

## 0606. 2<sup>nd</sup> Progress Report on the DLDP 2<sup>nd</sup> Phase (Sep 1993)

*A detailed Report on the Coolie Credit Funds (CCFs)*

*Though the project had already started some time back, the 1st Progress Report written in September 1992 was more in the form of a statement of intent. It had elaborated on the intense socio-political preparations that had preceded the project.*

*This, the 2nd Progress Report, has to be read as a statement of achievements, bottlenecks and failures. It is a mid term appraisal of efforts by and for, both, the Coolies as well as us at ADATS. Such an appraisal is crucial because if there were flaws in our reading of the wider situation, now is the time to rectify them; if alterations have to be made in the adopted strategy, now is the time to make them; if adjustments are needed in the structures and procedures of the Coolie Sangha, now is the time to make them; if there are undesirable trends, now is the time to correct them. Otherwise this effort could well turn out to be yet another in the long list of missed and wasted opportunities in the lives of the poor.*

*Deep and critical reflections of more than 400 elected Coolie Sangha functionaries in the BCS Meeting of 4th and 5th September 1993, where they reviewed the past 1½ year's efforts have contributed to the analytical parts of this Progress Report.*

### 1. CONTEXTUAL BACKGROUND

It is now 1½ years since ADATS and the BCS analysed macro economic changes in the country and developed a strategy to adapt to these wider changes. We had tried to come to grips with the concept of entrepreneurship in a holistic manner and declared that the Coolies had to actualise spaces and improvise a milieu for themselves.

The BCS set itself a target to make all its members rich in 3 years through this DLDP 2<sup>nd</sup> Phase project. Their aim is that by March 1995 every member family should have an assured minimum income of Rs 1,000 per month. 1 year back, in September 1992, we explained how ADATS and the BCS had started going about to achieve this target.

621 more families from 22 villages have come forward to form CSUs during this past year. There are today a total of 116 village level Coolie Sangha Units (CSUs) in the Old and Chelur Areas of Bagepalli taluk. 77 of these CSUs are functioning properly with regular and weekly meetings and 2,307 Coolie families have normal and active membership in these CSUs. But the DLDP 2<sup>nd</sup> Phase project is being implemented in only 55 CSUs (59 villages reported last year less 4 which have dropped out in the meantime) and not in the newly joined 22 villages.

### 2. BUILD UP OF CCF CAPITAL

An additional Rs 2,506,915 was granted out during this past 1 year. The total amount granted out under the DLDP 2<sup>nd</sup> Phase project therefore stands at Rs 7,026,687.

Along with the interest earned on this capital in the various CCF bank accounts, the CCF capital in the Old and Chelur Areas is Rs 10,056,781. The contribution of the DLDP 2<sup>nd</sup> Phase project has therefore risen to 70% of the total CCF capital in these villages.

Capital of village CCFs as on October 1991, before the DLDP 2nd Phase project:	2,650,893	26%
1st set of CCF Grants given under the DLDP 2nd Phase project (between November 1991 and August 1992):	4,520,108	45%
2nd set of CCF Grants given under the DLDP 2nd Phase project (between September 1992 and August 1993):	2,506,579	25%
Interest earned in the CCF bank accounts:	378,866	4%
Total capital of 94 village CCFs in the Old & Chelur Areas as on 31 August 1992:	10,056,446	100%

### 3. STATUS OF THE CCF CAPITAL

43% of this capital is with the borrowers as good loans -the Coolies presently have a sum of Rs 4,348,630 with them. These have been invested by them on various productive purposes and their repayment dates have not yet fallen due. 11% of the CCF capital is overdue -the borrowers have failed to repay loan instalments totalling to Rs 1,107,141 on time.

Total capital as on 2 September 1993:		10,056,446	100%
Good Loans:		4,348,630	43%
Overdue:		1,107,141	11%
1-6 months overdue:	286,126	26%	
7-12 months overdue:	399,776	36%	
Over 1 year overdue:	421,636	38%	
Bad Debts:		19,080	0%
Balances in CCF bank accounts:		4,581,594	46%

Of this total amount, 26% is less than 6 months overdue and another 36% is between 7-12 months overdue. But 38% of this amount, or 4% of the total CCF capital, is overdue with borrowers who have defaulted their loan repayments by more than 1 year.

46% of the CCF capital, amounting to Rs 4,581,594, is in their village level bank accounts as balances as on 2 September 1993. 12 CSUs have used up more than three-quarter their CCF capital and another 13 have used between one-half and three-quarter of their available monies. But 32 CSUs have been cautious and are keeping more than one-half their capital as balances because of reasons elaborated in the 1st Progress Report.

