in the BAGEPALLI COOLIE SANGHA (BCS). An intuitive and almost clairvoyant grasp of subtleties which has enabled it to travel beyond the retinue of pretended practices and reach to the core of democracy itself. A democracy without which enterprise is impossible.

The BCS seriously embarked on a course which can best be described as strategic adjustments to the modernisation process unleashed in wider society. It concentrated on internal rectification and has achieved far reaching results. It has, in a way, transmuted itself beyond a trade union function of enhancing the bargaining power of Coolies and protecting their parochial rights. Without abandoning the path of struggle, it has at the same time allocated politics to the back seat.

It has emphasised that change has to begin with Coolie attitudes towards caste, religion and women. It has ascertained that all other changes required to survive in an altered world will follow only when an enterprising people first break the shackles imposed by these institutions.

In the case of evidently wasteful expenses on social custom demanded by the practice of caste and religion, this is easy to understand. But the true accomplishment of the BCS has been in its ability to recognise macho behaviour as being self destructive for both, women and men.

### 1.6. Individuals & Community

The BCS saw individual identity as not the same as laissez-faire's self centeredness. Nor as merely antithetical to communism's collective. The existence of an individual was recognised to be possible only in community and the relationship between the two was understood to be dialectical.

The individual was not seen as a fragment of this collective called community, but as a whole and complete person whose identity had to be protected and nurtured by the community. The community was seen as a body which protected individual personal rights to grow, express, ascertain and strive for betterment. In exchange, the community claimed the right to prevent individuals from developing macho traits and encroaching upon other's personal rights.

Consequently, the identity of an individual was redefined and the BCS came to see itself as a community which protected individual Coolie identities. It is still grappling with many unresolved issues on this score.

### 1.7. Concrete responses by the BCS

Even if it were to be argued that these changes were at ADATS' behest and due to some sort of an intellectual input from our side, there are concrete indications to show that the BCS has internalised them and made a clear departure from convention.

It declared its concern for individual Coolies in very concrete terms in 1990 with plans for the poorest of the poor. The interests of women headed households, the landless and the scheduled castes were placed before that of the remaining majority of relatively better off members. The latter decided to not avail any loans from their CCFs till each and every Member Coolie family had an assured minimum income of Rs 500 a month<sup>2</sup>.

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<sup>2</sup> In late 1991 the BCS revised this figure to Rs 1,000 per member family per month

With this Nirupeda<sup>3</sup> Declaration of 1990, the BCS clearly placed itself apart from and above prevailing norms of village society. It earned an identity as humane and different in the perception of everyone in Bagepalli taluk. This at a time when the general crisis was driving people to seek pseudo identities in caste and ethnicity.

Events of less than 2 years back show that the socio-political credibility of the BCS has been greatly enhanced. It was able to provide a positive social leadership at a time when senselessness and mayhem ruled the day in late 1990. A short while thereafter the BCS provided political leadership to the population at large when it worked to defeat communal forces. Today it is widely acknowledged that only the structures and discipline of the Coolie Sangha will help the Coolies escape an onslaught of economic destitution.

### 1.8. Supporting the Coolies to Enterprise

Entrepreneurship is the key to survival in capitalism. But they have to create the milieu to enterprise by themselves since the State is not going to do it for them. This milieu has to be both, physical as well as socio-cultural. It is equally important to learn new skills, organise infrastructure, arrange for credit and markets as it is to build the Coolie Sangha into a community capable of supporting individual Coolies to enterprise and exercise a control over these individuals at the same time.

New forms of enterprise have to be discovered since traditional activities may no longer pay - their lack of innovation has to be countered. Differences in pace between the semi-feudal and capitalist economies have to be understood and the increased rotation of capital has to be grasped. The rural poor cannot do all this by themselves. They need our responsible steering and support.

### 1.9. Creating a Safety Net for the Coolies

The breakdown of traditional support structures like the clientele protection they received, first from their patrons and then the State which they looked up to as inclined in their favour, has put the Coolies in a position of great disadvantage to even survive. Under these circumstances, they will not be too inclined to go into matters of asset creation.

The BCS recognised a safety network as a vital and indispensable part of the milieu to enterprise. Industrialists, big business and organised labour concern themselves with an exit policy. For the Coolies, it is an assurance of minimum's. That their paltry assets, built at great personal risk with sweat and struggle will not disappear in the face of illness or some family crisis.

What follows is a progress report on this major economic project to promote entrepreneurship which is being implemented by the BCS in the older CSUs of Bagepalli (Old and Chelur Areas) with NOVIB assistance. The current slogan is to make each and every Member Coolie family rich within 2 years!

## 2. COOLIE CREDIT FUNDS

*The main activity envisaged in the DLDP 2nd Phase project is to give grants to individual village level Coolie Credit Funds (CCFs) in order to enable the Coolies to implement grass-roots planned poverty alleviation plans.*

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<sup>3</sup> Poorest of the poor



## 2.1. What are the CCFs?

CCFs are village level alternate credit structures which ADATS has helped the Coolies build up in their respective villages. Based on recommendations from the taluk level apex body, the BAGEPALLI COOLIE SANGHA (BCS), ADATS gives periodic grants to the village CCFs. These grants comprise the CCF capital and are kept in their respective bank accounts which are operated by their own elected signatories.

Books of accounts for the hundreds of CCFs are maintained by the BCS centrally at Bagepalli since the corpus identity of the CCFs is as branch accounts of the BCS, which is a registered body having its own legal identity, separate from ADATS, and independent fiscal status under law.

Member Coolie families of each village CSU themselves decide as to who should be given a CCF loan, how much, for what purpose and when she will return it. These decisions are made separately and independently in the weekly mixed CSU Meetings and exclusive women's Mahila Meetings. They are then ratified in the weekly Cluster Meets.

