

0623. 1st Reply to DLDP Queries (22 Mar 1993)

In this, the 1st of 6 letters, ADATS gives a lengthy explanation on our understanding of the New Economic Policy and changes in the Indian economy.

We then comment on participatory planning in ADATS and the Coolie Sangha, on Coverage/Drop-out, the position of Coolie women, on Financial Inputs (the cost of building village CSUs), Government funds, and the Inflow of Funds vs. Managerial Ability.

Dear Berry:

We received the first 5 pages of your letter dated 10 March through the fax at RDT on 18 March 1993. We are still trying to contact you to fax the remaining 4 pages but we thought we would immediately reply to the first part of your letter on the general policy of ADATS/DDS and the BCS.

We will never cease to be amazed and astonished by the time and energy you put into understanding our effort. Surely this is beyond the need of normal processing for funding purposes. And as always, we are deeply moved with feelings of affection for all of you at ICCO-office who send us your greetings.

We also appreciate that letters like these introduce a certain formality into the relationship and will now proceed to answer your questions. Though we will try our best to follow the same order in which they appear, you will understand that there will be quite a degree of overlap since all of them stem from the same concerns and interests.

PROBLEM ANALYSIS/CONTEXTUAL BACKGROUND

We do believe that the situation in the country has altered most fundamentally and dramatically since mid 1991. At the same time we readily agree with you that trends were already there from the mid '80s (but perhaps not so much in the '70s when there were more sincere attempts to find solutions within the socialist framework) and preparations were surely on for some years before that. The newly emerging political economy has certainly to be seen as yet another step.

Before proceeding, will you please permit us to digress for a while?

We would like to recollect that ADATS was among the few NGOs which started commenting on the emerging trends of capitalism without following the then fad of just cursing it and predicting doom. In mid 1985 we made a short presentation at Avishapur in Nalgonda (Vision of 2000) which was misunderstood by a few and glossed over by the majority who were caught in the grandeur of their alternate visions which grossly overrated the capabilities of NGO efforts. On 7 April 1988 we wrote a rather lengthy letter to Peter Lanzet on the 2 tracks that capitalisation of agriculture would take (DLDP Completion Report, December 1989). In late 1988, at Govindpur III, we came to everyone's notice when we declared that our fondest wish was that there should be a material abundance for everyone. We knew perfectly well that this was impossible and that all that one could hope for was an assurance of sustainable minimum.

Yet we persisted in standing out as the exception in that gathering for 3 reasons. Firstly because visions have to transgress cold and sober appraisals made with limited understandings of the moment. They are targets one has to be prepared to chase. And secondly because we still feel, even today, that this is not an impossible dream to pursue. But most importantly because we wanted to see an end to fanciful expressions of empty condemnation with each vying to outdo the other's assertion of being able to build alternate models. Mainstreamisation and marginalisation are very powerful concepts. When harnessed with proper understanding

they can pave paths and etch strategies to actualise on opportunities. But when abused they lead to false and dangerous adventures which are so easily sustained in this artificial world of ours.

Where the new economic policy is definitely a watershed is not so much in economic declarations of support for a market economy but in socio-political and cultural ramifications. Mid 1991 was a traumatic period for all of us and a mood of deep despondency settled on the whole nation, specially on the rural poor (our sensibilities have been dulled with the hammer blow we then received to take the ugly events of late 1992 in our stride). To say that we too were not caught in this mood of intense despair would be a lie. The forces were far too huge and the happenings momentous.

There was the *perception* of a sudden abandonment of the poor in general, the rural population more specifically, and the scheduled castes to a total extent. It was stated in the first 2 union budgets presented to parliament that everything had to wait while the country went about making structural adjustments; that governmental protection could not be looked forward to any longer. These got so wide and immediate a publicity.

We intervened with what, at that stage of the country's mood and development, can only be described as a note of optimism. Not as a morale boosting exercise nor as didactical. The strength of ADATS, we believe, is our ability to theorise and politicise at an applicable level and steer societal processes in favour of the Coolies.