### 4. CCF REPAYMENT RATES

A total of 9,955 loans have been taken by the Member Coolie families from their respective CCFs and the cumulative borrowing is Rs 10,060,843. The average borrowing is therefore Rs 1,010 and the rate of repayment, calculated as a percentage of total repayments plus outstanding good loans against the total borrowing, is 88.8%.

Cumulative loans given in the Old and Chelur Areas from March 1985 to 31 August 1992	Rs 10,060,843
Number of borrowings:	9,955
Average borrowing:	Rs 1,010
Bad debts and overdue:	Rs 1,126,221
Repayment rate:	88.8 %

This is a sharp drop of more than 4% from last year's figure of 93%. Many superficial reasons can be found for this fall in performance which we estimate will dip a little more before

stabilising at about 85%. We do not believe that any popular disaffection with the CCFs as alternate credit structures has set in.

- The first reason is that the repayment dates of ex-Member Coolie families who had borrowed before the DLDP 2<sup>nd</sup> Phase project -i.e. prior to 1991- and had no intention of going through with the effort -the 35 villages referred to in last year's Progress Report- have now fallen due. Their not repaying these pre-DLDP 2<sup>nd</sup> Phase borrowings will keep increasing the overdue amount and reduce the overall repayment rate.
- The second reason for our predicting a dip before stabilisation are the opportunists who went along when this effort at Coolie adjustments to wider changes was initiated in late 1991 and 1992. They had absolutely no intention of repaying in the first place, but went along to grab as much as they could before leaving. 4 village CSUs have dropped out in this manner during the past 1 year.
- And finally are those Coolies who are facing genuine problems and therefore unable to meet their commitments. The CSUs will have to find individual solutions for them, case by case.

## 5. CCF UTILISATION PATTERN

Though crop loans continue to be the major purpose for which Coolies have borrowed during the past year -a big increase of Rs 1,658,355- they have also borrowed Rs 831,200 for cattle rearing in the past 1 year. Borrowing for trade and entrepreneurship has not been as high as expected and has only been Rs 155,127.

We believe that this is because the Coolies are still grappling with the socio-cultural requirements of entrepreneurship. Once these are established as the commonly accepted normative base in the Coolie Sangha -the political will we spoke of in the last pages of the 1<sup>st</sup> Progress Report- they will seek new forms of enterprises which will need more working capital.

Purpose	Amount borrowed		Number of Loans	
Crop Loans	4,547,426	45%	5,741	57%
Agriculture	892,381	9%	461	5%
Cattle	3,424,962	34%	1,772	18%
Trade & Entrepreneurship	675,530	7%	665	7%
Consumption & Others	520,543	5%	1,316	13%
<b>Total:</b>	<b>10,060,843</b>	<b>100%</b>	<b>9,955</b>	<b>100%</b>

Redeeming lost lands, buying small patches of wet land from *Ryots* during distress sales, and buying bullocks and cows to use as work animals continue to be a popular purpose in spite of a BCS stricture against these purposes. A number of borrowers have found ways around the stricture through borrowing for another purpose, selling part of the stock or whatever and then buying land or work animals. This kind of running an illegal CCF within a CCF, however, has not got reflected in the above table.

## 6. CROP LOANS

In last year's Progress Report we spoke about what a drought could do. Fortunately the 1992 monsoons were not a failure except in Palyakere Cluster where they hardly got back the seeds they had sown. But even there they sold whatever harvest they got and repaid their crop loans on time. In many pockets the Coolies actually managed to get a better crop than the *Ryots*<sup>1</sup>

<sup>1</sup> Middle Peasants

because of timely agricultural operations and the infectious air of optimism which prevailed. But the price of groundnut crashed from over Rs 400 a bag to less than Rs 300 due to the Bombay/Gujarat communal violence of early 1993 and the Coolies really lost out on the price front.

This year, in 1993, most cultivators have been very apprehensive about the monsoons and also the political/law-and-order situation in the country. As a result the Coolies have borrowed far less than their quota of Rs 1,000 per acre from their CCFs. In fact the average borrowing per Member Coolie family is only Rs 1,598 which in turn works out to only Rs 308 per acre of dry land. The 1993 monsoons have been touch and go upto now -very sparse, spatial and erratic- but the crops have not failed.

Though these are still early days and it would be foolish to count one's chicken, there is a faint likelihood that Coolies from about 17 of the 22 Clusters -the situation is almost irretrievably bad in the remaining 5 Clusters- will scrape through with a reasonable crop. The general drought anticipated in South India could push groundnut prices up and result in very high prices for those who manage to fare well. Timely agricultural operations which are a result of timely credit -1,885 loans totalling to Rs 3,013,850 given out in just 5 days- is the sole factor which has made this large scale gamble of the BCS -speculation, if you like- possible.