Safeguards for village autonomy and expressions of pluralism in the CCFs are foolproof and cannot be tampered with. Though several broad policy guidelines to govern CCF procedures are set down by the BCS from time to time<sup>4</sup>, the apex body has no powers to either interfere with the actual process or dip into the village level CCF capitals under any pretext whatsoever. Even when a CSU drops out for whatever reason, the CCF capital and Sangha Fund of that CSU is automatically bound by law to stay frozen in its own bank accounts till the revival of the village unit. These safeguards are incorporated into the registration deed of the BCS as non amendable clauses.

## 2.2. Sangha Funds and the Hidden Costs of CCF Loans

Though there is no interest charged on CCF loans, there is a hidden cost. Borrowers contribute 10% of the loan amounts they take to their respective CSU bank accounts. These Sangha Funds are separate from the CCFs. They are savings made by the Coolies to the posterity of their CSUs.

Coolies contribute not just from their CCFs, but 10% of their earnings from whatever source, to the Sangha Funds. In the Old and Chelur Areas of Bagepalli, Sangha Funds in the individual CSU bank accounts total to Rs 1,845,683. 61% of this contribution has come from small daily contributions made by the Coolies into their *Hundis* (dumb boxes) in the villages. Only 39% has come from indirect CCF contributions.

The implementation of a large economic project by ADATS evidently contributes to enhancing Sangha Fund collections. During the just implemented DLDP 1st Phase project, Sangha Funds were largely augmented. The DLDP 2nd Phase has already helped increase Sangha Funds by about Rs 360,000.

## 2.3. CSU Membership

There are a total of 94 village Coolie Sangha Units (CSUs) in the Old and Chelur Areas of Bagepalli taluk. 59 of these CSUs are functioning properly with regular and weekly meetings. There are 1,686 Coolie families as members in these CSUs. They are the ones who have benefited the DLDP 2nd Phase project.

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<sup>4</sup> *Examples:* that borrowing for certain purposes can only be decided by the Mahila Meetings; that a maximum ceiling be fixed for crop loans; that no fresh CCF loans will be released to CSUs with overdue till these overdue are cleared; that the writing off as bad debts can only be done centrally at the BCS Meeting; that the cheque signatories be elected every year by all the members of the CSU, etc.

Number of CSUs in the Old and Chelur Areas:	94	
Number of normal members in the 59 properly functioning CSUs:	1,686	51%
Number of suspended and cancelled members in 35 dropped CSUs:	1,598	49%

35 CSUs with a total of 1,598 members have dropped out for complicated reasons discussed in the next section. Though a total of 3,284 member and former member families have taken an average of 2.72 loans from the date of inception of the CCFs, a deeper comparison between the now normal members and the others will reveal a greater disparity.

As a result of their CSUs having stopped meeting every week, the suspended and cancelled members can no longer avail the alternate credit facility of their 35 village CCFs. Moreover the capitals of these 35 CCFs is far less than that of those who continue to run their CSUs as per the rules and discipline laid down by their apex body. As a result, if and when they do come back, there is comparatively less CCF capital for them.

## 2.4. Build-up of CCF Capital

During the first 5½ years, from March 1985 to October 1991, ADATS gave CCF grants totalling to Rs 2,650,893 to 85 CSUs. CCFs had not been started in 9 relatively new CSUs.

At the time of starting the DLDP 2<sup>nd</sup> Phase project in November 1991, 35 of these CSUs had dropped out, leaving only 50 properly functioning CCFs in 59 properly functioning CSUs. An additional Rs 4,520,108 was granted out under the DLDP 2<sup>nd</sup> Phase project to these 50 CCFs. The BAGEPALLI COOLIE SANGHA decided that it was still too early to give CCF grants to the 9 newer CSUs.

Capital of 85 village CCFs as on October 1991, before the DLDP 2 <sup>nd</sup> Phase project:	2,650,893	36%
Grants given to 50 CCFs under the DLDP 2 <sup>nd</sup> Phase project (Nov 1991 to Aug 1992):	4,520,108	61%
Interest earned in the CCF bank accounts:	181,780	2%
Total capital of 90 village CCFs as on 31 August 1992:	7,352,781	100%

Along with the interest earned on this capital in the various CCF bank accounts, the total CCF capital in the Old and Chelur Areas is Rs 7,352,781. The DLDP 2<sup>nd</sup> Phase project alone has contributed 61% of this amount.

## 2.5. Status of the CCF Capital

55% of this capital is with borrowers in 64 village CSUs<sup>5</sup> as good loans. This means that the Coolies presently have a sum of Rs 4,015,035 with them. These have been invested by them on various productive purposes and their repayment dates have not yet fallen due.

Total capital of 90 village CCFs as on 31 August 1992:	7,352,781	100.0%	
Good Loans in 64 CCFs:	4,015,035	54.6%	
Overdue and Bad Debts in 71 CCFs:	485,707	6.6%	
1-6 months overdue:	81,701	17%	1.1%
7-12 months overdue:	35,014	7%	0.5%
Over 1 year overdue:	368,983	76%	5.0%
Bad Debts:	19,080	0.3%	
Bank Balances in 87 CCFs:	2,832,959	38.5%	

<sup>5</sup> There still are good loans in 9 "dropped out" CSUs. We will comment on this later in the next section when we talk about the possibility of these CSUs getting revitalised



7% of the CCF capital is overdue in 71 CCFs. This means that the borrowers have failed to repay their instalments totalling to Rs 485,707 on time.

Of this total overdue amount, 17% is less than 6 months overdue and another 7% is between 7-12 months overdue. But 76% of this amount, or 5% of the total CCF capital, is overdue with borrowers who have defaulted their loan repayments by more than 1 year.