We hailed the demise of pseudo-socialism which had outlived its function and now only bred corruption. We said that we looked forward to the replacement of bureaucratic profit with industrial profit and declared that a vigilant and organised people stood a better chance to deal with the latter. We exposed capitalism as not having the same type of grand master plan that feudalism had and spoke of the maze of subtle possibilities which capitalism unwittingly opens out for its victims.

The optimism we infused was infectious. A people suddenly had far more to look forward to than stare at defeatism in the face or speak of building utopian alternatives if only given chances which they never would. The dream became big.

In the past nearly 2 years there has not been a single major protest by a political party beyond the perfunctory role they are supposed to perform in opposition. Is this not helplessness and falling into the "inevitability trap"? Have not all our earlier theories failed us? Why single out the helplessness of NGOs alone and term it as degradation, you may ask. Because there was little we could do about political vacuums in wider society. The NGO world was our sector which we felt we had the right to forewarn. What we said was that this is a vacuum which, even if short lived till the new contradictions are understood and shifting targets identified (your words), will give ample scope for pseudo-ideologies to surface and chauvinism to escalate in various ugly forms.

As to material manifestations of a worsening situation, there are bound to be confusing and contradictory signals in the short run. It is easy for us to throw examples which are as valid as the next person's to prove one point or its extreme opposite. This is the reason why, on your suggestion, we undertook an exercise to annually track benefits derived by the Coolies. Only through a study of these findings after some years can we make absolute conclusions.

But we still have to go ahead based on short term impressions. What we have found in the past nearly 2 years is a severe slash in the general subsidies like petroleum, fertilisers, food, electricity, transport and essential services which used to account for more than 75% of government spending on the developmental heads, and a more or less intact retention of spending on scheme subsidies.

The government hospital at Bagepalli, for example, does not have a single drug in it for the past 2 years, forcing people to go to private doctors. The price of the most commonly used medicines has gone up by more than 300% and druggists say it is because they no longer get raw drugs in bulk from the public sector manufacturer.

Ration shops in the taluk function on a sporadic basis with hardly any provisions to sell at government fixed fair prices.

Mud roads in the taluk which used to be maintained every summer have not seen repairs for the past 2 years. State highways, on the other hand, are getting tarred. Bus fares have been steeply increased but the number of buses on village routes have been cut to less than half.

The taluk saw a fresh capital inflow of only Rs 3.6 million through banks and co-operative societies during the last cropping season as against a usual figure 3 times higher in the previous years. Seed groundnut was not loaned out by richer *Ryots* even under usurious conditions.

The cost of fertilisers went up by 250%. Even the BCS allocation of Rs 1,000 per acre will not be enough to cultivate the lands this year.

The Gujarat violence of January 1993 caused a crash in groundnut prices from Rs 370 in December to Rs 280 in February just when everyone was anxious to sell.

Months before the announcement of the 1993 union budget we predicted that scheme subsidies which accounted for less than 25% of government spending on the development heads were not going to be cut. But even we did not anticipate them to be enhanced more than a dozen fold, almost back to the pre SAP level. Perhaps this gives cause for some people to believe that we were alarmist in our predictions. But we still hold on to our position.

The government did it because they could afford to do so with huge savings they made with cuts in general subsidies, as a short term measure on the part of the ruling party to appease its cadre of village touts and petty leaders, fearing an imminent general elections. It is not even motivated by populist considerations as we normally understand them. The attempt is to buy the vote catchers rather than the voters themselves. What else is this other than the promotion of extra economic tyranny in the country side?

We are not quite as unaware of the implications of our measures as you seem to make out. Our vision is one shared with thousands of Coolie families in Bagepalli taluk even though we all accept different roles in actualising it. Thousands more in the extensions are continually getting drawn into what is developing into a fervent pitch.