## 7. BCS' POSITION ON A DROUGHT

The gamble with this year's monsoon has generated a lot of discussion in the CSUs and Mahila Meetings on what they would do in the event of a drought. Unlike last year when the effort was still nascent and the BCS refused to "cast an evil eye" by discussing the prospects of a large scale crop failure, the problem now looms too large before everyone's eyes to stop discussions. The Coolies have come up with a 5 pronged response.

- The first response that most CSUs have come up with is to extend time to borrowers who loose their crops. They will be given another 2 years to repay. Since they can avail fresh crop loans during this 2 year grace period, they may be in a position to clear all 3 loans through 2 cropping. This will safeguard the victims of a drought from having to sell off other assets as has sadly been the case in Palyakere Cluster last year.
- The second option they have considered is to write off the loans of selected Member Coolie families who would be too poor to solve their problem using the first response. Most CSUs will have enough resources in their Sangha Funds - organisational savings- and from the interest earnings of the BCS Endowment Fund which they hope to set up in 1994.
- The third option they have all come up with is to emphasise on non-agricultural ventures -as different from off-farm ventures- through skill training. If every Coolie family were to have at least one person employed in a factory, her earnings could provide a monthly remittance to the rest of the family during a crisis.
- Pressurising the State to undertake famine relief works in the year following a drought is the fourth option.
- And lastly, the Coolies do not rule out ADATS' role in mobilising northern NGO resources to undertake relief measures in the event of drought, even though they realise that this must be kept as the last option.

## 8. CHANGES IN THE CCF RULES

The Rules governing the repayment of CCF loans have always been rather stringent. Under the "No Loss Plan" evolved by the Coolies in 1985, individual default had to be made up by

the rest of the member families. This is the reason why the seriously overdue figure (of more than 6 months late) has always been zero in functioning CSUs. The remaining members either failing to persuade the defaulter to repay or not being able to themselves mop up the overdue amount and repay on his behalf led to the entire CSU being declared as “Dropped Out” by the BCS. The only exception to this draconian step was when, on the Cluster Meet’s recommendation, the BCS magnanimously wrote off the loan as a Bad Debt.

Many Coolies felt that in the new era of promoting a positive individuality, this Rule was a little obsolete. They felt that the entire CSU should be dropped out only if the Cluster Meet could prove that there was an active complicity on the part of the remaining members to not exert social control on CCF defaulter/s. Instead, they argued, it should be only the defaulter himself whose membership should be Suspended or Cancelled and not the entire CSU.

After a lot of heated discussions which lasted for more than 3 months, the Rule was finally changed by the BCS in mid 1993. Many were the CSUs who heaved a sigh of collective relief. They had taken a big risk in giving out loans to just about every member under the “Become Rich in 3 Years!” slogan and just about every single one of the borrowers held a draconian sword over the collective heads of the entire CSU -if he did not repay, all the others were damned with him.

But the protractors to the change exacted their price before agreeing. These purists insisted that another Rule should simultaneously be introduced by the BCS stating that anyone who had repaid her last 2 repayment instalments more than a month late would be barred from borrowing for a further period of 1 year after clearing all her outstanding dues. Their argument was that otherwise it would lead to the fiscal disease of “renewing”<sup>2</sup> which had afflicted most financial institutions, leading to a real repayment rate of just 1.8% in Karnataka! This was agreed to.

In the last week of May 1993, ADATS staff made a hectic list of “Eligible Members” who had repaid their previous 2 repayment instalments on time or within the condoned delay period of 30 days -our software programmer was unable to debug a module to automatically generate these lists and so it had to be painstakingly done by all the Extension Workers from the Extensions, going through each Member’s CCF History. To our astonishment we found that 2,514<sup>3</sup> of the nearly 3,000 prospective borrowers were eligible to take fresh loans even under these stricter guidelines.

## 9. THE CCFs COMING OF AGE & NEW MONITORING TOOLS

Our friends and partners have always asked us whether ADATS was not overtly concerned with monitoring only the repayment figures of the CCF<sup>4</sup>. We had assured them that we would help internally develop many more indicators on the utilisation pattern, borrower analysis, frequency of rotation of CCF capitals, etc. as and when the Coolies themselves felt the need for this kind of information to better manage their affairs.

<sup>2</sup> Many financial institutions advance crop loans for 1 year duration instead of for the 5-6 months actually needed to raise a crop and market the harvest. At the end of 1 year, the borrowers “return” their loans only in order to take an enhanced amount after 5-10 days. This has the following consequences:

- a. There is no tangible impact on the borrower’s farm economics since this kind of credit arrangement only serves as a mechanism to get ever increasing amounts of ready cash to subsidise their family expenses every year.
- b. The financial institutions are able to report a high rate of recovery and continue *showing results*.
- c. The target population is perfectly happy with this arrangement of the financial institutions and are willing to go along with any adjustments required to continue this system.