This serious default of Rs 368,983 could well join another Rs 19,080 which has already been declared as bad debts by the BAGEPALLI COOLIE SANGHA over the past 7½ years.

39% of the CCF capital is in 87 village level bank accounts as balances as on 31 August 1992. This is not the same as *unspent balances*. It just means that a sum of Rs 2,832,959 is in the bank accounts as on that date.

## 2.6. CCF Repayment Rates

A total of 8,935 loans have been taken by the Member Coolie families of 87 CSUs from their respective CCFs and the cumulative borrowing is Rs 7,282,037. The average borrowing is therefore Rs 815 and the rate of repayment, calculated as a percentage of total repayments plus outstanding good loans to the total borrowing, is 93%.

This high repayment rate should not lead to any undue complacency. As has already been noted by ADATS many years earlier, prompt repayments could well be due to the lure of matching CCF grants from ADATS. Now with the build-up of the CCF capitals almost completed, we should closely monitor to see if borrowers continue to repay their loans on time.

Cumulative loans given from March 1985 to 31 August 1992 in the Old and Chelur Areas:	Rs 7,282,547
Number of borrowings:	8,935
Average borrowing:	Rs 815
Bad debts and overdue:	Rs 504,787
Repayment rate:	93 %

It must be noted here that the repayment rate on institutional credit in Karnataka has been 1.8% during the last fiscal year. This dismal performance was largely due to the fiscal indiscipline introduced into the peasantry in 1990-91 by the central government's yet unfulfilled promise of writing off farmers' loans. It was also due to the overall wrong values pursued by the population whereby they saw credit as State subsidy to rural living.

Whatever be the cause, the State has grabbed this excuse to starve the rural population of fresh credit. Influx of new capital into the banking and co-operative sectors in Bagepalli taluk during this vital crop year has been a paltry Rs 3.6 million, contributing to an already serious credit squeeze brought about by higher interest rates and severe inflation.

The intense politicisation effort which has accompanied the releasing of CCF loans has brought a very high measure of realisation in the Coolies. They know that they cannot look forward to State support or subsidies in the long run. This has resulted in an almost zero mis-utilisation<sup>6</sup> of CCF loans in the villages.

## 2.7. CCF Utilisation Pattern

Along with a sudden increase of 170% in the CCF capitals, there have been appreciable changes in the utilisation pattern.

When making a comparison of the purposes and amounts borrowed by the Coolies before and during the DLDP 2nd Phase project, one must bear in mind the differences in time. The first

<sup>6</sup> Each Cluster does have its handful of losers who have still misutilised, as we shall see in the next section

is a 6½ year period from March 1985 till the commencement of the project. And the second is a 10 month period from November 1991 to August 1992. One must also remember that the CCF is a very large entity. So even small changes reflect huge behavioural differences.

A cursory glance at the utilisation pattern shows that Coolies have stopped taking loans for consumption and other miscellaneous purposes. Instead they borrow for agriculture and irrigation. This is directly a result of the shift in emphasis which has come about with the DLDP 2nd Phase project with everyone concerned with increasing family earnings.

It also reflects the success of the petty credit scheme run by Coolie women, the *Vokkaku Sanchi Duddu*<sup>7</sup>, in solving day to day needs of Coolies like the repair and re-thatch of huts, consumption, etc. The figures also reveal that now that the Coolies have repaid all their other loans previously incurred from the Ryots, they are attempting to solve their credit needs with resources from within their CSUs itself.

A more careful look reveals that crop loans, borrowing to excavate wells, purchase pumpsets, buy land, sericulture, rear cattle, purchase bullock carts, indulge in petty trade, purchase artisan tools, burn brick and lime kilns, undertake skill training and start weaving have sharply increased.

Reading these figures with the fact that collective works for the entire CSU and stone quarrying have dropped to zero suggests that there is a determined bid by individuals to undertake ventures to raise their family earnings, as opposed to the undertaking of politically impressive but economically questionable collective ventures.

## 2.8. CCF Bank Balances

A sum of Rs 2,832,959 is in 87 village level CCF bank accounts as balances as on 31 August 1992. This represents 39% of the capital. One reason for this fairly high balance is that the first repayments on many loans have only just come in and the Coolies are too busy with their crops to immediately give out fresh loans. Another is that about 21% of this amount is monies blocked up in the 35 non functioning CSUs.

But the more important reason for these high closing balances is sheer caution in planning. On the one hand, the CSUs are reluctant to give out all their capital as CCF loans since there would then be nothing to fall back on as bait to tempt the wavering to repay. On the other hand, there definitely is an upper limit to the Coolies' utilisation capacity. This ceiling is determined by the limited off-farm entrepreneurial options available in an only just emerging market economy.

While market surveys and outside expertise will definitely help explore alternate means of production, nothing can substitute an overall improvement in the larger economic scenario. Coolies intuitively understand this and react with sensible caution.

## 3. ACTIVITY REPORT

### 3.1. Education Campaign

Immediately after the traumatic general elections of mid 1991, a major education campaign was undertaken by the BCS in 110 villages of Bagepalli taluk. The object was to make each and every Coolie understand the wave of privatisation and dis-investment which the new government initiated. This campaign immediately preceded the DLDP 2nd Phase project.

In addition to their gruelling routine of office work in the mornings and attending Cluster Meets every afternoon, the BCS President, BCS Secretary and 4 Field Workers who look af-

<sup>7</sup> Rs 87,000 was granted out to some CSUs to enhance their *Vokkaku Sanchi Duddu* under the DLDP 2nd Phase project

ter the Old, Chelur and Gulur Areas of Bagepalli taluk have been attending CSU and Mahila Meetings every night throughout the past 15 months.