We believe that the rural poor cannot wait for larger changes to completely happen before they act. If they do, it will already be too late. We refuse to accept the pre-ordained position of inferiority in industrial society which seems to be reserved for them. They have to come out on top of events. We draw courage from the fact that our economy did not become a basket case before the country went in for structural adjustment. We believe that there still is room for our people to manoeuvre and shape a capitalism which itself has no pre-ordained form.

For this to happen our people have to actualise every opportunity offered to them and search for those that are not. They have to come out of a 2,000 year old stagnation. Every single facet of their lives has to be re-examined. New values, attitudes and behavioural patterns have to be imbibed, new skills and techniques have to be learnt and new institutions have to be built. The very *raison d'être* and guiding principles of their lives have to change. That which needs to be preserved in the old order has to be taken forward and carefully instilled in the new communities without the shrouds of reasoning which earlier sustained it. Otherwise it will be lost for ever in ridicule and disregard. These traces of the old will give a distinct stamp of cultural identity on the new social organisations which will otherwise have no other semblance to the preceding.

Village CSUs painstakingly built using our implementation technology cannot be exempt from this need for renewal. They cannot continue with the same compulsions with which they were started. Poverty and fear can no longer be the forces which trap Coolies into membership. Their motivation for continuing with the Coolie Sangha has to be fresh, based on enlightened reasoning and free choice. Free from the damning compulsions of utter deprivation. After building the base Coolie Sanghas, we will once again work for the building of village communities which are distinctly different from each other. Individual tapestries woven with different membership compositions and concerns, and varying priorities; but all sharing a common determination to not be left out of happenings in wider society. It is through these efforts at renewal that the individual and the community will be born.

We have termed this renewal as withdrawal. For us it signifies the end of NGO intervention. The Coolies see it as the taking of their lives into their own hands. For them, the preceding Coolie Sangha building work gave that vital measure of socio-political status and economic security without which they could not have taken control of their destinies.

Neither of us ever believed our achievements to be development. As early as in March 1986 (Coolie Sangha Model of Development) we said that we see only a transient role for ourselves. We were always clear that it was only a preparatory phase. Sustainable development would begin only later.

Our vision, in a word, is development itself. Communities of people actively engaged in the contemporary political economy of the day as producers and consumers, workers and entrepreneurs, deriving maximum material benefits from the economy. Societal concern is not an addendum to this material existence, but rather a conscious choice made in order to be able to support it. Such material prosperity cannot be sustained when dictated by do's and don'ts issued by the enlightened. But this does not discount the role of peer pressure, community sanctions and social control. Our role as development workers is to be with the people, in spite of and outside the NGO structures, to help them internalise these concerns (pages 18-19, ADATS/DDS Extension Application, September 1988).

Here lies the basis for our faith in democracy. To us, autonomy is the only instrument by which it can be attained and pluralism is the only shape by which we recognise it.

Concerns of not being able to achieve our vision in any full measure do not dilute it's validity. We readily accept that in all probability this will translate only into an assurance of minimum for our people. The other strength of this vision is its applicability in small and inconsequential pockets like the coverage of ADATS/DDS. Because of capitalism's uneven development as opposed to feudalism's uniform humdrum, it is possible to hammer out different deals and concessions in different pockets of the political economy.

A summation of everything we have said so far is that those who were prolific in condemning capitalism now seem unable to recognise it when it has finally arrived and the dangers are staring them in the face. We who have all along been balanced and responsible in trying to understand capitalism have come up with a strategy to cope with it. It is a moot point as to who has surrendered to capitalism's "inevitability logic".

But in the ultimate analysis, Berry, we honestly believe that this whole question of problem analysis/contextual background is an area where we can, for the time being at least, even agree to disagree. These are issues which will not come in sharp focus in the extensions in the short while. And the changes in approach are not quite as radical as you suggest them to be.

What you call a betting on entrepreneurship could quite as readily carry the label of income generation schemes. Where in the case of the latter we would have proceeded to give added economic strength to Coolies in peasant society, we now emphasise that they have to concen-

trate not so much on inequities between themselves and their patrons, but explore and deal with the market instead.