<sup>3</sup> As mentioned earlier, only 1,885 of the eligible 2,514 Coolies opted to take crop loans.

<sup>4</sup> Example: Berry Roelofs’ letter of 12 May 1992 and our reply dated 1 June 1992

As far back as in 1987<sup>5</sup> we had taken a position that to interpret the reality of the rural poor as merely being starved of credit would be erroneous. We were clear that the emphasis in the early days, when the CCFs were being built up, should be to introduce a fiscal discipline in the poor and bring individual families to a position where they could efficiently manage sums of moneys as *Credit* (priced and returnable commodities) and *Capital* (wherewithal to create assets and increase income levels). At that stage, merely monitoring the timely taking and returning of CCF loans certainly did have a validity.

But now the CSUs – or Member Coolie families if you like – have come of age. We realised that the CCFs must also mature and start concerning itself with questions like how different categories of people had borrowed and repaid their loans in order to discern whether there were differences in the borrowing and repayment *behaviour patterns* of these different categories. We then had to examine the reasons for these differing patterns.

## 10. STUDY OF BORROWING AND REPAYMENT PATTERNS

Towards this end we developed a software module to analyse the accumulated village wise data we had on the CCF. The amounts borrowed and number of loans taken was studied under 4 major classifications of Caste, Land Holding, Gender and Membership Status. Under each classification, categories were determined to find out who had borrowed how much. Similarly the repayment behaviour of each category under these 4 broad classifications was also studied. By comparing these figures with their actual composition within the Coolie Sangha, we could determine whether there was any cornering of benefits by any particular category.

<b>Classification:</b>	<b>Category:</b>
Caste	Scheduled Castes/Tribes Middle Castes Upper Castes
Land Holding	Landless 0.1 to 3 acres 3.1 to 5 acres Over 5 acres
Gender	Men Women
Status	Normal Members Cancelled Members

This study covered 767 families in 20 CSUs. We chose villages from the Old, Chelur and Gultur Areas, and a mixture of good and bad, large and small villages in order to make the sample representative *insofar as CCF utilisation and repayment was concerned*. But it must be noted that there is a slight variation between the sample villages and the whole of Bagepalli taluk in terms of caste composition and pattern of land holding of the member Coolies.

<b>Category:</b>	<b>Sample Villages</b>	<b>Total Area of operation</b>
SC/ST	66%	61%
Middle Castes	20%	20%
Upper Castes	14%	19%
Landless	10%	9%
0.1 to 3 acres	59%	57%
3.1 to 5 acres	20%	21%
Over 5 acres	11%	13%

<sup>5</sup> Please see “COOLIE CREDIT FUND - the effort at Bagepalli”, a paper prepared in 1986 for presentation at NOVIB’s Rural Credit & Savings Seminar at Dhaka (later shifted to Sri Lanka).

Men	81%	80%
Women	19%	20%

#### Consolidated Results of a CCF Study in 20 Villages of Bagepalli taluk as on 22 July 1993

Category (strength in CSU)	Amount borrowed	Number of loans	Repaid on time	Repaid late 1-6	Repaid late 7-12	Repaid late > 13
<b>Caste:</b>						
SC/ST						
Middle Castes						
Upper Castes						
<b>Land Holding:</b>						
Landless						
0.1 to 3 acres	2,104,153 49%	1,472	1,009 65%	348 22%	75 5%	126 8%
3.1 to 5 acres	1,144,854 27%	721	498 71%	136 19%	24 3%	45 6%
Over 5 acres	880,201 21%	437	300 66%	101 22%	15 3%	40 9%
<b>Gender:</b>						
Men	3,536,786 83%	2,234	1,511 65%	507 22%	101 4%	193 8%
Women	733,847 17%	489	369 65%	116 20%	31 5%	55 10%
<b>Status:</b>						
Normal Members	4,124,735 97%	2,506	1,700 75%	559 17%	109 3%	187 6%
Cancelled	145,898 3%	217	180 59%	64 18%	23 6%	61 17%

#### Consolidated Results of a CCF Study in 10 Villages of the Old & CEP of Bagepalli taluk as on 22 July 1993

(Nagarlu, Byrepalli, Devareddipalli, Mandyampalli, Ramojipalli, Gundlapalli (CEP) Kamatampalli, Shivapura, Nal-lasanampalli, and Devaramakalapalli villages)

