

15. 4th Evaluation - Organisational Impact & Sustainability - Chandra Keshavan (July 1999)

TERMS OF REFERENCE

Goal, Objectives and Main Points of Attention

The goal of the economic stocktaking exercise of the work of ADATS is to better understand the specific characteristics of the development model, i.e. how the model does work at the village level, what the effects of the various activities is, how sustainable it is, etc.

The concrete objectives of the economic stocktaking exercise are to assess:

1. the economic impact on individual families and the coolie sangha at various levels, including the net additional income, cost savings, increase in assets (including land and equipment), access to government facilities and bank loans, etc. in the past 10 years;
2. the actual and/or potential self-reliance and sustainability of the coolie sangha at local, cluster and taluk level.

The main points of attention in this stocktaking exercise are:

Economic Impact

- a. the additional income coolie families have got from economic incentives like CCF, DLDP and vocational/skill training, differentiated according to gender,
- b. the absorption capacities of coolie families and how those are increased;
- c. the benefits, including costs saved, coolie families have got from social measures like the Adult Literacy Programme, the centralised health budget, children's education, etc.
- d. the benefits that CSUs have got from the sangha funds/tax, including income, expenditure, speed of recovery, and management of the funds, differentiated according to gender;
- e. the local fund mobilization from government, banks, corporate sectors and others due to the Coolie Sangha, differentiated according to gender;
- f. the actual and possible income from Coolie Sangha assets like the BCS form, godown in Bagepalli Campus, and guest house in Bangalore;

Self-reliance/Sustainability of Coolie Sangha

- a. organisational capacities of coolie sangha at various levels, including the actual functioning of established planning, implementation and monitoring systems, decision making mechanisms and structures, leadership capacities at local, cluster and taluk level, conflict resolution mechanisms, gender equity, dependency of ADATS, etc..
- b. financial sustainability of the coolie sangha including asset building and investments, cost/benefit analysis, control and management of portfolio, results and impacts of income generating activities, fund flow management, maintenance of real value, donor dependence and consequences for replicability of model, etc.;
- c. sustainability of credit fund, including incentives for internal fund generation/savings, strategies of capitalisation of credit fund (i.e. role of donor money vis-à-vis other sources of fund), strategies for creating and enhancing ownership and stakeholding of

- coolie mechanisms to maintain real value, credit absorption capacities, rotation borrowing versus capital fund, repayment/default, gender effects etc.;
- d. institutional self-reliance, including formal registration, bye laws and rules and regulations, decision making power, full control over resources, linkages and synergy of the different funds at various levels, reality of the two organisations policy at village level, recognition by outsiders, role of men and women etc.;
 - e. dignity / assertiveness, including sense of identity, self confidence, awareness of own potential and resources, defense of claim and right versus others, negotiation skills, concrete demands to authorities and power groups etc. differentiated according to gender;
 - f. linkage to and participation in apex organisations/networks including identification of external expertise and alliances, initiation of new contacts, etc..

The last issues will only be studied as far as they are related to economic activities.

EXECUTIVE SUMMARY

Background

The economic stocktaking exercise of Bagepalli Coolie Sangha Building Programme was carried out in April-May 1999. The methodology includes field visits to Coolie Sangha Units (CSUs) in formation, formalisation, consolidation, independent and drop out stages, attending meetings at CSU, cluster and taluk levels, Executive committee meetings and Situation meetings at ADATS, discussions with field and project staff, resource persons of ADATS and Grameena Bank officials and analysis of documents of ADATS and BCS etc.

The project areas of Bagepalli, Chintamani, Siddalaghatta and Chickballapur taluks are located in dry-land. The plight of the poor in the region is further aggravated by feudal exploitation. Out of the four taluks, Bagepalli seems to be the worse affected taluks in terms of drought occurrence and exploitative practices. Coolie Sangha movement organised as a response to the plight of the poor peasants and the feudal practices in the region. The early years of coolie sangha building were marked by a high degree of atrocities and violence from the local power groups.

Institutions

Coolie Sangha units are the grassroots institutions in the three-tier structure of Bagepalli Coolie Sangha Organisation and other levels include cluster and taluk. Mahila Meeting is a forum created for women to address their particular needs without compromising their claims in the Sangha as a member. CSUs have played an important role in bringing the poor together across caste lines to articulate and discuss shared problems. A strong social conscience and collectivity seem to have been developed among the members. Most sanghas have developed skills of resolving sangha and non-sangha related issues by negotiation and reconciliation. About 28% of sanghas have reached the independent stage. In the sample, independent and about a large number of consolidations sanghas displayed self-management skills and self-reliance. Sanghas have acquired much of their capacity to manage their own affairs through a systematic cadre development. Cluster level structure functions as an effective monitoring mechanism but follow up action is quite weak. Nearly 70% of the cluster secretaries from the sample clusters seem to be committed and capable.

The population coverage by the sangha in the villages range from 16% in Bagepalli and 28% in Chickballapur to 35% and 37% in Siddalaghatta and Chintamani respectively. The reasons for members joining the sangha include, inter alia, factors like resisting exploitation, social security, programme benefits and also for realising political ambitions at the local level. The reasons for not being able to reach a larger population seem to include distrust, fear for local power groups, lack of motivation and identifying the sangha with a particular political party etc. Low coverage has a tendency to breed a certain degree of exclusivity in the village adding to conflict, tensions and local envy.

For the purpose of stocktaking exercise, land-less members with land holding of upto 1 acre have been classified as 'Very Poor'. In terms of coverage, composition of very poor in the total sangha membership ranges from 60% in Bagepalli, 53% in Chickballapur, 54% in Chintamani to 38% in Siddalaghatta.

Regularity of the sangha meetings, participation of members, rotation and performance of representatives need to be toned up. Self-development and organisational development reinforce each other and hence the importance of member development.

Some of the factors critical to the stability of the CSUs include office bearers and non poor who could emerge as power centers, identify with a political party that seems to be causing

conflict, violence and overdue, high proportion of dropout sanghas, absence of timely repayment, material expectations as bonding factor in the new sanghas etc.

Activities

The activities of the sangha include community and local issues, operation of the coolie credit fund (CCF), Women's Fund, health and education assistance, Dry Land Development Programme (DLDP), collection of Sangha Tax and issues concerning, membership, cancellation, etc.

Credit Fund

Credit plays a major role in activating and sustaining the participation and continued interest in the sangha. The utilisation of fund to total CCF capital ranges from 40% in Chintamani and 50% in Siddalaghatta to 56% and 82% in Chickballapur and Bagepalli respectively. Though there is much more demand for funds than the actual utilisation suggests, ADATS/BCS follows a self limiting policy of covering only part of the members in one rotation partly to gain a leverage for peer pressure in the event of repayment problem. Caution, lack of tight credit discipline, high proportion of very poor and consequential low absorption and poor income generation opportunities seem to have caused the process block of utilised balances. Well-conceived systems and procedures have facilitated an efficient 'user managed' system in the Fund. While crop and cattle loans constitute the major share of the loan, it also covers needs like housing, liberation loans for redeeming mortgaged land and repaying old debts, freeing bonded labor etc. which will have positive impact on their productivity. The demand seems to be increasing for milch animal and community bore-well. More obvious from the asset building are ownership of sheep and crossbred cows and other types of livestock. Efforts have been made to reach out to the very poor by covering the landless in the first rotation of CCF, creating assets for them in the form of livestock like sheep, pig and milch animal and higher assistance for educational support to their children.

Most of the women members had been widowed or deserted with little assets and consequently had not been able to avail for higher loans. From the field data, about 20% of women seem to have availed of higher loan. They had been either VHW (Village Health Worker) or women representatives who had utilised the loan for the family land that is usually in the name of the male member. Though earnest attempt had been made to cover a large proportion of the very poor, total quantum of the loan to this section has been limited by their low credit absorption capacity. There is real conflict between providing adequate resources to make a visible improvement in income and lending large amount without the absorption and repayment capacity. ADATS/BCS had not been quite attentive in facilitating critical backward and fore-ward linkages like provision improved seeds and cattle insurance. Availment of credit without proper linkages to improve income is likely to trap the members in debt burden.