The sheep loan of yore would have had the dual objective of providing gainful supplementary employment during the off season and enhancing her prestige in village society as a person with property, provided she belonged to the shepherd castes. Today it is considered by the borrower as an investment which has to grow into a full scale activity capable of supporting her family, and with which she increases her liquid assets to invest in any viable form, without considering caste or a fixed occupation.

The attack on joint families is not a programme of ADATS. It merely is an indicator of the Bagepalli Coolies' total acceptance of the analysis, even if it were presented solely by us. It only shows that the Coolies sufficiently trust the reasoning to translate it into practical steps which have immediate bearing on their every day lives. It is Coolies themselves who feel that there are 2 pressure points in village society as it is presently organised. The first is the overt dependence of relatives on just a few "family managers" who slog it out for the whole lot. And the second is the overt dependence on dwindling holdings of dry land.

What ADATS can be accused of is readily agreeing with them that there is nothing to romanticise in either the joint family or in peasant existence. Joint families are no more that beautiful support structure of a huge group of people who all find a place, giving each to his ability and taking each to his needs – we wonder if it ever was. We have, however, cautioned the Coolies to not throw the baby with the bath water and advised them to instil the concept of a holistic support into the structures of their CSUs. Peasant existence is a cruel one of never eating a full stomach except perhaps at the patron's wedding. In spite of the problems of cities where 40% of our population will soon be living, we cannot view rural migration as anything but an escape. But once again we have advised the Coolies to make preparations and not crawl into slums or land on pavements (Letter to Peter Lanzet, 7 April 1988).

TOP-DOWN OR PARTICIPATORY PLANNING?

Our answer becomes obvious from the foregoing where we have used our pronouns very carefully. The first 2 examples you cite are good ones to illustrate the point. But surely you will agree that if the not so mature Coolies in the 4 extensions had their way they would have liked to see an even less time gap between increasing the CCF capitals and starting the DLDP!

It certainly is a mixture of both. But we pride ourselves in the fact that never in a single village or instance have we ever interfered with the planning process after the first 3 year Coolie Sangha formation phase. We do tend to set the agenda for debates and discussion but the Coolies pride themselves in often over-ruling our positions. The discussions on caste and social custom (Report on Coolie Sangha Consolidation, October 1992) is a good example.

The top-down impetus which emphasises on processes should not be confused with decision making powers. We have been able to preserve our special role and offer our contribution as different from that of the Coolies in a very responsible manner. We have never taken shelter in any pretence of a mandate from them to push our own ideas through. We can never be accused of confusing Coolie positions with our own and have always been careful to make comparisons between the two (Extension Application to NOVIB, July 1991, Report on DLDP 2nd phase, September 1992) to avoid any misunderstandings.

What we could still be accused of, perhaps, is that we are still the main source of information for not just the Coolies but the whole of Bagepalli society. This could be imparted with a bias or even in an incomplete or distorted manner.

COVERAGE/DROP-OUTS

This is a matter on which all of us constantly reflect. Feelings range from disappointment and frustration on one extreme to philosophical acceptance on the other. What we are trying to say is that one would rather have preferred to have an outright majority, specially when the poor constitute such a bulk of the rural population and working with a clear majority has its own advantages. The concept of an effective minority therefore has in it the element of an admission of failure as different from defeat.

What follows is that there is a continuing effort on the part of active CSU members to increase coverage by bringing back the dropped out. From September 1992 to January 1993, in just 4 months, membership in Bagepalli taluk increased by nearly 500 families with 6 more CSUs becoming active. The odd personal friendships, partnerships in trade and petty business, joint cultivation and marriages between CSU members and non members are slowly becoming visible phenomena in many villages. Such instances are still few and far between. But even such limited social intercourse is enough to take the edge off acrimony more effectively than any conscious attempt to promote harmony or tolerance ever could.