5 days a week, after spending their mornings at the office, they left Bagepalli to attend Cluster Meets at 2 p.m. every afternoon. After spending about 4 hours to help transact the business of their respective Cluster Meets<sup>8</sup>, they paired up in 3 teams to visit the villages and explain the new structural adjustment measures being undertaken by the government. All 3 teams returned to Bagepalli at about midnight to review the evening's experiences with each other and with the ADATS core group. Every night, new information was exchanged and fresh ideas and approaches agreed upon.

Every Monday, from 6 p.m. till midnight, the week's experiences were shared with a larger audience at the weekly Situation Meeting<sup>9</sup>. Here the campaign was placed in the bigger context of the week's happenings in wider society. On the first Saturday and Sunday, when about 400 CSU representatives and village functionaries assembled for the BCS Meeting every month, the exercise was to interlude with a brief recapture of the highlights of the previous month and a synopsis of the next month's agenda. In this manner the education campaign was implemented in 4 major rounds during the last 7 months of 1991.

### 3.1.1. FIRST ROUND

In the 1st round of the campaign, the market economy was explained in non ideological terms without judgements being passed. We educated the Coolies on complex issues like revenue and taxation, the share market, market forces determining commodity prices, speculation, inflation and economic growth.

We discussed the fallacy behind equating bureaucratism and the public sector with socialism. We spoke about the State's decision to stop subsidies and schemes which never reached the poor in any appreciable measure in the first place. We explained how the total stoppage of these, and deregulation in general, would only contribute to combating corruption by preventing touts and officials from using poverty as an excuse to line their pockets. We then went on to the more real problems of reduction in basic services, food subsidies (the public distribution system) and fertiliser subsidies. Every single step taken by the government to liberalise the economy was thoroughly explained on a week to week basis to thousands of Coolies in the villages of Bagepalli.

All these were placed in the backdrop of the precarious balance of payments situation in India and the collapse of communism as a balancing factor in the world. We spoke about how in the unipolar world order attempts by our country to develop markets would deliberately be interpreted as the projection of an imaginary hegemony in the region.

Our emphasis in the 1st round was exclusively on elaborating the market economy and bourgeois democracy in general and neutral terms. We took a clear stand that what was happening was a preferable development when compared to the pseudo socialism which had earlier existed in the country.<sup>10</sup> Only later would we explain how the ideal almost never existed, how long it would take for the Indian economy to pick up momentum, and then proceed to make an applicable critique of emerging market forces in India.

In those early days we caused much chagrin to friends and visitors who felt that we were portraying the market economy in too kind a light; that our appreciation of contradictions within

<sup>8</sup> The scrutiny of CSU and Mahila Minutes Books, the passing of health sanctions and CCF loans, the settling of disputes and general trouble shooting

<sup>9</sup> These weekly Situation Meetings are attended by all the field and executive staff from all the 11 Areas where ADATS works in

<sup>10</sup> Please see our draft paper entitled *Furthering the Coolie Sangha Model*

capitalism was perhaps less than complete. But we were clear as to what we were doing. We felt we had no other way to responsibly prepare the Coolies to adjust to the greater structural adjustment being unleashed at the national level by forces well beyond our immediate control. We knew that either indignant outrage or helpless despair would be self defeatist for the Coolies. Emerging possibilities in the new order would be grabbed by others, leaving the Coolies behind.

### 3.1.2. SECOND ROUND

In the 2nd round we elaborated on the negative consequences of the changed scenario for the rural poor. First we spoke about economic consequences like reduction in basic services and the credit squeeze.

Then we spoke about the political ramifications of capitalism where the possibility of extreme right rule could never be ruled out. We explained issues like extra economic coercion and official tyranny which we foresaw in the near future.

Then we moved on to the rapidly changing normative attitudes of society towards the poor whereby a special protection and consideration for the scheduled castes and tribes in particular and the rural population in general, was fast evaporating; how there was pressure, for example, to replace the Minorities Commission with a more ambivalent Human Rights Commission.

### 3.1.3 “BECOME RICH IN 3 YEARS!”

It was during discussions on these changed normative values of wider society towards poverty and the poor that the now popular slogan, “Become rich in 3 years!” was coined. Coolies knew from personal experience that there was nothing to be glorified or enshrined in poverty. It was more a curse than any virtue to be poor. All earlier lip sympathy for the poor was often a clever mask of deceit to cover the greed of otherwise ineffectual persons who couldn't make a quick buck any easier way.

The slogan contributed to killing 2 birds with 1 stone. On the one hand it removed the glib excuse of the self professed to exploit the precarious situation. On the other it served as a rallying point for Coolies to shake themselves out of an apathy.

Each and every Member Coolie family and her family attended these night meetings. Very soon the entire village would eagerly await the visits to find out what was happening in the country. A short while later it was no longer necessary to go to every village in a cluster. Advance news of a meeting in a particular village would flock the entire population of the surrounding villages well before time to form a rapt and attentive audience.

### 3.1.4. 3RD ROUND

Once we had created a dispassionate mood in an audience spanning some 110 villages, we shifted our emphasis in the 3rd round. The Coolies' own ability to survive in the newly emerging political economy was minutely examined. How their peasant values and behavioural pattern would make them loose out; how capitalism, when unleashing untold possibilities for some, would need an army of destitute people to make it work; how those who refused to bend to its logic were the most likely candidates to fill these ranks.

The first discussions on these lines was about time as a unit for planning, acting and assessing. We explained how the annual crop cycle of 1 rainfed crop a year had instilled a certain lethargy and fatalism in the population. Though this was all right in peasant cultivation, they would now have to shake themselves out of their leisurely way of doing things. Discussions on time led to the need to understand cash as capital. Money could no longer be seen only as a commodity to simply spend and subsist with.