Category (strength in CSU)	Amount borrowed	Number of loans	Repaid on time	Repaid late 1-6	Repaid late 7-12	Repaid late > 13
<b>Caste:</b>						
SC/ST	1,189,924 47%	913	649 66%	198 20%	57 6%	77 8%
Middle Castes	625,748 25%	394	316 65%	89 18%	31 6%	52 11%
Upper Castes	691,261 28%	494	380 74%	89 17%	20 4%	26 5%
<b>Land Holding:</b>						
Landless	79,525 3%	64	49 48%	13 13%	15 15%	25 25%
0.1 to 3 acres	1,067,803 43%	898	687 66%	201 19%	63 6%	83 8%
3.1 to 5 acres	675,804 27%	480	351 74%	84 18%	16 3%	21 4%
Over 5 acres	683,801 27%	362	258 69%	78 21%	14 4%	26 7%
<b>Gender:</b>						
Men	2,005,286 80%	1,427	1,057 68%	301 19%	82 5%	122 8%
Women	501,647 20%	377	288 68%	75 18%	26 6%	33 8%
<b>Status:</b>						
Normal Members	2,383,535 95%	1,613	1,197 75%	345 16%	89 4%	108 5%
Cancelled	123,398 5%	191	148 66%	31 11%	19 7%	47 16%

### Consolidated Results of a CCF Study in 10 Villages of the Gulur Area of Bagepalli taluk as on 22 July 1993

(Chencharayanapalli (HC), Mittevanlapalli, Sakavanlapalli, Guttapalya (MV), Jeekavanlapalli, Jillajaru (MV), D. Kothapalli, Anjinapura, Kothur, and Pichilavarapalli villages)

Category (strength in CSU)	Amount borrowed	Number of loans	Repaid on time	Repaid late 1-6	Repaid late 7-12	Repaid late > 13
<b>Caste:</b>						
SC/ST	1,347,550 76%	716	416 62%	182 27%	15 2%	55 8%
Middle Castes	250,250 14%	111	56 47%	40 34%	2 2%	20 17%
Upper Castes	165,900 9%	92	63 52%	25 20%	7 6%	27 22%
<b>Land Holding:</b>						
Landless	61,900 4%	29	24 38%	25 39%	3 5%	12 19%
0.1 to 3 acres	1,036,350 59%	574	322 61%	147 28%	12 2%	43 8%
3.1 to 5 acres	469,050 27%	241	147 64%	52 23%	8 3%	24 10%
Over 5 acres	196,400 11%	75	42 53%	23 29%	1 1%	14 18%
<b>Gender:</b>						
Men	1,531,500 87%	807	454 61%	206 27%	19 3%	71 9%
Women	232,200 13%	112	81 54%	41 28%	5 3%	22 15%
<b>Status:</b>						
Normal Members	1,741,200 99%	893	503 74%	214 18%	20 2%	79 7%
Cancelled	22,500 1%	26	32 34%	33 43%	4 5%	14 18%

#### 10.1. Caste classification:

Category (strength in CSUs)	Amount borrowed	Number of loans	Repaid On Time	Repaid 1-6 M Late	Repaid 7-12 M Late	Repaid >1 Y Late
SC/ST (66%)	59%	60%	65%	23%	4%	8%
Middle Castes (20%)	21%	19%	61%	21%	5%	12%
Upper Castes (14%)	20%	22%	70%	18%	4%	8%

On the borrowing side, it was found that the weakest category had borrowed less than their share in both, actual moneys borrowed as well as in the number of loans they had taken. The upper castes had eaten into the share of the scheduled castes/tribes. On the repayment side the upper castes stuck to their dates with a markedly higher rate of discipline. The other 2 categories, however, did not fare any worse if one were to condone slight delays of less than 6 months.

The pattern is different in the EZE supported Gulur Area of Bagepalli taluk where the scheduled castes/tribes seem to dominate the Coolie Sangha in CSU composition as well as in CCF utilisation.

#### 10.2. Land Holding classification:

Category (strength in CSUs)	Amount borrowed	Number of loans	Repaid On Time	Repaid 1-6 M Late	Repaid 7-12 M Late	Repaid >1 Y Late
Landless (10%)	3%	3%	44%	23%	11%	22%
0.1 to 3 acres (59%)	49%	54%	65%	22%	5%	8%
3.1 to 5 acres (20%)	27%	26%	71%	19%	3%	6%
Over 5 acres (11%)	21%	16%	66%	22%	3%	9%

The landless took far less than their share of CCF loans and were nowhere as good as the landed in repaying. Though they constitute 10%<sup>6</sup> of the Coolie Sangha, they have borrowed

<sup>6</sup> Please note that these percentage figures are for these 20 villages alone – not for the entire Old and Chelur areas.



only 3% of the moneys. And their repayment, even by liberal standards, is way short of their landed fellow members' record. Loans that were repaid only 1 year after their committed dates accounted for 22% in the case of the landless and this is nearly 3 times higher than the performance of the other categories. All these go to indicate that the landless still have not developed a fiscal discipline. Perhaps they have not found viable forms of enterprise which suit their poverty. In addition to being unable to borrow for cropping, their lack of an agricultural base makes it difficult for them to even rear sheep or maintain buffaloes or whatever.