This does not happen due to any dilution in the Coolie Sangha. On the other hand, it occurs in most of Bagepalli taluk where the BCS is a sheer force. But in some villages of Gulur where animosities run deep, and in most of the 4 extension areas where the Coolie Sangha is still relatively new, such a magnanimity is totally absent. There the problems of obstruction from vested interests and the frustration caused by non-members gaining from CSU efforts is far more acute. We believe that only the growing strength of the respective Taluk Coolie Sanghas will, in course of time, gradually solve this problem.

The role of the neutral population has also to be recognised in this connection. Where the CSUs are strong and mature and do not go about seeing threats around every conceivable corner, they are able to carry the neutral population along with them. As a result, in spite of lower coverage, they often become a working majority. It is also interesting to note how Coolie women assert that, come election time, all the Ryot women will vote with them. Whether this prediction of theirs turns true or not, it does shed a lot of light on subtle divisions in village society.

POSITION OF WOMEN

We thank you for the sentiments you have expressed. Specially when accompanied with constructive criticisms and questions, they do a lot to reassure and bolster morale. While there certainly is a danger in stressing the reproductive tasks of women, we do believe that sufficient attention is being paid to enhancing the position of Coolie women in paid and productive situations. The proposed DLDP is a fine example of this emphasis.

A positive gender consciousness has seeped into the mixed Coolie body as a whole. While there certainly are many men, especially in the extension areas, who feel that the Mahila Meetings offer sufficient reservation for dealing with women's issues, this certainly is not the case in Bagepalli. There are literally hundreds of instances to show that the mixed CSU Meetings and the BCS Meeting are not only becoming genuinely gender bias free, but also getting influenced by a very raw form of feminism.

However, the effort is still very nascent and both, ADATS as well as Coolie women, have a long way to go in exploring concepts and coming up with viable strategies. We do see this as one of the higher and deeper roles which we will continue to perform even after withdrawal.

FINANCIAL INPUTS

The cost of building CSUs

On 13th March we had an experience which we would like to share with you. It was during a 2 days reflection session with Coolies from the Gulur Area when we reminisced on their entire 7½ year experiences. This was a part of an ongoing exercise where over 1,000 Coolies will get together in batches of 50-60 every weekend over the next 5-6 months in order to review their past experiences and deepen their understanding on withdrawal.

When discussing the question of coverage and why so many CSUs had dropped out, one thing led to another and we went into an examination of the cost of building CSUs. Some very interesting and painful points emerged. They said that with the best of intentions and not for want of sensitivity, ADATS had not financed more than 75% of the cost of building the CSUs. No CSU can be built, they asserted, unless a whole lot of people were prepared to pay for it.

It starts with the VLW who shells out approximately half his income on travel costs, petty stationery, food for visitors and various other incidental expenses which he feels ashamed to even admit having spent. Many VLWs from middle peasant backgrounds spend even in excess of their stipends. Then there are the CSU Representatives who not only have to meet their own expenses in coming so many times to Bagepalli for meetings, training sessions and various other appointments at the taluk headquarters, but also lose a day's wage every time they do so, sometimes in peak agricultural seasons. Even the VHW who sometimes gets as paltry a sum as Rs 75 per month from the decentralised health budgets of a small CSU spends at least a third of this amount on bus fares for herself and poor patients who she accompanies to hospitals.

Then there are all those sudden expenses which keep recurring at the most unexpected of times. Be they for issues and struggle or disease and illness or visits and events. CSUs with slightly better off families among their staff and membership tend to fare better. They are more prompt and efficient. Exclusive Harijana and tribal CSUs, on the other hand, lose out on this relative advantage unless a cluster mate of theirs is prepared to continually bail them out.

We were not prepared to offend sensibilities or abuse the beauty of the moment by probing any deeper. We did not ask the Coolies to inventorise their expenses in any greater detail. We got the drift of what they were saying. We knew that they had a certain pride in carefully revealing even so much of their stark realities. Their intention was not to censure ADATS for insensitivity or manipulate us into changing our policies to more fully fund the Coolie Sangha building process.