Repayment was causing serious problem in all taluks at the time of stock taking. The extension areas were disturbed more by loan overdue for more than one year. This persistent overdue stands at 29% in Bagepalli followed by Siddalaghatta at 14%, Chickballapur at 13% and Chintamani at 8%. In Bagepalli, overdue loans by cancelled members account for 26% of the total loan. It is vulnerable region in terms of drought occurrence and also composition of the very poor. Stringent measures such as suspending health and education benefits and credit operations to the whole cluster and withholding the salary of office bearers have been introduced to bring about better financial discipline.

The low interest rates as compared to other sources leads to exclusivity attracting new members to join the group solely for material benefits. Some CSUs do not have proper credit plans but avail of the loans because of its availability. Diversion of funds could become more in

these villages. There is limitation of credit as a tool in bringing about a visible increase in income in the absence of skill and opportunities. In the case of the very poor, substantial investment to build human capital should precede credit operation.

Dry Land Development Programme

Besides being a land registration process, DLDP has been a source of summer employment and strengthening collectivity. The NGO staff have shown a high degree of commitment in this area and imparted the same to the beneficiaries. The quality of the soil conservation work is quite impressive. Horticulture and silt hauling are growing in popularity. The success of land based programme will be largely determined by the ground water table and monsoon rains. Long term potential for the groups to increase the area under cultivation seems marginal. Diminishing marginal returns will set in earlier in these areas as water which is a critical factor is dangerously low and the cost of sinking bore wells would make cultivation uneconomic besides such ventures being a gamble. Learning of sustainable agriculture among the members seems to be slow. Water conservation measures will acquire greater meaning in a broader context of watershed area approach even if it means improving the lands of the big farmers and partly diverting the benefits to them. There would be a conflict between distribution benefits and sustainable land use practices in a macro level approach. NGOs entertain watershed area approach with scepticism.

Income Generation Potential

The local labor absorption being low, migration continues too far off places mostly for construction work. Low skills limit their opportunities in non-farm sector. Mass produced goods flooding the markets at lower price and adverse socio-cultural factors like negative perceptions of public about the quality of locally produced goods leaves less scope for NGO product to get a foothold in the market. At regional level, poor infrastructure facilities do not attract private industry, as it is difficult to establish sustainable activities in the region. At macro level, impulses of economic growth, policies and financial allocations are not adequate to give a strong momentum to grassroots efforts. However, there are some areas like mango and tamarind tree leasing on a large scale, processing of agricultural produce like, tomato, potato, mango, tamarind and biscuit making to cater to local markets, stone crushing and slab making on group basis, brick making etc. in which existing potential can be tapped. The advantage of Bangalore market can be explored to create a niche for the products.

Gender

At organisational level, several instruments have been created to empower women. These have enabled them to achieve a sense of togetherness, courage and confidence. Women also have come to occupy positions of power and status outside the sangha like secretary of the dairy co-operative and Panchayat member. But all this does not mean that there has been fundamental change in the women's lives. VSD, the petty fund for women, which came into existence as a response to exploitation has been replaced by a different kind of exploitation. A large part of the fund has disappeared from circulation. Full subsidisation of the fund and total absence of accountability have made it dysfunctional. At family level, knowledge and involvement of women in the source activities of family income is still limited. Their credit needs apart from the Women's Credit Fund, which is limited to specially disadvantaged women, have not been addressed. Unless women's role as separate entities is recognised, task of enhancing their status may not be easy. Mahila Trainers themselves have to be trained appropriately.

Fund Management

At macro level, about 99% of the cost of funds has been covered by own sources from sangha fund, leaving a deficit of only Rs.0.40 lakhs. The deficit does not include the BCS central cost of Rs 12.50 lakhs, which are met by the NGO. At taluk level, per member data have been generated for comparison. Sangha tax collection is quite weak in Chintamani. If sangha tax is treated as equivalent of savings, monthly savings per member works out to Rs.29 for Bagepalli, Rs.16 for the economically better off and better wage paid regions of Chickballapur and Siddalaghatta and an abysmally low rate of Rs 7 for Chintamani. The actual recovery of CCF deduction seems much lower than the 10% in Bagepalli and Siddalaghatta. The administration of sources of fund seems to be weak. In the area of uses of funds, fixed costs as defined by salaries, allowances and stipends, rent, utilities etc. is high for Bagepalli and Chickballapur. If this is not kept under control, it would cut into the health and education benefits. At taluk level, while Bagepalli and Chickballapur have shown surplus, Chintamani and Siddalaghatta are showing high per member deficit of 50% and 69% respectively.

Cost Benefit Analysis

The study does not attempt a benefit cost analysis. Benefits in development process are felt more in the long term on human capital building and infrastructure facilitation and most of this would not be quantifiable in the short run. However, a cost benefit ratio has been calculated on the basis of material and immediate benefits channeled to the members and social and other intermediation cost incurred by the NGO for a comparative study of the 4 taluks. The cost benefit ratio is as under:

| | Bpl | Cbpur | Ctm | Sid | Average |
|-----------|-----|-------|-----|-----|---------|
| C-B Ratio | 1:9 | 1:10 | 1:7 | 1:6 | 1:8 |

Sustainability

Independent Sanghas are well poised to cover their expenses and support health and education benefits. At macro level, for the year ending March 1999, these costs of Rs.57.96 lakhs for all the sanghas have been covered to the extent of 99% by the total resources of Rs.57.56 lakhs generated through sangha tax collection, deduction from CCF, DLDP and other programmes and bank interest, leaving a small deficit of Rs.0.40 lakhs. However, this leaves an additional deficit of Rs.12.58 lakhs towards BCS central costs like salaries of cluster and taluk secretaries and taluk meeting expenses. Concerted efforts are being made to cover these costs gradually from next year. It is really amazing that with a large proportion of members falling under very poor and conspicuous absence of a saving culture, self reliance has been achieved to such an extent and sanghas seem to be well grounded in self reliant orientation in this regard. At micro level, deficit is quite high for Chintamani followed by Siddalaghatta. A disturbing factor is the actual receipts of CCF deduction, which seems to be even lower than 10%.

Sustainability depends on organisational stability and financial adequacy to cover recurrent costs and access to funds to support the increasing needs and size of clientele. BCS has formulated sound investment plans to cover the operational costs fully in future. Growing incidents of drop out in consolidation and independent stage and high political profile, absence of realistic interest rates for the better off among the poor and low linkage with banks would be critical factors in the long run.

Replication

Coolie Sangha model introduced initially in Bagepalli has been replicated successfully in extension areas. Assigning the responsibility to clusters and independent sanghas makes it cost

effective and self-replicatory. As a model, this is well conceived to a degree of excellence. However, effective replication is contingent upon the commitment to translate the excellent model into a practical experience in terms of member development, broad based leadership and above all internal discipline and internal resource generation mechanism for improved stakeholding and accountability. In extension areas, new sanghas are being steered along self-financing their expenses out of their sangha tax collection. The value and role of savings in establishing a regularity which is essential for a sound financial discipline, if not as a means of improving stakeholding, has to be recognised. As half of the members belonging to the very poor category, threshold level of internal resource generation would be low. Cross subsidisation is one of the few options available to improve internal resources.

Role of NGO

The combined membership of over 15000 families emerges as a formidable force making the local power groups sit up and take notice. As an organisation, ADATS does not seem to have an agenda apart from enabling coolie members to take their rightful place in the society. The charismatic and dynamic leadership seems to have given a powerful place in the society. Application of sound management and implementation skills to the projects has resulted in ensuring timeliness at various phases. The multifaceted activities of the NGO are being implemented with a fair degree of clarity and orderliness.