Coolies with even a small patch of land -0.1 to 3 acres- are able to somehow break out of this rut, suggesting the immense value of subsistence cultivation in our political economy.

Though they have not fared as well as the 2 other categories of "richer Coolies" -those owning 3.1 to 5 acres and more than 5 acres of land respectively- they have still performed far better than the landless. They constitute 59% of the membership but have borrowed only 49% of the CCF capital in their CSUs through 54% of the loans.

The "ideal category" in this classification seems to be the Coolie owning between 3.1 to 5 acres of dry land. She seems to be the one determined to make a viable effort to come out of her poverty. And her cultivation base seems to support this stubborn effort. Though they constitute only 20% of the membership they have borrowed 27% of the CCF capital through 26% of the loans. And in repayment they have fared far better than any other category.

As we had already suspected, Coolies owning over 5 acres of land have literally hogged the benefits. They constitute only 11% of the membership but have borrowed 21% of the CCF capital through 16% of the loans. The difference in these 2 last figures suggests that they have borrowed larger amounts than the remaining categories. This could well be due to higher crop loan borrowings due to larger land holdings.

Once again Gulur presents a different picture. Perhaps due to the domination of the scheduled castes/tribes in the CSUs of Gulur Hobli, those owning over 5 acres have not been able to hog benefits as much as in the Old and Chelur Areas.

### 10.3. Gender classification:

Category (strength in CSU)	Amount borrowed	Number of loans	Repaid On Time	Repaid 1-6 M Late	Repaid 7-12 M Late	Repaid >1 Y Late
Male Members (81%)	83%	82%	65%	22%	4%	8%
Women Members (19%)	17%	18%	65%	20%	5%	10%

Women CSU Members have not lagged too far behind men in availing CCF loans even though there is a marginal reduction in their share in both, borrowing as well as repayment behaviour.

But once again Gulur Area presents a different pattern. The CCF figures reveal that women CSU Members in Gulur are not as strong as they are in the Old and Chelur Areas. Comparing these Gulur figures with those for the caste and land holding classifications suggests that it is the presence of slightly better off middle and upper caste Coolie women as CSU Members -as in the case of the Old and Chelur Areas- which enhances the overall position of their gender in the Coolie Sangha.

A very important question with serious implications which comes up is whether "Women" as a category can effectively compete with the "Poor" as a competing general category; whether it is not vital for poor women to ally with slightly better of women -better off in terms of economic standing as well as social status- for their emancipation from the problems of poverty as well as gender.

## 11. COMPARING THE PERFORMANCE OF WOMEN WITH THAT OF MEN

The preceding 3 paragraphs were comments on the performance of women CSU Members who constitute 19% of the total membership. The following paragraphs, however, refer to Coolie women as a whole, members as well as non-members<sup>7</sup>.

All our studies as well as the review made in the September BCS Meeting reveal that a poor landless woman gets far more support from her Mahila Meeting than a poor landless man from his “mixed” CSU Meeting. As a result it is male headed families without the active participation of their womenfolk which have fared the worst in the effort to become rich.

The Mahila Meetings’ concerns do not stop with sanctioning a woman a CCF loan -whether the loan be in her name or in the name of her husband. Mahila Meetings go on to extend all forms of non-material support from purchase of stock through handling stages and repayment problems. If she falls ill, for example, some other woman grazes her sheep; if she has to suddenly leave the village on an errand, another woman runs her petty shop. This continuing support along with the opportunity to talk threadbare about the nitty gritty details of her economic venture in the weekly Mahila Meeting has contributed to making her enterprise a success.

This raises the question as to whether the Coolie Sangha should not have made the issue of supporting landless Coolies as strong a campaign platform as the one in favour of Coolie women. The effort in favour of the poorest of the poor -the *Nirupeda* campaign- has obviously not worked as well as the one in favour of Coolie women.