It was more a way of letting us know – we who thought we knew it all – that there are contingencies and considerations in village life more than our knowing is privy to. That there were reasons for diluting the strict and pure criterion for membership; that altruism alone had not guided the Coolies to unite across the caste and class lines; that village society was far more complex than even we know it to be; that dropped out CSUs should not be blindly censured. At the same time, we were reassured that our not having known all this had in no way effected our ability to perform our special and chosen role of steering processes.

We silently resolved that each one of us should undertake our own private studies on the actual cost of building CSUs. Not so much to dispute their claims of meeting 25% of the costs, but in order to deepen our own understanding of village dynamics and develop a sensitivity and humility which such a study can give us.

Government funds

In all our years of working with the Coolies, the question of why ADATS does not receive government funds has repeatedly cropped up. Perhaps the underlying confusion is in a difficulty to either comprehend or even accept the total dynamism of the 2 Organisations policy. We are honestly at a loss to fathom the need for ADATS itself to receive government funds. To us, the *Indian* nature of funds only translates into ugly interference. ADATS has managed for 15 years without paying a single rupee in bribes. Coolie interests have been vehemently defended without giving any quarter to anti-poor sentiments. Why should we compromise on these?

It is not as if substantial government funds have not been mobilised by the Coolies. They realise that in a resource scarce situation they should tap every possible source, and the CSUs have been very successful in doing so. For the first 8 years of our work we did not invest a single rupee of our own on income and employment generation schemes. Even a 13 month wage struggle was supported with only a few bags of grain.

Every conceivable benefit was extracted from the government through Coolie struggle. This effort has not waned with the influx of material inputs through ADATS. So much so that the CSUs have a reputation for being able to tap civic services with such a high degree of success that non members and the neutral population of the villages look up to CSU initiatives in this regard. Why should these moneys now come into the account of ADATS?

The tapping of funds from say, the Wasteland Development Board, will compromise on the very objectives of the DLDP and make it a prosaic exercise which may, at the very most, invite some investment on Coolie lands and provide employment for a few months. Everything else in the effort will be made redundant.

Bank involvement

We have always been opposed to the involvement of banks unless there is a subsidy component which can be tapped by the Coolies. Why should we burden the poor with the repayment of bank loans just in order to immediately satisfy a current NGO fad? We have not come across a single enterprise which gives sufficient returns to be profitable for both, the petty entrepreneur as well as the financier when a Coolie first decides to augment her wage income.

Low organic composition, low technology and slow paces of capital turnover have been the hallmarks of Coolie enterprises. Such forms of enterprise needed a special form of financing. This was the rationale behind building the CCFs. Even then, the living hell that a Coolie undergoes to rear 10 sheep and repay her CCF loan in 3 annual instalments has to be seen to be believed. It takes sheer will power and the support of all her well meaning neighbours for her to not throw in the towel and sell the bloody sheep to meet a genuinely urgent and pressing domestic problem.

Some years back, before the introduction of CCFs in their villages, we remember a huge crowd of desperately poor Coolies coming to us at Bagepalli. They had come prepared with documents and the rest to borrow under the infamous Loan Mela scheme. These so-called "Congress Loans" were from the nationalised banks and there was no subsidy element involved. We explained the danger of senseless borrowing just to tide over a cash flow problem and discouraged them from going ahead. Much to the astonishment of middle men and officials who waited with unseemly anticipation, nearly all of them heeded our advice and went back to their villages, literally walking past the doors of the bank without as much as a side-ward glance. The other day we got a sense of *deja vu* when a similar incident occurred at Julapalya, but this time without our intervention.

Which leads us to another point. In addition to the non viability of petty enterprises, we believe that there is insufficient fiscal discipline in the rural poor to borrow from banks. This structural deficiency in the poor is exploited by too many unscrupulous persons as well as by the self professed, even if the latter do it in all innocence. Merely acknowledging this problem as a societal malady is no excuse. The CSUs and the CCFs, on the other hand, go about rectifying this deficiency by introducing discipline on all counts.