As a norm, field staff are present for the meetings in the formation, formalisation and consolidation stages of the sanghas and not in independent sanghas. The presence or absence of the field staff in the meetings of the various categories of the sanghas also depend on the motivation and involvement of the field staff. There is no effective monitoring mechanism relating to the performance of the field staff. The role of the weekly situation meetings attended by all the field staff at ADATS campus does not cover this dimension. An effective supervision system should find a due place in the organisation. Indifference and negligence under the cover of withdrawal mark the performance of field staff in Bagepalli. A certain degree of complacency at the senior and top level is indicated particularly in Bagepalli. There is a need for project leadership to continue with the personal touch and organic link even with old projects areas particularly in view of the drop out situation. A strong leadership without providing a meaningful second line or alternate leadership would conceal fundamental and decision making problems. Unless the leadership at BCS level is dynamised, two-organisation policy cannot become a reality.

There is a clear-cut policy on withdrawal in ADATS. Sanghas achieve independence after completing 9 years. While it is a sound practice to follow the intent of withdrawal, questions on the criteria for withdrawal and realistic role of NGO after withdrawal need to be honestly examined. Is the age of the sangha an adequate criterion for withdrawal while the sangha still shows symptoms of instability and laxity in discipline? While the ability of the sangha to meet the expenses guarantee sustainability? Or is the withdrawal strategy a donor driven compulsion so that the NGOs role is assessed as effective? These questions should be pondered deeply by both the donors and the NGO. Additional indicators, which have a bearing on sangha stability, should be evolved besides financial self-sufficiency and age of the sangha for withdrawal. A redefinition that the NGO has to play after withdrawal has to be clearly spelt out so that past gains are not frittered away.

A SWOT analysis has been attempted to sum up the positive achievements and areas requiring attention.

Recommendations

- Regularity of meetings at CSU, MM and cluster level should be improved and targeted to reach a minimum of 80%.
- The rotation of representatives every year strictly enforced and the same member may not be re-elected more than once. To retain a balanced mix of fresh and experienced representatives, election of one or two representatives can be alternated like that of elected trustees of BCS Trust.
- While the better off within the sangha lend a financial strength to the CSUs, they could become power centers. Low participation and knowledge of members could exacerbate the situation. Member development along with ALP classes should receive important and continuous focus.
- A positive and committed policy to rehabilitate drop out sanghas should replace the indifferent and negligent attitude.
- BCS should evolve performance indicators and evaluate the CSUs on the basis every 6 months and take appropriate remedial measures.
- A focussed drive to increase women membership in the existing sanghas by transfer membership from irregular male members and facilitate at least 50% membership for women in the new sanghas should be made. Exclusive women sanghas may be considered and this would give a greater thrust to women managed enterprises within the family, address their credit needs effectively and provide an impetus to acquire greater knowledge of activities which have been traditionally male oriented. Above all, personal savings will receive a momentum as many women expressed a desire to put aside some money and seemed to be waiting for an external stimulus. Linkage with Rashtriya Mahila Kosh (National Credit for Women) to meet women's credit needs may be established.
- As the literacy level of SC communities are the lowest even at national level, salary of TC in SC colonies may be partly subsidised so that meetings can be held regularly and minutes can be recorded.
- Representation of women members and of Chintamani taluk that has the highest membership may be facilitated in the permanent trusteeship of BCS Trust.
- The behaviour governing repayment is somewhat intriguing. On the one hand, sangha seems to have become a way of life in the old CSUs with members displaying a keen sense of belonging and support. On the other, credit indiscipline and financial misbehavior seem to destabilise the sangha functioning. A study of the situation by a behavioral expert is strongly recommended which may bring to light some fundamental issues of attitudinal transformation.
- ADATS/BCS should facilitate better backward and forward linkages like cattle insurance and improved seeds supply. A liaison officer may be provided to access these linkages.
- A certain degree of welfarism which may be justified to some extent by the level of poverty in Bagepalli where the NGO work originated, governs the operation of all programmes, particularly credit fund and VSD. Low stakeholding and subsidised interest (10% deduction) for loan limits above Rs.10000 may not be in the interest of long term sustainability. While the vulnerability of the very poor is fully recognised, a strong suggestion is made to charge a progressive rate of deduction for higher loan limits. This would cross subsidise the lower deduction from the very poor. Sangha tax also should be levied along these lines.

- Though scope for income generation activities are limited, existing potential can be identified and tapped. Activities like stone cutting, slab making, brick making, mango and tamarind crop leasing and processing can be explored.
- For withdrawal, other indicators besides the age of the sangha and financial self-reliance should be evolved. The role of the NGO after withdrawal also should be redefined.
- Gender training by external resource persons for both women and men staff may be intensified. Though women staff have been deputed to some of these programmes, they have not been contributing to the Mahila meetings in the meaningful way.
- There should be an effective monitoring and supervisory system for assessing the job performance of field staff.
- A job enrichment programme for the field and extension staff may be designed following an analysis of job performances.
- It is suggested to retain the farm house which would be of great utility in enhancing the capability for technical and extension support of ADATS/BCS.
- As the guest house in Bangalore has no income generation potential and is being used only as overnight shelter, this may be sold and replaced by a simpler outfit.
- The impressive level of record keeping and online information system may be supplemented by base line and time series data, seasonal variations and disaggregated information on benefits to women and the very poor and the landless.

ECONOMIC STOCKTAKING EXERCISE OF COOLIE SANGHA BUILDING PROGRAMME

Methodology

The economic stocktaking exercise of Bagepalli Coolie Sangha Building Programme was carried out between 5th April and 13th May 1999. Field visits were made to a total of 52 coolie sangha units in the four project taluks of Bagepalli, Chickballapur, Chintamani and Sid-dalaghatta of Kolar district in the state of Karnataka. A schedule of the visit is enclosed in the Annexure. The 52 units include 7 in formation, 8 in formalisation, 11 in consolidation, 21 in independent 5 in drop out stages. To elicit both qualitative and quantitative information, following methods were adopted.

- Discussion with groups and officers bearers and individual beneficiaries of the coolie sangha units at village, cluster and taluk levels and visits to household,
- In depth interviews with field and project staff,
- Meetings with resource persons including those who had been giving third opinion to ADATS, and officers of the Grameena Bank i.e., regional rural bank, one in each taluk.
- Attending CSU meetings, Mahila Meetings and cluster meetings (one in each taluk) and executive committee meeting in Bagepalli and Chintamani and taluk level monthly meeting in Bagepalli. The technique of *observation guide* was used to assess the dynamics of the various meetings, decision making procedures, leadership style and member participation.
- Scrutiny of Attendance Registers and Minutes of Meetings of coolie sangha units, Mahila Meetings and cluster meetings, and
- Documents of ADATS and other secondary sources. Secondary data base includes Online Mass Report and CCF analysis as on April 1 and May 1, working list as on May 1, 1999 Balance Sheet, Statement of Income and Expenditure of BCS and ADATS for the year ending 31 March 1998 and 1999.

Qualitative analysis has been favoured more in this study as it captures best the perspective of stakeholders in the field and processes generated in the complex matrix of socio political milieu. The ratio and numerical analysis are calculated on rounded off figures and decimal points are used sparingly, as the purpose of such analysis is only to see the trend and direction in which the variables are moving and not to establish numerical accuracy.

Objectives of ADATS

- To build up the Coolie Sangha as a village, cluster and taluk level mass organisation so that small and poor peasants struggling for their development can continually take stock of wider societal changes and make necessary adjustments to survive with dignity and security in rapidly changing political economy.
- To create the physical and socio-political milieu capable of supporting and furthering a positive entrepreneurship in the coolies.
- To oppose gender discrimination, sexual exploitation and strengthen the position of Coolie women so that they can create separate spaces for themselves, and also contribute as equals to all developments in the Coolie Sangha.

Aims and Objectives of Bagepalli Coolie Sangha Trust

- To give a shape and structure to the organised unity of the Coolies at the village, cluster and taluk levels and to provide a forum for the organised coolies to meet, decide and debate on matters concerning their lives.
- To promote the economic interest and general welfare of the Coolies by organising, establishing, maintaining, supporting, developing and encouraging, without any motive of profit and irrespective of caste and creed, activities relating to the coolies in rural areas.