But a huge difference should immediately be pointed out. While the *Nirupeda* campaign was a more or less once-off effort which embraced just a single effort -the CCF- we did not take such a sectarian approach with Coolie women. We were adamant, even when it was fashionable at that particular stage of the development debate to be otherwise, that we would never have a “Women’s Programme”; that we would build a positive discrimination in favour of Coolie women *in all and every activity* of the Coolie Sangha. The Mahila Meetings getting a veto right on the CCF and their supporting fellow women in loan utilisation and repayment was not a zoned down single activity, but part of the overall philosophy and approach of ADATS and the BAGEPALLI COOLIE SANGHA.

Fortunately it is still not too late to re-emphasise on the landless, make the deeper realisation that the remaining Coolies cannot go too far forward without them, find ventures that they can profit from, and gear up individual CSUs to support such families in a genuine and holistic manner. But this is possible only if men are prepared to learn from the women’s *style of functioning* and emulate them in both, the so-called gender bias free “mixed” CSU Meetings as well as in family related matters. Some examples:

- The spontaneous willingness of individual women to fully and openly share the deepest secrets of their financial affairs without reservation has made it possible for other women in the Mahila Meetings to hear out problems and discuss a range of possibilities before stumbling onto right solutions.

This is something that even the poorest of men will not consider doing. To them, their tribulations are to be silently borne as a mark of their manhood.

As one woman remarked in the September BCS Meeting,

*“You men will rather drown worries that gnaw the pits of your stomachs with 2 packets of arrack and uselessly sit through a CSU Meeting in silence, than spit*

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<sup>7</sup> This needs a little explanation. Though only one-fifth the actual CSU Membership stands in the names of women, the number of families where wives, mothers, sisters and daughters actively participate in CSU affairs *in spite of the family’s membership being in the names of menfolk* is very high at about 75%.

*out your worries and let your fellow members come up with a solution. What sort of unity do you have in your male meetings?"*

- Single women, specially those who are sexually abused and have to pretend that they actually *like* being a married man's mistress, grasp at opportunities like the CCF as last straws and put their everything to make economic ventures succeed and liberate them. There are literally hundreds of such examples in Bagepalli taluk.

Coolie men are perhaps not shamed enough by the levels of degradation that their general gender-free poverty stoops them to, and delude themselves that they have options other than to strive for economic independence.

- The popular myth that women are slow learners may have some sound sense behind it. Perhaps women think twice and reflect a lot before agreeing to suggestions given to them. Unlike men who quickly commit themselves to giving up caste, religion, social custom and the rest in a glib and meaningless way. The other popular myth that women are the ones who preserve social custom, even when it is blatantly to their disadvantage, has been amply disproved by the Mahila Meetings of Bagepalli taluk.

## 12. CONTINUING THE STUDIES

We did not stop with merely making broad policy findings. After placing this rather overall information and general deduction in the mid August Executive Committee Meeting<sup>8</sup>, we convinced the BCS on the need for continuing a micro study. The Bagepalli Field Workers generated figures for individual CCFs from the computer and have started visiting each and every CSU to place the micro findings of their respective villages in front of them.

New learning emerged from this exercise. Stark physical lessons as to whether sheep or buffaloes are more suited for a particular village, what additional support needs be given to a landless borrower, who the chronic defaulters are, etc. are being learnt. Through this micro study, each CSU is now able to take responsible decisions with regard to the utilisation of the substantial CCF balances which are still with them in their bank accounts.

But what is far more exciting is the conceptual learning that is taking place at the CSU level. These range from situation specific reflections on particular factors which have contributed to a greater fiscal discipline -or lack of- in particular CSUs, to more generally applicable ones. The Coolies are interpreting the figures and their own intimate knowledge of what has happened these past 1½ years in order to determine which stage they are at in terms of developing self respect and self esteem, fostering individuality, giving up rote roles forced by caste and community, take support from the community and develop a fiscal discipline.

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<sup>8</sup> Fortnightly meetings of 28 Cluster Secretaries jointly chaired by the BCS President and BCS Secretary.

The rough translation of a popular poster prepared by the BCS reads something like this:

#### **STEPS TO BECOME RICH**

- Start caring for Yourself since no one else will.
- Develop a Self Centeredness which comes from self respect and self esteem.
- Develop Individuality and an individual identity.
- Join hands with others who want to project their individuality and form a Community.
- Give Up everything else - be it Caste or Social Custom or Religion or Wasteful Expenditures.
- Avail Capital from your CCF and from the Banks.
- Take the Support of the Community to utilise the loan, moral support during crisis, and accept your Community's Control over you.
- Acquire a Fiscal Discipline.
- Remember that, in Capitalism, there are No Guarantees.