We are not naive to economic realities. Of course we see a major role for institutional finance in the schema of things. But not an immediate one for Coolie borrowers and petty ventures. We will use all our powers of persuasion for a bank to lend out a few crores to an entrepreneur to set up a factory where hundreds of our people will get year round employment. In fact we are already doing so with some indication of success. Is this not far greater a service to the Coolies than to misguidedly get thousands of them caught in the jaws of a debt trap?

Our objection to banks is in no way universal or valid for all times and situations. The organic composition of Coolie enterprises is bound to rise very rapidly with higher capital and higher technology. Alongside, the turnover of working capital will also quicken in pace from the feudal 1-3 year cycle to a matter of months and weeks. Simultaneously the monopoly of the banking sector will also be broken with ridiculously high rates of interest recognising the contemporary technology of a region and making downward adjustments to more realistic margins. The organisational strength of the independent BCS will be sufficiently geared up by that time to hammer out attractive deals for Coolie borrowers.

Please do not get the impression that we are rambling about some time in the very distant future. Already in the present are there seeds of the morrow. Many Coolies who have had success in rearing buffaloes bought with CCF loans are being encouraged by their CSUs to go in for bank loans for bigger amounts to buy cross bred cows. 2 big joint families are being encouraged to take just the seed capital from their CCFs and approach the banks to buy tractors which will also help improve the cultivation of their respective villages. Such examples are endless and get ample encouragement from ADATS.

But the CSUs in all 4 taluks are very active in tapping bank loans with subsidy elements. In fact they are so convinced that these subsidies will not last for much longer that they are making Herculean efforts to get IRDP, Anthyodaya and SC/ST Corporation loans sanctioned as quickly as possible! They get maximum co-operation from the banks since branch managers know from their own maxim that 100% utilisation, which the CSUs guarantee, ensures 75% repayment.

Finally we would like to comment on an oft repeated argument on the dangers of creating artificial milieus which cannot be sustained. Such accusations have been freely thrown at us before they realise that there is an indirect interest cost in the CCFs. But we do not take recourse in this hidden interest cost of the CCFs to refute charges.

To us, it sounds like a very narrow "accountant's definition" of sustainability. Sustainability is a huge and powerful concept which cannot be sectorally applied or even understood. The NGO world has proved that clichés do not take one very far. Interest Rate and Real Costs are, in our opinion, being used as little more than popular clichés without sufficient reflection. Often times, the same persons who talk with such narrow and blinkered understanding of sustainability are the very same who vehemently oppose the poor's entry into the market economy. We wonder how, by their own definitions, anything other than a continuation of poverty is truly sustainable.

[Inflow of funds and managerial ability](#)

The computation of the inflow of funds you have made is not quite as breathless as you make it sound. The DLDP 2nd phase is almost over and the final phase of the CEP mainly envisages

a single grant of Rs 25 million to be placed in fixed deposit by April 1994 in addition to meeting central expenses. Skill training is already an ongoing and settled activity. No one's energies will be unduly taxed by continuing it for another 400 children.

The only major inflow we anticipate is the DLDP from ICCO. Each of the 4 extensions will receive their portion of funds which will be administered to buy tools and pay wages which account for 93% of the budget. So the real question is whether we are confident of being able to expend these amounts without the slightest probability of misuse or wastage.

To this our answer is that unless we were thoroughly convinced that we can implement it with the same efficiency as we did, simultaneously, in all the villages of the Old, CEP and GEP Areas with funds from NOVIB and EZE respectively, we would not have applied to you in the first place. You will surely recollect that it was we who said that we would not take a decision on the DLDP till we were absolutely sure on the ability of the CSUs to manage funds. The manner in which the decentralised health and children's budget and the CCFs have been handled by the 139 CSUs in the extension areas should give us some indication of their ability.