Background

The district of Kolar in which the project areas of Bagepalli, Chintamani, Siddalaghatta and Chickballapur taluks are located is frequently affected by drought and the ground water level is precarious. Bagepalli taluk shares the border with Ananthpur district in Andhra Pradesh, which is also a chronic drought prone region. Rain-fed agriculture being the mainstay of people in this region, drought years bring untold sufferings to land-less and marginal farmers. Expenses required for land preparation coupled with uncertainty of monsoon discourage these farmers from investing time and labor on their land. Without the economic power to generate the soil, they leave the lands fallow year after year thus resulting in increasing incidence of poverty, seasonal and permanent migration, greater degradation of land, decline in agricultural productivity etc.

Bagepalli is the worst affected area both in terms of intensity and frequency of monsoon failures. This taluk is stated to be prone to drought for 4 years out of a six-year cycle with 1 bumper and 1 normal crop year. Chintamani taluk is nestled between Bagepalli and Chickballapur. Those villages of Chintamani lying closer to Bagepalli share a similar lot. These parts of project areas are characterized by rocky and barren landscape, poor soil profiles and vegetative cover and high pressure on the carrying capacity of land. The poor toil hard to make a living in this harsh environment. Their landholdings occupy the upper reaches, which are subject to ravages of soil erosion and land degradation. Bagepalli is one of the first taluks to be declared as a 'black area' in the district due to the low groundwater level. Chintamani and Siddalaghatta have been recently declared 'black' and Chickballapur is a 'grey' area. Commercial banks have stopped financial borewells in black taluks. The hardship caused by nature's partiality has been further aggravated by man made cruelties like feudal oppression and exploitation resulting in subsistence farming, bonded labor and perpetuation of backwardness. The taluks of Chickballapur and Siddalaghatta are characterised by less rocky terrain and more vegetation. These two taluks enjoy a greater range of economic activities like milk production, vegetable cultivation, fruit growing particularly vineyards in Chickballapur, sericulture, silk reeling and also non farm activities and an easier access to Bangalore market. Of the four taluks, Chickballapur ranks highest in terms of better economic prospects, employment opportunities and higher wages. The villages of Chintamani lying closer to Siddalaghatta are characterised by the socio economic traits of that taluk. Coolie wages range from Rs.15 in Bagepalli to Rs.30 in other taluks and these wages go up to Rs.20 in Bagepalli and Rs.60 in other areas in busy season. It was stated that people of Bagepalli are more robust and independent in spirit and the early struggles have had a role in shaping their character. In spite of the history of communal tensions between Hindus and Muslims in the area, people of Siddalaghatta are given to less violent outbursts as a rule and stated to be more disciplined and urbanised. Chickballapurians are said to be more hardworking and practical.

Ragi, a kind of millet, is the traditional staple food in all these taluks, though in recent years rice is being substituted increasingly on account of its availability through public distribution system at subsidised prices. Though major cash crop is groundnuts, other produce like sunflower, potato, onion and tomato are capturing the fancy of the wet landholders. Agricultural

operations are totally unviable in landholdings up to one acre in dry-land. The obsession with food security plays a major part in this unviable operation. One's ability to cultivate her/his own land being perceived as a matter of prestige partly contributes to perpetuating a losing operation. The land-less and the marginal farmers with landholdings up to 1 acre who constitute about 55 percent of the total sangha member population have been categorised as a 'very poor' for the purpose of this study. While the scope for non-farm employment is limited, coolie members' chances are even more limited due to their low skill base. The major source of income for the 'Very Poor' is derived from agricultural wage labor which is available only for about 5 months in a year. The main constraint in poverty removal in these regions is the skewed land distribution in disfavour of the poor, frequency of drought, low skills and weak income generation opportunities in non farm sector besides the sluggish growth at macro economic level.

Institution Building

Creating institutions to engineer the development process is of crucial importance in strengthening and sustaining the process. Institutional development itself is a slow process. In people oriented areas or social studies, institutions are not neutral factors; they mould and represent the values of the social group and catalyse, energise and accelerate the pace of development. A review of the relevancy and effectiveness of the institutions in addressing socio political and economic needs of the people will throw light on the process of coolie sangha building with its achievements and struggles. In the following sections, this process is examined in relation to the structures, functioning, activities, effectiveness (focus on vulnerable groups and empowerment), financial and organisational sustainability, replicability and the external environment.

At the outset, it is assumed that regular meetings, active participation, rotation of leaders, appropriate rules and regulations, internalising the values and self management capacity etc. contribute to a sound infrastructure at grass root level. The earliest Coolie Sangha Units (CSU) were promoted in Bagepalli taluk in the late 1970s and the CSU model was extended to the other taluks about a decade later. The coolie organisation called Bagepalli Coolie Sangha operates at three levels namely, village, cluster (comprising 5 to 7 villages) and taluk. Any small or poor peasant any landed or land-less who does not employ wage labor) is eligible to seek coolie membership. The membership embraces the whole family of the member, though the member holding the membership alone can stand for election to any of the office within the organisation, The village unit is called the CSU and it is a mixed unit consisting of both women and men. One women from each member family constitutes a Mahila Meeting (MM) unit in the village to discuss matters peculiar and particular to women. This is not a separate body for coolie women in the sense that the coolie women attending retain the same rights within the CSU if they happen to have the CSU membership. CSUs ate the grassroots institutions in the decentralised decision making structure.

The sangha units are classified into various stages of growth and the composition as on 1 April 1999 is as under:

Table: 1 Stages of Growth of the CSUs – 1999

| Composition | Bpl | Cbpur | Ctm | Sid | Total |
|---|------|-------|------|------|-------|
| Normal Members | 2997 | 3003 | 7072 | 2275 | 15347 |
| Village Coverage% | 16 | 28 | 35 | 37 | - |
| Total CSUs (Excl.Drop Out) | 113 | 128 | 218 | 95 | 554 |
| Formation (first 3 years) | 4 | 12 | 18 | 30 | 64 |
| Formalisation (second 3 years) | 12 | 4 | 116 | 3 | 135 |
| Consolidation (third 3 years) | 20 | 78 | 61 | 42 | 201 |
| Independent (10 th year onwards) | 77 | 34 | 23 | 20 | 154 |
| Drop out | 125 | 28 | 26 | 13 | 192 |
| Total incl.D/o | 238 | 156 | 244 | 108 | 746 |
| Avg. membership – Normal | 27 | 23 | 32 | 24 | 28 |
| Independent as % to total | 68 | 27 | 11 | 21 | 28 |
| D/o as % to total (incl.D/o) | 53 | 18 | 11 | 12 | 26 |

About 36% of the sanghas are in formation and formalisation stages. Average size of the CSU works out to 28 members. Though Chintamani shows higher average membership of 32, high proportion of over 60% of the sanghas in formation and formalisation stages suggests that stabilisation process is still at work.

The CSUs, MMs and Cluster meet on weekly basis on fixed days and MM holds in camera meeting. A quorum of two thirds of the members is required to pass resolutions in the meetings. The Village Level Worker (VLW) in the sangha is responsible for holding the CSU meetings and recording the minutes of the CSU and also MM meetings if there is no literate woman. In most sangha his tenure is long without rotation, as he happens to be one of the very few literate members in the village. AVLW is chosen on the basis of his influence with the villagers and he helps in the initial stages in mobilising the members. The community organisers perform their task through the VLWs. He is paid a salary till the sangha reaches independent stage. At this stage, his services are dispensed away with a payment of three month's salary as leaving benefits. His literacy level enables him to perform the task of filling forms and applications, collecting information from the various departments on the schemes and liaising with the government departments etc. After the withdrawal of the VLW, a TC (local teacher) takes his place and is paid from the sangha fund. The VLW becomes the representative and continues to play a useful role in some cases. Each CSU elects by consensus three representatives of whom at least 1 is required to be a women coolie member. The representatives hold the position for 1 year. MMs have veto power over financial decisions taken in the CSU meetings. They can block the credit fund decisions and expenses from sangha fund without assigning any reasons. MMs also have exclusive power to sanction assistance for health and children's education from the sangha fund without male interference. The Village Health Worker (VHW) and the women representative are responsible for holding the MM meeting. MM also operates a petty fund for women called Vokakka Sanchi Duddu, which caters to the urgent and small needs of women.