### 3.1.5. FOURTH ROUND

In the 4th and final round we started to explain how caste, gender and social custom would act as deterrents to entrepreneurship by refusing to recognise changes needed in lifestyles.

These discussions quickly led to deeper ones on how joint families, which had served a function in sustaining peasant economics, would now prove to be fetters in market economics. Alternate structures which could coexist with nuclear families to provide security and comfort, so vital for survival with sanity, had to be evolved.

That is how, in the 4th round of the education campaign when we spoke about cultural change, discussions on individuals and the community were initiated in the villages. The BCS' complex position on individuals and community, articulated well before its time through purely hypothetical conjectures, percolated down to each and every Member Coolie family in a deep and significant way with the coinage of the phrase "*Bharya, Bhartha, Bidda*".<sup>11</sup>

### 3.1.6. INSTILLING A DETERMINATION

In those cold and wet late night meetings of November and December 1991 many thousands of members found renewed hope in the realisation that they could still shape their social environs and create milieus capable of supporting them.

They were not prepared to sit back and wait for a special attention which they knew was not forthcoming. Nor did they feel that anything useful would be served by lamenting their suddenly changed position. We could almost feel the altered national scenario thaw under the steel of their resolve to readjust. And we could almost hear their silent reaffirmation to remain within the Coolie Sangha and together chalk new strategies to survive with dignity.

### 3.1.7. WOMEN AND THE CAMPAIGN

Those nights were momentous ones. They seemed to mark the last straw that Coolie women were prepared to take. In meeting after meeting they spoke up to declare that no readjustment effort could be taken up without the total involvement of all the members in the families. For that to happen, a free and frank examination of the inferior position occupied by women within Coolie families had to be made.

Harijana women talked about child marriage. Others about marriage itself. Many challenged the men to reflect on why the most articulate women in the Coolie Sangha were either widows, deserted mothers, or simply too old. One woman initiated a discussion on wife rape by husbands.

If the national scenario was going to deteriorate and even basic services like health were going to slip away from citizen's rights, it was women who would face the maximum brunt. It was they who worked the whole day and stayed awake at night caring for the sick child. The point they made was that though they were the ones most concerned with the future since it would effect them the most, it was still they who were left out of serious discussions regarding the future. They wanted a role more than perfunctory in the shaping of Coolie Sangha strategies for the future.

Common enough sentiments expressed the world over, perhaps. But they had a special meaning for us at ADATS and the senior functionary level of the BCS. It meant that years of hard work on the gender front had finally started to pay.

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<sup>11</sup> The phrase has a simple and innocuous meaning, "Wife, Husband, Child". One has to understand the unbelievable grip that caste and social obligations have over day to day living in order to appreciate the break that Coolies were prepared to make with this new family centred thinking.



In no way do we either imply or even expect the “*problems of women*” to be *solved*. We have seen far too many false starts to pin all our assessment on just a few months’ spontaneous responses. We realise that a positive emphasis for and on Coolie women has to continue for many more years. Common sense tells us that women need as much of a chance and time as men who took 14½ years in the Old Area and 7 years in Chelur to build the “mixed” Coolie Sangha of today.

We believe that the BCS is mature enough to continue its policy of positive discrimination in favour of women even if a few of them botch up the Mahila Meetings or *Vokkaku Sanchi Duddu* or whatever in a handful of villages, long after the withdrawal of ADATS.

### 3.1.8. ADATS’ ROLE IN THIS EDUCATION CAMPAIGN

We cannot claim that even the BCS functionaries and Field Workers, let alone thousands of Coolies in the villages, understood what ADATS explained to them on revenue, taxation, market forces, time, money and the rest in all and every implication. In order to gain an applicable appreciation of these concepts, simple arithmetic skills needed to be developed through budget making exercises. This is what we proceeded to do in the next stage of the campaign in 1992.

What did happen was that the Coolies developed a conceptual, rather than technical, grasp of issues which had suddenly become vital to be aware of in the changed political economy. They were impressed by the need to understand new facets in the working of wider society. In their own minds they were now able to approximate and piece together different aspects, which they had earlier been totally unaware of, into rough and ready pictures.

This whole process had to be responsibly steered. Otherwise wrong and dangerous strokes could very easily be applied on the half baked and shoddy canvases of their partial knowledge resulting in dangerous portrayals of false scenarios. Ill informed public opinion has time and again been the cause for fascist like outbursts and senseless mayhem.

When providing political leadership to the campaign, ADATS was acutely aware that directions would be influenced by our own understanding of the situation. This understanding has been elaborated in the 1st section of this report.

### 3.1.9. COMPOSITE UNDERSTANDING

By the end of 1991 discussions in the night meetings were far more composite, falling only slightly short of holism. They were no longer talking about isolated elements like price rise, loss of subsidies or the credit squeeze, but of capitalism itself. And healthy two-way discussions began to replace the one-way information providing discourses which characterised the first 3 rounds of the campaign. Coolies began to actively discuss the newly emerging political economy and chalk concrete steps they would take to cope with the altered reality.

It was at this stage in the campaign that the massive DLDP 2nd Phase project to promote Coolie entrepreneurship was sanctioned by NOVIB in November 1992. It could not have been more perfectly timed even if we had tried.

The education campaign is continuing with the same intensity into 1992. To this day, BCS functionaries and ADATS staff follow the same gruelling schedule of office work, Cluster Meets, visiting villages and reporting every night for 5 days a week; and evaluating and sharing experiences in the Situation and BCS Meetings. New rounds with more advanced topics and issues are being covered.