Massive preparations have been undertaken over the past 1 year. The DLDP has become totally transparent with each and every family knowing exactly how much we have asked for, how it is to be spent, etc. This transparency will protect the moneys from any serious mishap. The only danger against which it is not reasonable for us to give any guarantee is human failing. But even on this score we have taken some minimum precautions like the fidelity and cash in transit insurance, etc.

What you have not mentioned in your letter is our plans to start working in yet another 100 villages of Chintamani taluk with EZE support from July 1993. We assure you that ADATS/DDS certainly has the capacity to undertake even more projects if the need genuinely arises. We beseech you to understand that we are not going to grow big for bigness sake, but neither will we shirk from taking additional responsibilities in the pursuit of our dreams. Surely you realise that this is not possible without the full support of our northern partners.

This is why we have set up effective and decentralised structures to administer and manage, open and transparent systems to invite and involve each and every staff and member Coolie in the planning, monitoring and review process, and constantly keep expanding our capacities. These systems and the particular brand of organisational culture have been developed precisely because we recognise the need to grow big and take on ever widening responsibilities in a responsible manner. You have been privy to our thinking in this regard ever since September 1988 when we first requested ICCO to support the decentralised extension programmes.

Sangha funds

We did try to build the endowment with Coolie contributions alone because we felt that the intrinsic value in a people saving for their own posterity should not be lost. By late 1992 when we found the arithmetic's stacked against our intention, we went ahead to approach NOVIB and simultaneously informed all our northern partners. But once again, if we had felt that there was a serious compromise and the Coolies would no longer feel that the endowment belonged to them, we would not have approached NOVIB.

The guarantee you ask for can never be given. But perhaps it is to be found in the Coolies' own coming up with the concept of repaying their social obligation. We believe that they are serious and sincere about continuing to build up their village Sangha Funds to slowly relieve the need to depend on the central endowment being built with foreign funds. The concept was not ours and we too, in the beginning, confess to being a little sceptical.

Only when we realised that they had come up with the plan mainly in order to safeguard their own village autonomy and promote pluralism did we understand the extent to which these concepts were internalised in Coolie minds. This does not mean that CSUs do not have their fair share of losers who just view the plan to repay as a clever trick to get in the first place. One just hopes that the enlightened majority will prevail over them and that the formality of the Coolie Sangha will snuff out these *mala fide* intentions.

Perhaps this guarantee can also be found in structures they will build and conditions they will impose upon themselves to manage the endowment fund and use its earnings during the course of this year. The very fact that Coolies themselves are going deep into questions like how to ensure the continuity of principles like simplicity and efficiency in the functionaries, a positive discrimination in favour of women, concern for the poorest of the poor, etc. further reinforces our faith in their seriousness.

The village wise budget making exercises of 1992 show that only 10% of health expenses are being reimbursed by the decentralised health budget (the October 1992 report). And yet they have not chosen to increase health allocations ten fold (Endowment application, January 1993). In fact we were personally so moved by the sincerity of their efforts that we unilaterally pleaded with Julia Ekong to please try and increase the corpus amount of the endowment with EZE participation. ADATS would normally never have done that, disregarding grass-roots planning processes.

But if we choose to wait for guarantees to first emerge before making a commitment to its creation, we sincerely feel that this will be a counter productive move and are certain that nothing will be achieved for anyone. Except perhaps a huge saving for the northern NGO. Withdrawal cannot be viewed as an event, nor can an endowment for a people's organisation as a material corpus. It is rather an indicator of the Coolies' preparedness to take their lives into their own hands, a statement on the struggle and seriousness which has preceded it. It is, and we say this with every conviction of total objectivity, an appreciation with awe and an act of respect.

We will now close this letter which has already become indecently long, start framing our reply to points 2 a. to c. which we have in front of us, and wait for the arrival of the last 4 pages.

With every best wishes, I remain,
yours sincerely,

Ram Esteves