A group of 5 to 7 villages are put together to form a Cluster. The cluster secretary who holds office for 1 year is elected by representatives every year. The cluster secretary is responsible for holding the cluster meetings and recording the minutes. A women committee member is elected from each cluster who deals with larger issues and implements programmes that exclusively deal with women. Their position is equal to that of cluster secretaries, but at present it is not a paid position. The taluk secretary who holds the office for 1 year is elected by the representatives and cluster secretaries. Each taluk elects an Executive Committee consisting of cluster secretaries and women committee members, which holds fortnightly meetings and

advises the Board on policy matters and financial allocation. The four-taluk level organisations are federated into Bagepalli Coolie Sangha (BCS) Trust which amplifies the power of the organisation. At the apex level of BCS Trust, which is a registered body, grassroots members are well represented. There are four permanent trustees and eight trustees who hold office for a term of three years elected on rotation. 2 elected trustees of whom one is a woman trustee represent each taluk. At present, Chintamani that has the highest membership among the four taluks and woman are represented at the 4-member permanent trustee level.

The activities of the sangha include issues concerning membership and cancellation, community and local issues, management and operation of coolie credit fund (CCF), health and education assistance, Dry Land Development Programme, collection of Sangha Tax etc. The reasons for members joining the sangha include, inter alia, various factors like resisting exploitation, social security, programme benefits and also for realising political ambitions at local level. The sangha has provided the members space for mutual support and enabled coolies to organise themselves as a form of collective resistance to feudal exploitation and fight for their claims. It has emerged as a forum to analyse their positions critically and evolve strategies. These collective units have, in the past, successfully challenged the landlords through a son killing his mother to prevent her from joining the sangha and implicating the sangha in the murder with the support of the opposition group comprising land-lords. This put a stop to the functioning of the sangha in 4 neighboring villages. In Jeekvantlapalli, women members did not quit the sangha; they stood through their trial when there was fear and political trouble all around. Such experiences have bonded them stronger and closer. The achievements and gains made by the coolies against such odds are a measure of their mettle and courage. In Sakulavarapalli, when sangha members tried to a lot disturbance in their lives, as they had to make several trips in a month to the police station of the enquiries. As a result, attention to agricultural operations suffered resulting in crop loss and poor repayment. Such high risk of direct confrontation needs to be taken into account in assessing the impact on income level.

A strong social conscience and collective sense seem to have been developed in the sanghas. Most sanghas have developed skill of resolving sangha and non-sangha related issues by negotiation and reconciliation. In the area of conflict resolution, sangha has become a model for non-sangha members in several villages. If there is any dispute relating to land or personal issues in the village, such conflicts are brought to the sangha. In an attempt to minimise the scope for internal conflict, election at the CSUs, cluster and taluks has been made a process of selection by consensus. Recourse to lodging police complaints only after checking it out with the sangha leadership in some areas. Sangha also rushes immediate material and non-material relief assistance to non-sangha members in emergencies like fire and accident. In some villages, monthly assistance up to Rs.100 is given out of sangha fund to old persons and mentally ill who do not have anyone to support them. Out of sponsorship grant, one village built community bathroom. In Nallappanahalli, non-sangha members joined hands with the sangha in solving an encroachment issue on the road. On one occasion, the Panchayat diverted village fund to another village and the concerned village sangha fought and recovered the funds. This raised the status of the sangha in the village. Sangha members are proud that they are being sought out by powerful people in the village. Sanghas get support for common work from the whole village and are perceived as doing good work in the village. Though sangha population is a minority in terms of coverage, their unity and collective strength in villages have enabled them to capture electoral seats in Panchyat. More important is their powers as creative minority to change the direction of victory or defeat for a candidate. In the Agricultural Producers Co-operative (known as VSSN in the local language) in Madheri (Chintamani), a sangha member was nominated as a director by the local Janta Dal leaders. But when he became cluster secretary in the sangha, they removed him. Later, he was re-elected to the post by the sangha members who became shareholders in VSSN by taking 60

shares out of the 200 shares. However, the spirit of co-operation and discipline had not been strong always and everywhere. The consumer co-operative promoted by sangha members for the purchase of cattle feed in Chickballapur folded up after 8 months as several members purchased the goods on credit terms and failed to pay.

CSUs have played an important role in bringing the poor together across caste lines to articulate and discuss shared problems. Many claimed disappearance of caste discrimination though it was admitted that older generation may still be following some degree of discriminative practices. The member coolies have learnt the benefits of group action and realised the importance of group strength. Being together as a group gave them courage and strength to resist exploitation and interface with local Government officials. Impact in this area seems to be more pronounced in the case of women in some villages. In terms of the degree of seclusion and backwardness that women have suffered in the society, they have traveled a long distance on the road to progress. Legal education has helped the sanghas fight legal issues involving land. Some sanghas pay as high as Rs.4000 from Sangha Fund as legal fees and more sanghas have made provision for lawyer's fees while budgeting for future expenses.

At micro level, CSUs seem to be viable institutions representing people's needs and interests. They have the members' confidence and power to communicate their views effectively. With the participation in the Panchayat (local government bodies), they have gained access to information and ability to interpret the programmes and information to formulate their own expectations. With their collective identity, they have in several villages accessed water supply, housing, pitching work, school facilities, IRDP etc. though such community asset creation might have taken place in the normal course of mainstream economic development, CSUs have surely played a part in accelerating the process in their villages. Independent CSUs have well defined powers and independent source of revenues. In the sample study, independent sanghas and a large number of consolidation units displayed self-management skills and self-reliance. There has been consensus and a wholehearted agreement in the majority of the sanghas that all the poor in the village from the shackles of poverty and new members should join the sangha and benefit from its material and non material gains. There was a dissenting CSU in extension area which was not willing to take new members, as this would cut into per capita benefits.

The sanghas have acquired a distinct identity in the taluks where operate. It has acquired much of its capacity to manage its own affairs though a systematic cadre development. The sanghas have evolved over a period of time reaching different degrees of strength, self-reliance and management abilities. The interaction had been changing, relationship adjusted and the shared sense of identity growing stronger. However, CSUs vary in their involvement, sense of belonging, solidarity, discipline, decision making and independence. While some have high degree of cohesiveness, discipline and management, some are yet to be stabilised in common identity and unity. With the new sanghas, members seem to attach priority to material benefits and improvement in economic status. Sangha members in the extension areas talk less about exploitation and display less dynamism in their interaction. The vibrancy, involvement and sense of belonging in Bagepalli sanghas seemed incomparable. On the one hand, Bagepalli sanghas exhibit great stamina and independence and on the other, they seem to be born with conflicts and instability. Since the coolie movement which originated in Bagepalli, was rooted in empowerment which is a political process, it has placed them in a position of self-generating political conflict. Continued droughts in the area and seeking a strong political identity have added to the vulnerability of the situation.

Functioning at Grassroots

A perusal of the attendance registers and minutes of the meetings revealed that CSU and MM meetings are not held regularly and cancellation of meetings without the requisite quorum is not uncommon in quite a few sanghas. Even in summer months when people are not occupied with sowing and harvesting activities, frequency of sangha meetings and attendance are weak. Calculating from January to May, regularity of meetings were not even 60% in several sanghas. These are indicators of lack of involvement and weak base. Ideally, attendance of over 80% is considered an indicator of a strong sangha especially if any credit programmes is in operation. Promotional agencies like NABARD treat 80% regularity in meetings as a minimum. But there have been sanghas in villages like Doddlatekuhalli which have met in the mornings at 7 a.m. as they were busy with Ragi threshing in the evenings and nights. There is significant difference in the quality of performance of such sanghas. Non availability of literate member particularly in SC sanghas is causing serious problem. In Raschurapalli, meetings are not held, as the CSU has no literate member after the VLW became cluster secretary. The does not have enough money to offer i.e., Rs.500 for the literate member in the main village sangha. Whenever the cluster secretary attends the CSU meeting in the village, he records the minutes. ADATS could consider partly subsidising the salary of TC in the SC sanghas, as SC people are the most disadvantaged and literacy rate is the lowest for them at national level.