## 3.2. Making of village level Plans & Release of CCF Grants

When making the DLDP 2nd Phase plans in October 1990, the CSUs had done so in pursuance of their goal that no Member Coolie family should have an income of less than Rs 500



per month. 13 months later when the project was officially sanctioned, there was no let in their determination in spite of the severely changed situation described in the preceding pages. Except that they had now fixed the minimum needed for decent living at Rs 1,000 per family per month. It was still the poorer members who would first benefit from the project before CCF loans were given to the better off.

The original plans made in October 1990 had been to support 565 individual Member Coolie family families with CCF loans to buy sheep and livestock, 319 families to trade, 25 families to build sheds and buy implements, and 83 groups of Coolies to develop their irrigation potential. The total CCF capital needed for these 909 families and 83 groups was calculated to be Rs 7 million. With the first repayments made by the initial borrowers after about a year, the remaining would begin to borrow for their needs.

In November 1991 we requested the CSUs to go through the individual plans once again to see if there were any changes they would like to make in view of the lapsed year and altered wider situation. The education campaign was temporarily suspended and the BCS President, Secretary and 2 Field Workers looking after the Old and Chelur Areas instead helped the CSUs make their plans, keeping all that had been discussed in the earlier months in mind.

Grassroots planning started once again with each member family themselves discussing in their own homes as to how they could become rich in 3 years. They then placed their family plans in the CSU and Mahila Meetings. All the members reacted with advice and suggestions. Plans were often sent back for further discussions within families. Since it was not possible to minutely examine more than 2 or 3 family plans a night, most CSUs met every evening instead of their usual once a week for about 3 months.

Every week, CSU and Mahila Meeting approved individual plans were placed in their respective Cluster Meets to see if the representatives and functionaries of the surrounding villages had any suggestions to offer. Once a month the Cluster Secretaries presented abstracts of their respective plans to the 2 days BCS Meetings where they were formally approved. It was a laborious and time consuming procedure which went on till May 1992.

In the meantime, CCF grants were accordingly released by ADATS to the CSUs, over a period of 7 months from November 1991 to May 1992, as and when their plans were approved by the BCS Meetings. The exercise was totally transparent with each and every member Coolie, all over the taluk, knowing exactly how much was given to each and every village CSU and for what purpose.

### 3.3. Controversy over using all the CCF Capital vs. Keeping Closing Balances as Reserves

Once CCF capitals reached their village bank accounts the Coolies faced yet another dilemma to resolve. Whether they should release the entire amounts approved for their members in the first year itself, or do so in instalments over a period of 2-3 years. ADATS was in favour of rush implementation for otherwise their object of making everyone rich in 3 years could not be reached. But most CSUs preferred a much slower pace of implementation.

We felt that this was a very static way of thinking which suggested that the needs and possibilities of individual Coolies to invest and improve family incomes was something fixed which would not grow over the years. It betrayed peasant aspirations and a feudal outlook. We argued that the affluence of a Coolie family could not be measured by the number of sheep in front of her house or food grain she had in reserve. Affluence could only be measured by her courage and ability to continually invest and feasibly rotate capital, extracting ever increasing returns from ever increasing quantum.

But as has already been stated in the previous section of this report, it was parochial thinking which was behind their reluctance to give out all the CCF loans to their members at one time. They thought that repayments would suffer if CCF balances were suddenly emptied. We disagreed, saying that it would not be baits of moneys which would lure good financial behaviour but a stolid realisation which had surely come about as a result of the massive education campaign.

The BCS Meetings tried to arrive at a formula but failed to set a common norm. Instead it was left to each CSU to do as they thought best. Ironically, we were not able to convince the prospective borrowers themselves that it was in their best interest to borrow fast and fully. While this may indicate some kind of pristine purity in intent, we did feel that it was proof of their asinine stupidity.

Most CSUs did not release all the CCF loans in a single shot in spite of there being no restriction from the BCS and, on the other hand, pressure to speed implementation from ADATS. They gave out a few loans, waited for the borrowers to properly utilise and then released yet another handful. This went on and on for months at end.

Only now at the time of writing this report are the last and final CCF loans being given out for family plans made and approved half a year back. By Coolie standards this is still fast implementation.

### 3.4. Actual Utilisation & Follow-up Visits

After individual borrowers took their CCF cheques the next major task lay ahead for them. They had to actually go out and procure their sheep or cattle or implements or whatever, ensure that they got a fair bargain, and furthermore convince their representatives that they had paid a reasonable price for proper goods. Most used the services of elders in their CSUs to help select disease free animals and this contributed to further slowing down everything since the time of these experts was in high demand. Loans to dig wells, fix pumpsets and construct sheds were more complicated.

Besides lending a helping hand to speed the planning process in villages which lagged behind, the 2 Field Workers started making follow up visits to villages where CCF loans were being distributed and utilised. A physical verification from ADATS' side had to be carried out, sheep and cattle had to be tagged and their health certified by the veterinarians before insurance premiums could be paid.

Through a massive and impressively co-ordinated effort which had its ups and downs and seemed to go on and on, most of the released CCF loans were verified to be properly utilised by May 1992. By then it was time to release crop loans.

### 3.5. Crop Loans

The decision of the BAGEPALLI COOLIE SANGHA to give a maximum of upto Rs 1,000 per acre<sup>12</sup> as crop loans and to hire tractors and power tillers to plough the land, purchase better seeds and fertilisers has resulted in the credit crunch being completely obliterated as far as cropping is concerned.

Each and every one of the 1,573 land owning Coolies has intensively cultivated her average holding of 3.6 acres and many of them have used the maximum credit availability. There are only 113 landless Member Coolie family families who have been left out of this major drive. But at the same time, the Coolies have shown a maturity in utilising only 27% of the reserved CCF capital for cropping. Given the fact that rainfall has been below normal, this could turn

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<sup>12</sup> The earlier ceiling was only Rs 350 per acre

out to be a very wise decision indeed. Moves are already afoot to declare Bagepalli as a drought hit taluk and yields are not expected to cross the 50% mark this year.