Individual experiences of borrowers who have profited from their ventures as well as of those who have not fared too well, are examined against these "steps". In this way, a kind of public examination is taking place to check the validity of the rather complex strategy that the Coolies themselves have evolved to survive in the emerging market economy. A strategy which banks as heavily on individual Coolies making personal adjustments in their private lifestyles as on remoulding the Coolie Sangha to create a different form of grouping; a strategy which does not prescribe concrete panacea and appears to place technicalities at a second place; a strategy which seems to place a lot of faith on a bridled form of *laissez faire*.

Often times Coolies in a CSU are able to identify where they have failed in base and prosaic terms -crop failure, disease in stock, getting cheated, irresponsible behaviour, or even a lack of viable enterprises in a region. They are able to come up with pragmatic solutions.

But more often it is in subtleties that they interpret their failures through statements like, "*My family was too engrossed with following social custom.*", or "*Caste biases within our CSU came in our way...*", or "*How I wish I had involved my wife and all the others before deciding!*".

It was the individual sharing of these self-assessments made by 55 CSUs which formed the agenda of the September 1993 BCS Meeting and the stuff for writing this 2<sup>nd</sup> Progress Report.

### **13. MISUTILISATION**

Gross misutilisation is still the exception. Only in 4 villages has the problem become so bad that the CSUs had to be totally dropped out -i.e. de-recognised by the BAGEPALLI COOLIE SANGHA. While the selfish greed of a couple of "leaders" -ex-VLWs, ex-Cluster Secretaries, etc.- was responsible for the effort going haywire in 3 villages, it was all the Coolies together who had been taking us for an eight year ride with concocted minutes of village meetings and falsified figures on CCF performance in the 4th.

In the 1,885 crop loans given out in June 1993, misutilisation has been an astounding zero. Some borrowers have actually returned the unutilised credit when they were unable to sow seeds in time!

But about 25 villages have cases of chronic problems which defy all understanding. In many of these CSUs it is a couple of *Nirupeda* who claim that all their sheep have died or they simply sold them off for no apparent reason. In some others it is the senseless swapping of whatever they had originally borrowed for with everyone's consent, for something of far less

value just in order to meet a trivial family need. Nowhere has it yet resulted in non-repayment of their loan instalments, but one wonders to what purpose.

The comfort, however, is that all such cases do not together total to more than 100 or 150. This means that there still are more than 1,500 Coolie families in 55 villages who have begun to see real income and are well on the road to becoming rich by March 1995.

#### 14. DEALING WITH WANTON DEFAULTERS

In deference to the encouraging slogans given by ADATS during the initiation of the project, the BCS has decided not to pursue wanton defaulters till March 1995. But immediately after ADATS formally withdraws from the CSUs of Bagepalli taluk, the BCS will take legal action to recover overdue loans.

#### 15. THE ROLE OF BANKS

As we had predicted when starting the CCFs, many Coolies now feel that they have sufficient fiscal discipline to deal with the Banks. About 200 families from D. Kothapalli Cluster, for example, decided not to avail crop loans from their CCFs. Instead they borrowed from the State Bank of Mysore situated at their Mandal Panchayat headquarters at 12% p.a. interest. Their argument was that if they were to repay these crop loans in 6 months, they would pay a nett interest of only 6% against the CCF's cost of 10%. The Bank was more than happy to extend them credit on the strength of their Minutes Books without any unnecessary paper work. Similarly many prospective borrowers are advised by their CSUs to approach the Banks for larger amounts.

Our only word of caution to them is that they should continue to deal with the Banks *en block* and not as individuals.

#### 16. SPREAD EFFECT OF THE MODEL

Though funds from this NOVIB supported DLDP 2<sup>nd</sup> Phase project have been used exclusively in 59 (now 55) villages of the Old and Chelur Areas, the general effort at becoming rich has obviously not been restricted by this artificial geography.

The EZE supported Gulur Area of Bagepalli taluk has a CCF capital of Rs 4,224,569 in 44 properly functioning CSUs. Another 1,710 Member Coolie family families are going through identical processes described in this Progress Report when speaking of the Old and Chelur Areas. Therefore this Report should actually be read to comprehend a process taking place in the lives of 3,396 Coolie families in 99 villages of Bagepalli taluk through the usage of a total capital of Rs 14,281,350.

The major difference between the NOVIB supported Old and Chelur Areas and the EZE supported Gulur Area is, of course, in CCF Capital availability. The Coolies of Gulur have only Rs 2,470 in their CCFs while the remaining Coolies have a per capita capital availability of Rs 5,023. We have requested EZE to please correct this anomaly, but this has not dimmed the fervour in any way at Gulur.

The non tangible aspects of these efforts -i.e. the socio-cultural preparations being made by the Coolies to enterprise- are not even restricted to Bagepalli taluk alone. Coolies in the 3 neighbouring taluks have set the goal of becoming rich as beacons toward which they will strive.