About 60% of the representatives do not attend the meetings regularly and even then the attend, their participation and knowledge base seem to be limited. Nearly 40% of the representatives were not present for the meetings during out visits to sample villages. There seems to be more active participation if a CCF loan is to be passed. It was stated that they do not feel a sense of involvement, as they do not draw a salary. The lackadaisical approach of the cadre will have serious implications on building a sound local leadership. The unhealthy practice seems to be the poor rotation of the representatives. The number representatives in the sample sanghas holding office for 3 years and more is quite significant though, technically, they have been re-elected year after year. There are some representatives who will not give up their positions because VLWs and female representatives were found to hold dual office and such happenings have escaped the notice of the field staff. This highlights the importance of appropriate training to the field staff in the first place. In Bodigundiapalli, an elderly male representative died and his wife who is old and heard of hearing with speech disability automatically became the representative. The taluk secretary who was from this village explained this was a matter of family prestige to retain the position. But the reasons are contradictory. On the one hand, these positions are perceived to be vested with prestige and power and therefore there is a competition for such posts. On the other hand, short tenure and lack of salary are not adequate motivation to draw them to fill these posts and therefore the poor rotation. It was also stated that one year period is too short for them to learn the complexities and make a contribution and on account of the short tenure, there is a tendency to retain one representative with long experience. However, actual practice of poor rotation is not conducive to the growth of broad based leadership development and it has the tendency to promote vested interests. There is a need to review the present procedures and practices, perhaps increasing the tenure to two years and/or alternating the election for one or two problems each year and this should ensure a fair balance between or fresh and experienced representatives.

VLWs are more often the only literate person and coupled with better economic background they often wield real power in the sangha. VHW is also a power centre as her position is permanent due to the cost of training new members. While these may be the inevitable factors to contend with, one should not lose sight of the fact that the situation necessitates an effective literacy programme and closer monitoring of the power dynamics in the sangha. In a few

cases, if the male representative is out of town or has gone away on work, his wife attends the cluster meetings. Does the family concept extend to cluster level? However, such occurrences make a valid and strong case for converting the membership to the woman. It seems women family members attend the CSU meetings frequently in the place of men, as men are busy with work or migrate during slack seasons. This also goes to support transfer of membership to the woman. In terms of accountability and commitment of the office bearers of the community, quality of management at grass-root level needs to be improved.

In the meetings, discussions were limited only to a few members besides the office bearers. Active participation by a larger number goes to strengthen the democratic process. Articulation, coherence and clarity were always exceptions. Member development should merit equal attention and not more than cadre developments so as to facilitate participatory management. Otherwise, members become victims of organisational development reinforce each other and hence the importance of member development. Leadership rotation and democratic processes are important enablers for impact.

Cluster level structure functions as an effective monitoring mechanism but follow up action is quite weak. If the resolutions of the MM or CSU are not in order, they are returned back by the cluster to the respective units. Such decisions include higher amount of benefits than warranted by the person's income level or activity or general and moral behavior. The strength of the cluster is derived from the health of the CSUs. Nearly 70 % of the cluster secretaries from the sample clusters seem to be committed and the representatives and facilitating replication of the CSU model in areas contiguous to the cluster, though their responsibilities cover all aspects of the CSUs. Cluster secretaries do spend considerable time and energy in trying to improve the functioning of representatives. Cluster secretaries take their work more seriously probably because they take a salary and the selection process also filters out indifferent candidates.

Cadre development is central to the coolie sangha building. As a result, training of VLW / TC, VHW, and representatives is accorded pivotal importance and engages serious attention at ADATS. The NGO invests a great deal of energy and commitment to cadre development. It seems that the Project Director goes to the extent of personally securing the keys of the vehicles from the participants and checking at midnight to ensure that they have not slipped away! The responsibilities of the office bearers at CSU and cluster levels are well defined. Cadre training, three tier organisational structure, systems and procedures etc. have facilitated great scope for promoting strong institution building and effective functioning. However, this is not fully translated into a practical reality. The performance and contribution of the cadre and functioning of the sanghas have to be geared up to realise the full potential of the human infrastructure which has been nurtured with great planning and care over the years.

Coverage – Village Coverage

The population coverage by the sangha in the villages ranges from 16 % in Bagepalli and 28% in Chickballapur to 35% and 37% in Siddalaghatta and Chintamani respectively. The reasons for not being able to reach a larger population seem to include distrust, fear of local power groups, lack of motivation and identifying the sangha with popular political party etc. The low coverage also has a tendency to breed a certain degree of exclusivity in the village adding to conflict, tension and local envy, rendering it difficult for the sangha to continue its work in a productive way. Adverse effect is felt on membership fluctuations and loan repayment. In the initial stages, most of the cancellation of membership had been due to teething troubles during the stabilisation process. In recent times, the introduction of sangha tax is tax is stated to have caused the cancelled membership even in consolidation and independent

sanghas. Other reasons include loan overdue and conflicts in the villages arising out of political party rivalries. This has led even to sanghas dropping out.

Coverage of women is about 25% in the total membership. Unequal membership between female and male membership in the sangha is naturally reflected in management and leadership levels as the latter seems to be linked to the proportion of membership in the sangha. This would naturally condemn women to remain wherever they are unless special efforts are made to change the composition of membership from the present level of 25%. In some sanghas, there are 2 women representatives for reason like men are busy or women have more initiative. At organisational level, veto power given to MMs is an innovative instrument assigning women a special status.

Coverage of the 'Very Poor'

For the purpose of stocktaking exercise, landless members and members with landholding up to 1 acre have been classified as 'Very Poor' because having 1 acre land is as bad as having no land in dry-land region. In terms of coverage, composition of very poor in the total sangha membership ranges from 60% in Bagepalli, 53% in Chickballapur, and 54% in Chintamani to 38% in Siddalaghatta. The composition in taluks for April 1999 is shown below:

Table: 2 Proportion of Very Poor – 1999

| Landholding | Percentage to total members | | | |
|--------------------------|-----------------------------|-----------|-----------|-----------|
| | Bpl | Cbpur | Ctm | Sid |
| Landless | 37 | 28 | 25 | 15 |
| Upto 1 acre | 23 | 25 | 29 | 23 |
| Very Poor - Total | 60 | 53 | 54 | 38 |

The coverage of the Very Poor is quite significant in Bagepalli, Chickballapur and Chintamani. This is a high risk factor in the context of impact creation necessitating higher level of investment and longer time frame. Though consolidated information on the proportion of benefits channeled to this was not available, discussions with the sanghas revealed that systematic efforts had been made to reach out to the Very Poor by covering the landless in the first rotation of CCF, creating assets for them in the form of livestock like sheep, pig and milch animal and making their non arable land cultivable under DLDP, higher assistance for educational support to their children etc. Some of the villages especially in Bagepalli are the interior and not easily accessible. The NGO has been successful in reaching out to people in these areas.

CRITICAL FACTORS IN THE STABILITY OF CSUS

Power Dynamics in the Sangha

Low availability of literate persons in villages places the interests of the members at potential risk. The members have to depend on these literate people for sangha functioning. Often, they happen to combine literacy with higher landholding and local influence. A small segments of 'not so poor' as judged from their land ownership, irrigated area, cropping patters and number of cross-bred dairy cattle etc. hold membership in the sangha. During the initial discussions, there was a tendency to picture them poorer than they were. The inclusion has social, political and financial aspects. Firstly, field staff and some senior sangha members explained that it is a deliberate strategy to grant them membership to spread the risk as these better off members contribute more to sangha tax and therefore to financial viability while deriving

lesser benefits. This mix seems to bestow a sense of security on both the poor and not so poor. Some of them have been associated with the sangha from early days of intense struggle and even moved up the ladder of BCS. However, proportion of loan benefits availed by them correspond to their land and other assets due to higher absorption capacity. In one case, 'not so poor' member had drawn equal benefits for education of children at par with the poor. Vigilance needs to be exercised in guarding against such members depriving the poor and the very poor of their share because these members tend to become office bearers, which invests them with more power. In fact, these members should pay progressive rates of CCF and DLDP deduction and Sangha Tax and cross subsidise benefits to the very poor. Mismanagement by office bearers has led to high overdue and eventual dropout.