### 3.6. What a Drought can do

If the crops do fail this year, it will be a cruel blow to the Coolies of Bagepalli, far greater in magnitude than the normal hardships which always follow drought. It will contribute to undermining their faith in themselves just when they are making such a serious and Herculean effort to create assets and raise family incomes. All their hard earned reserves will vanish in 1992 when the effects of this year's crop failure will tell, till the next harvest of another crop comes in by the end of next year.

Senior functionaries of the BCS<sup>13</sup> have taken a deliberate decision to not encourage any discussions on the failure of rains. Privately they realise that the recovery of CCF crop loans totalling to about Rs 2.5 million in the 4 taluks will be effected if the crops fail, and that Rs 0.25 million worth of plough animals bought by the Coolies with CCF borrowing are fast depleting in value. But the far bigger danger, in their reckoning, is that drought will contribute to creating a blanket of pessimism which will smother the entire readjustment exercise being undertaken at great pain and cost by Member Coolie family families.

Their worry has opened the possibility for ADATS to emphasise on the need to explore off-farm enterprises which Coolies can undertake.

### 3.7. Off-Farm Ventures

ADATS pushed through a skill training programme at the start of the DLDP 2nd Phase project. We contacted small existing entrepreneurs at Bagepalli town to train Coolie youth sent by the CSUs in welding, steel fabrication and tailoring. In exchange we offered them the free labour of these youth and also to provide managerial expertise in the form of regular advice and support from friends in the corporate sector at Bangalore.

We then suggested to the BCS that DLDP 2nd Phase project funds be used to feed and provide accommodation for about 150 girls and boys at Bagepalli town. Their labour would be offered free of cost to these existing small scale units in the town who we had already sounded out, for a period of 1 year. These private entrepreneurs would use the youth as apprentices at their respective enterprises and train them to be skilled and independent. Project funds<sup>14</sup> could also be used to give interest-free credit to these entrepreneurs though they were not members of the Coolie Sangha.

The BCS reluctantly agreed and the scheme went into operation in early 1992. A failure to appreciate the speed at which changes were taking place in the country, as well as parochial feelings about supporting non members with *their* funds contributed to their reluctance. But the general regard they have for ADATS contributed to their agreement. 6 months later, however, only 14 youth were left.

In the meantime, these small units began to grow due to the reorganisation they made to accommodate the expected influx of apprentices and new markets which had been identified for their products. A garment making unit, for example, which earlier supplied only to the town's needs started procuring cloth from as far away as Bombay to supply the Bangalore market. When they found that the supply of free labour from the CSUs was not seriously forthcoming, they began to employ local youth as paid workers at their units.

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<sup>13</sup> The Executive Committee jointly chaired by the BCS President and BCS Secretary and attended by 28 Cluster Secretaries from Bagepalli taluk

<sup>14</sup> CCF rules prevent CCF loans being given to non CSU members

Now with the prospect of drought looming large, the BCS is realising that they have perhaps made a mistake in not giving the scheme the seriousness it deserved. Moves are under way to re-negotiate terms with these town entrepreneurs. While it is too early to predict the final outcome, it is very possible that the scheme finally picks momentum.

### 3.8. *Bitti Lists*

When making their grassroots plans many CSUs came across women headed member families who just couldn't show their capacity to repay CCF loans. Loans for sheep and pigs, for example, could only be taken by families who had other sources of income like daily labour and could therefore afford to graze the animals for 3 years, without expecting immediate returns, and repay their instalments. If on the other hand they had no other sources of income and had to depend on the animals to both, maintain their families as well as repay the CCFs, this was not possible.

This is because of the very low and dicey viability of most off-farm ventures in semi arid drought prone regions like Bagepalli. The economics of most ventures undertaken by the Coolies is not comparable to that of people in more developed market economies where, for example, the baker can borrow to run a bakery which pays enough to maintain the family as well as repay the loan with interest.

Nearly all the CSUs felt that the giving of loans should coexist with *Bitti*<sup>15</sup> in the interest of preserving the community. In an extension of sentiments developed during the *Nirupeda* campaign of 1990, they went on to say that the giving of loans could not exist without *Bitti*.

As a result, not every rupee was given out as CCF grants in the DLDP 2<sup>nd</sup> Phase project. A sum of Rs 251,331 (5.3%) was given as once-off free grants to 49 Coolie women from 33 Mahila Meetings as against Rs 4,520,108 (94.7%) spent as grants to the CCFs.

These once-off free grants were given to old and infirm women to sell fruit in front of their huts, widows and deserted women to graze sheep and rear pigs, single mothers to repair their homes and start petty shops, and a host of other village specific purposes identified by their respective Mahila Meetings and approved by the BCS Meetings.

### 3.9. *Misutilisation*

The odd cases of misutilisation which came to light were pathetic and senseless, proving beyond doubt that the world is not without its losers. In each and every instance the reason was very explicitly a wanton rejection of the political message of the education campaign. Except in a single case, there hardly ever was any compelling problem faced by the borrower which the CSUs had been unduly insensitive to.

A typical case which illustrates this is a CCF borrower from Kallipalli who deliberately sold his pigs, got into a drunken stupor which lasted a couple months and then got himself bonded with the village landlord for Rs 600 a year plus 2 meals a day.

In many CSUs errant members did attempt to pass off their "*adjustments*" in prices and quality. But the rest of them would have none of it. Many were the Coolies who were forced to return an old bullock cart or sewing machine or whatever to buy a brand new one which met the approval of the entire CSU. Village touts who tried to interfere with CCF utilisation were threatened with dire consequences.