Political Profile

The conflicts and cancellations in the sanghas, in recent times, seem to be partly due to their involvement in party politics. In villages, sanghas are identified with a political party and therefore it has proved difficult to improve the coverage or even get a foothold in those villages where other major parties like Janta Dal or CPI have a base. The identification with Congress party appears to originate more from the top and less from a bottom up process. On the whole, touch with ground reality in this regard seems weak. In a few villages it was heard that if a member refuses to vote for Congress, his membership would be cancelled. Some villages declined to comment on their views of various political parties stating that they would vote for candidates recommended by ADATS/BCS. In one of the meetings, cluster secretaries debated against voting for Congress as the Congress candidate to whom they voted in the previous election turned out to be an opportunist. Therefore they argued that a candidate to be supported should be chosen on his intrinsic worth and not on the basis of party. However after hearing a field staff mention that ADATS/BCS wants them to vote for Sonia Gandhi / Congress as she would facilitate pro women policies and Congress stands for anti communalism etc., there seemed to be a sort of reluctant acquiescence. Besides intensifying a personality cult, it seems unethical for an NGO to be actively involved in politics, as programme benefits could become a means of ensuring a vote bank for a particular party. This strong involvement also seems to be unleashing violence, conflicts, loss of property and assets and loan default especially among the literate rural people could cause total disregard for credit discipline like the loan default during the last election when the coolie members financed the cycle rally. Campaigning for political parties and involvement in elections mean spending money and how would CSUs and BCS mobilise funds? While political education is important, identification with a political party and involvement beyond a point could turn counter productive.

On the other hand, seeking strength and security by aligning itself with a powerful political party may be inevitable step in view of the several violent reprisals that some villages suffered from the landlords and political enemies consequent upon the activism and direct confrontation. In that event, there is also the risk of a setback to this security and protection if the party in power changes. In the context of burning issues reaching the low ebb or plateau, common ground like a party identify is perhaps seen as means of keeping the sangha members bonded together.

Drop Out Sanghas

It is a normal course in the growth of a sangha to suffer cancellation of members and drop out of sanghas. These fluctuations occur in the initial stages of formation and formalisation as the group experiences pressure from within and without and the process helps emergence of group leadership and norms. By the time they reach consolidation stage, group becomes mature in consensus, problem solving and participative decision thus leading to stabilisation.

In April/May 1999, there were a total of 192 dropped out sanghas and 14464 cancelled members accounting for 26% of total (regular + dropped out) CSUs and 49% of total (normal + cancelled) members. The taluk level position is given below:

Table: 3 Fluctuations in Sangha Membership – 1999

| Taluk | CSUs | | Members | | Percentage to total | |
|--------------|------------|------------|--------------|--------------|---------------------|-----------|
| | Regular | Drop out | Normal | Cancelled | % D/o | % Cancel |
| Bpl | 113 | 125 | 2997 | 7057 | 53 | 70 |
| Cbpur | 128 | 28 | 3003 | 2770 | 18 | 48 |
| Ctm | 218 | 26 | 7072 | 3005 | 11 | 30 |
| Sid | 95 | 13 | 2275 | 1632 | 12 | 42 |
| Total | 554 | 192 | 15347 | 14464 | 28 | 49 |

In Bagepalli, incidence of drop out is quite high. The reasons for fluctuations in the sanghas include internal conflict and poor leadership in the initial stages of formation and formalisation and resistance to sangha tax, mismanagement by office bearers, high and persistent overdue, and conflict created by political hostilities etc. In the later stages of consolidation and independent stages. The later category of drop out is a cause for concern. When the term of the VLW is over, it becomes a sensitive time in some sanghas. In an attempt to assert his indispensability, he creates mischief by defaulting on repayment and instigating other members not to repay. In some places, even if the representative or VLW are irregular or ineffective, decision to remove them is delayed till his repayment is cleared. The virtual monopoly of the VLW over literacy should be weakened by joining ALP classes. By virtue of their higher asset holding in some places, they also avail of higher loan benefit. Internalising financial discipline should assume paramount importance since the credit fund, which has reached a high level of Rs.5 crores is the major activity of the CSUs. In Chintamani, in all the consolidation dropout sanghas, all the office bearers have overdue. In Chinnaganapalli, which is not yet a dropout, repeat loans had been given to members who already had a sizeable overdue and some of them were office bearers. Poor leadership development would be inhibiting the sangha strengthening process putting the credibility of the groups and sustainability of the most popular programmes at stake.

The repayment problem that seems to be equally due to the vulnerability of the poor to the environmental factor in Bagepalli could lead to instability. The situation is more under control in extension areas. Invariably all the sample sanghas in formation and formalisation stages conveyed that they joined the sangha for monitory benefits. New sanghas that are being introduced to CCF even in early stages have to be closely monitored particularly in view of their functional homogeneity and experience with older sanghas.

COOLIE CREDIT FUND

Credit plays a major role in activating and sustaining the participation and continued interest in the sangha. A large majority of the members mentioned CCF as their most favored activity. It seems to be the principle agenda of the sangha and at the time of stocktaking exercise, repayment was the only agenda in several sanghas. The popularity of CCF derives largely from easy accessibility, lower rate of interest and less stringent measures of recovery. The effectiveness of the programme has been viewed within the following framework:

- Credit as a tool of empowerment and institution building,
- Extent to which it has reached the poor,

- Productivity of loan in terms of returns on investment,
- Repayment rate which is an index of profitability of using the loan and therefore member satisfaction and their support to keep it going,
- Sustainability, and
- Limitation of credit in poverty alleviation.

All credit decisions are taken in CSU meetings. Credit funds are allocated to each village sangha account on the basis of the age of the sangha and total strength. Well-conceived systems and procedures have facilitated an efficient user-managed system in the Fund. The focus on cadre development and emphasis on self-reliance have steered them towards autonomous functioning. Cautious approach in the face of increasing demand and the pivotal importance attached to ensuring adequate and timely funds for the crop season have promoted an active management of fund rather than mere monitoring of movement of funds. Some of them confessed that compulsions to identify a viable and credit worthy economic activity to qualify for the loan and to estimate the amount required to be invested have enabled both the lender and borrower to acquire planning skills at individual and management level. The credit decisions move through three levels before it is finally approved. Initial sanction is made in the sangha with a quorum of 2/3 of the normal members on the basis of the purpose and availability of funds and regularity of attendance of the applicant. Then it goes to the MM for approval. In case the applicant is given to drinking, immoral behavior or abusive behavior at home or the other partner is not regular in attending MM meeting, or the CCF balance is not adequate for the impending crop season or the activity does not justify the amount sanctioned etc. MM has the right to veto or revise the CSU decisions. At the final stage, it goes to the cluster meeting for ratification. The whole process is completed in a fortnight. Ongoing sanction as and when loan requests are received is replacing the current practice of 'bunched sanction'. This is also expected to improve repayment as loans will be falling due at various periods and repayment will be less influenced by peer behavior. All credit decisions should be supported by the minutes of the CSU and MM meetings. In the case of improper and incomplete information in the Minute Book, these proposals are returned back by the cluster to the sangha. These proceedings have promoted a high degree of transparency among members on activity and financial details. The system of minimal cash transaction in the organisation is indeed a great learning cum exposure opportunity for the members though involving a degree of inconvenience of getting the form filled, going to the bank etc. which is only a small price. In Bagepalli, a liaison assistant has been provided to help members fill out deposit repayment and sangha tax and withdraw loan amount and other benefits. In other taluks, account and administrative staff fill the need. Sometimes, longer delay is caused to the beneficiaries when the dealing hand goes away on some errands or the cheque signatory does not turn up. These occasions should be minimised. The independent CSUs manage their own loan sanction and in other sanghas, a field worker present for passing the loan. The earlier practice was to introduce credit fund only from the formalisation stage. With the formation of mixed clusters comprising formation, consolidation and independent sanghas, credit has been allotted to formation sanghas to cover the gap and distance that the new sanghas may experience in the cluster meetings. NABARD seems to have been impressed with the structures and systems of Credit Fund that they have shown interest in financing the groups