And then there were those border line cases where one is never sure. The Coolies of Bajjapuram Cluster decided to buy seed groundnut collectively. A purchase committee was quickly put together under the leadership of the Cluster Secretary. There was a lot of grumbling about

<sup>15</sup> The Telugu colloquial for gratis, loosely translated to mean "subsidy"

the quality of seeds when the truckload arrived. A few weeks later, half the sown fields did not germinate. Was it an error in judgement? Or was it the failed rains? Or was it something else? One will never know...

As just mentioned, only in 1 CSU did the Field Workers find evidence of CSU insensitivity. A woman from Dugenepalli was given Rs 7,500 to buy a diesel pumpset and another Rs 2,000 as crop loan to grow vegetables. But it was not enough to meet her needs in full. As a result she was compelled to temporarily bond her son with the local *Ryot* for Rs 600 without food for 6 months.

The Field Workers raved and ranted whenever something was discovered. There was very little they could actually do besides exerting a moral pressure on the CSUs to be more sensitive and holistic in their support to individual members; or ask the dishonest to go join some other organisation if they wanted to line their pockets; or generally be proliferous in curse and abuse.

But we are not disappointed at not having more direct power since we are convinced that ADATS' should be limited to a direction providing role rather than satisfying our private sensibilities to meet out small acts of mercy, compassion and justice.

### 3.10. Dropped-out CSUs

Many reasons have contributed to 35 CSUs getting dropped during the past 14½ years. A superficial glance at the figures shows 42% of the cancelled members having walked away with 41% of the CCF capitals of their respective villages.

Number of suspended and cancelled members in the 35 dropped CSUs:	1,598	
Number among them who are CCF defaulters:	677	(42%)
Total CCF capital in the 35 dropped CSUs:	Rs 1,032,577	
Amount overdue:	Rs 427,227	(41%)

This suggests a kind of conspiracy *to take their share and quit*. But the truth is rather more complicated.

It is difficult to exactly determine how many Coolies got cancelled due to disaffection with trends in the Coolie Sangha model, and how many due to their inability to follow the rather severe guidelines set down by the BAGEPALLI COOLIE SANGHA as part of the internal rectification and self discipline drive.

At a purely subjective level one gets the feeling that the reason could be a mixture of the two. Because these were the same Coolies and CSUs who were very active in the first 6 years, before the advent of the BCS as a self-determining apex body of the Coolies, when ADATS' overt emphasis was political. The abdication of a leadership giving role in 1985 in favour of promoting a genuine and authentic people's organisation was interpreted by many of these Coolies as personal betrayals.

The gradual shift from the more exhilarating agenda of struggle and mass action in favour of concrete grassroots planned and monitored measures to improve individual earnings was seen as a dilution of ideology. They interpreted the autonomous and pluralistic expressions of the emerging independent village units of the new BCS as signs of wanton defiance against ADATS.

They did not, on the one hand, appreciate the reasons for the shift in policy. They were incapable, on the other hand, to stop blindly blaming the external enemy alone for all their ills. They watched from the sidelines with archaic *"I told you so"* attitudes of prophets of doom in the *loyalist camp*. Perhaps it is unkind to dub this apparently trusting and protective attitude as obsequious, but that is what it was.



They expressed these disaffection's and inability's by rebelling against the BCS' instrument for internal rectification and economic development, the CCFs. In their mind, they did not rebel against ADATS. Only 16 of the dropped CSUs emptied their coffers before refusing to repay CCF loans. In the remaining 19 CSUs hardly 11% to 40% of the total CCF capital is in default, indicating that there never was malice or intent to *cheat the CCFs*.

It is realistic to foresee the coming back of about half the dropped CSUs and suspended and cancelled members in the next 2 years, before the completion of the DLDP 2<sup>nd</sup> Phase project, by repaying an average overdue amount of Rs 631. The further deterioration of the main-stream economy and obvious success that the remaining members and their CSUs are aiming for will more than entice these piqued Coolies to return.

### 3.11. What the Trends Portend

On the whole, cases of misutilisation have been rare and far between. Only 5 instances have come to light. They did not add up to any significant fraction of either the loan amounts or number of borrowers. But just as in the case of high repayment rates which we spoke of in the previous section, this too should not lead to undue complacency. The strict vigil of the CSUs is as much to be complemented for this state of affairs as the sheer perseverance of the Field Workers and senior BCS functionaries.

This is such a subjective factor dependent on abnormal hard work bordering on an eccentric desire for excellence. It simply cannot be sustained unless there is the continued guarantee of a political will capable of supporting it. At the moment ADATS provides this political will. But it has to come from the constituency base of the BCS itself, from thousands of Member Coolie family families in hundreds of CSU and Mahila Meetings.

Unless and until proper utilisation and prompt repayments flow from a realisation in each and every Coolie that the CCFs are their vital lifelines for survival with dignity in the altered political economy, we could well see the tide turn quite suddenly and the CCFs deteriorate to the same level that institutional finances are in today. The danger then is that the Coolies will share the same plight as the vast majority of rural poor in any economy which undergoes rapid structural adjustment.

CCFs are much more than the obviously successful economic model for Coolie development which the figures reveal today. They are anchored in the bedrock of a particular world view and strategy where the individual gets support from the community to constantly take stock of wider society and adapt. This is the real reason for the economic success of the CCFs. Credit institutions which are not anchored in community education and organisation will not achieve even a basic technical proficiency. That is why the two-way education campaign of the BCS to explain the connection to each and every Coolie and at the same time further develop on the basic premise is such a vital part of the CCFs.

Most important of all, Coolie incomes have to rise dramatically in spite of sheer logic being pitted against such a miracle. If entrepreneurship is the key to survival in capitalism, the CCFs have to somehow turn the lock. To coin the popular cliché, we need a good monsoon.