As on May 1, 1999, ratio of utilisation of the fund to total CCF capital stood at about 61% and the rotation at 1.8 times that of the CCF capital. The break up for the taluk is:

Table: 4 Credit fund Profile – May 1,1999 (Rs.Lakhs)

| Credit Variables | Bpl | Cbpur | Ctm | Sid | Total |
|------------------------|------|-------|-----|------|-------|
| Good Loan | 69 | 38 | 38 | 15 | 160 |
| Overdue | 94 | 23 | 20 | 14 | 151 |
| Total Loan | 163 | 61 | 58 | 29 | 311 |
| Overdue about 1 yr. | 47 | 8 | 5 | 4 | 64 |
| Overdue of Cancelled | 42 | 5 | 4 | 3 | 54 |
| CCF Capital | 200 | 109 | 146 | 58 | 513 |
| Per Capita Loan | 5439 | 2031 | 820 | 1045 | 2026 |
| Percentage | | | | | |
| Utilisation to capital | 82 | 50 | 50 | 50 | 61 |
| Overdue to total loan | 58 | 39 | 48 | 48 | 49 |
| OD above 1 yr. | 29 | 13 | 14 | 14 | 21 |
| OD of Cancelled | 26 | 8 | 10 | 10 | 17 |
| Rotation | 260 | 160 | 150 | 150 | 180 |

*Figures are rounded off to the next highest number.

At macro level, utilisation as a percentage of total CCF capital is at 61% and at taluk level, it ranges from 40% in Chintamani and 50 % in Siddalaghatta and 56% and 82% in Chickbalapur and Bagepalli respectively. Though there is much more demand for funds than the actual utilisation suggests, ADATS/BCS follows a self limiting policy of covering only part of the members in one rotation partly to gain a leverage for peer pressure in the event of repayment problem. Cautiousness, lack of tight credit discipline, high proportion of Very Poor and consequential low absorption and poor income generation opportunities seem to have caused the process block of utilised balances. In view of the Very Poor making up a sizeable strength in the CSUs, strong need for skill training and proportionately high level of resources are indicated. The average loan size is too small to exert any meaningful influence on income level. On the basis of Incremental Capital Output Ratio (ICOR) formulated in the Seventh Five Year Plan, an average capital requirement of Rs.13230 was estimated to lift a person from 'hard core poor' category i.e., having an annual income below Rs.3000 out of poverty line. Using this as a reference point, one may safely say that the average loan size of Rs.2026 in 1999 is a paltry sum and far from alleviating poverty at the 'Very Poor' level.

The very fact that funds are being borrowed, repaid and again availed point to the relevance of the instrument. While crop and cattle loans constitute the major share of loan, it also covers needs like housing, liberation loan for redeeming mortgaged land and repaying old debts, freeing bonded labor etc. which will have positive impact on their productivity. The demand seems to be increasing or milch animals and community borewell. CCF loan has helped them to construct Janata houses at a lower cost with a better quality. Generally, after allotment of the plot by the government to the beneficiary, government-approved contractor takes up construction and gets the expenses reimbursed after each phase of construction. Without the initial finance, beneficiary has to depend on these contractors who construct poor quality houses. More obvious form of asset building is ownership of sheep and crossbred cows and other forms of livestock. A deliberate drive to add such assets to the very poor category in the sanghas has been attempted. As a policy, landless have been the first rotation beneficiaries. Some of them mentioned that prior to getting CCF, they had never been able to raise loan from landlords or money lenders, as they had no security to offer. Most of the women members in the sanghas are widowed or deserted with little assets and consequently had not been able to avail of higher loans. In the sample, about 20% had taken higher loan. These women are very often either VHWs or woman representatives who utilised the loan in the family

landholding that normally in the name of the male member. A few women had taken Rs.5000 for sheep rearing. Only in occasional cases, loan had been taken for women managed enterprise. Demand for credit from women in general is small and is more for petty trade and subsistent activities. The nature and scale of these activities limit the returns or productivity gains. Though earnest attempt has been made to cover a large proportion of the Very Poor, total quantum of loan to this section has been limited by low credit absorption capacity. There is real conflict between providing adequate resources to make visible improvement in income and lending large amount without the absorption and repayment capacity. This is reflected in high the level of utilised balances.

Access to credit has enabled members to commence operations on their lands in time by resisting the practice of ploughing and sowing the landlord's land first. Crop loan constitutes the highest share of CCF utilisation followed by cattle loan and DLDP wage payments. Crop loan has helped the members in preventing distress sales and losing good part of their crop to the traders from whom they would have otherwise availed of loans. When there was a glut in the market caused by a bumper crop in potatoes, onions, and tomatoes, CCF beneficiaries were able to minimise their losses in bumper year when prices crashed down. However, ADATS/BCS has not facilitated critical backward and fore-ward linkages like cattle insurance and provision of improved seeds. Several members suffered losses when their sheep died. Some had taken insurance but due to ignorance of claim procedures, could not submit their claims in time. Availment of credit without proper linkages to improve is likely to trap them in debt burden. It is difficult for the marginalised people at individual level to secure insurance cover due to the negative orientation and structural rigidities of the insurance and banking sector. But the NGO as an organisation is placed better to negotiate and access such links. Extension support like seed bank service to the clients should have become an integral part of a major land based programme like DLDP, which has been in operation for several years. In Bagepalli, traders from a neighboring state cheated several members with poor quality groundnut seed and they have suffered a heavy loss in the previous season. BCS should also explore the possibility of facilitating storage and processing links, which would increase their bargaining power and add value to the agricultural commodities mentioned above.

On the whole, people with more assets have been able to avail of higher limits due to their higher absorption capacity and utilise the funds with higher returns. With single unit and local breed of milch cattle, which is the pattern for poorer members, return on the capital is not significant. INSURANCE IS also not available for local breed and even if it is available, cost of premium will not encourage the members. Even for cross-bred, timing of insemination and adding a second unit to the stock plays an important part in ensuring high returns normally associated with the cross breed. More profitable utilisation for the poor is for the purchase of sheep provided insurance cover is taken in time and claim procedures followed in the event of loss.

Repayment

At the time of team's visit to the project areas, overdue was the principle agenda of the sangha, MM, cluster and taluk meetings. As shown in Table 4, overdue ratio to total loan stood at 49% for the coolie sangha as a whole. At taluk level, Bagepalli has taken the lead at 58% followed by Siddalaghatta at 48%, Chickballapur at 39% and Chintamani at 34%. The overriding concern was caused by the risk of default in some areas and the culture of holding back repayment beyond the due date till the next agricultural season in other areas. In fact, repayment itself is not considered so much of a serious problem in extensions as timely repayment is. Discussions with regional rural banks revealed that time factor is treated with supreme indifference by their client farmers! In most of the bank cases, loan is retained for 2

cycles and even 3 cycles by some, but repayment includes additional interest. About 26% of the overdue is in Bagepalli. The ratio of overdue above 1 year at 29% is also not a comfortable situation for Bagepalli. What makes Bagepalli position more risky is the overdue by cancelled members at 26%. The overdue of Rs.42 lakhs by cancelled members expose the CCF capital to 20% risk in the taluk. Drought in the last two years and political rivalries seem to have produced a low morale in the sanghas.

But there are also heartening episodes. In Guttapalaya cluster, normal members paid up the dues of the cancelled members ranging from Rs.2000 to R10000 so that they could avail of crop loan in time. Later they decided to not allow the cancelled members to cultivate their lands. In other case where a sangha member ran away with CCF repayment given to him to be deposited in the bank, other members did not allow the family to cultivate the land.

Sangha do vary in initiative, resourcefulness and leadership at cluster and village level. What is of concern is the disinclination of members who can repay because of the inability of other members who might have suffered crop or business losses. In fact, some members stated that though they had the money to repay, they were waiting for others to repay first. One was even chastised for prompt repayment! In the case of wilful default by a member particularly office bearers, others do not want to be losers by being prompt. Thus, repayment behaviour of even those who have profited significantly by cattle and crop loan wilfully defaulting either due to corrupt and dishonest office bearers or peer behaviour imply that members are not well grounded in group norms and values. While the situation of delayed repayment and wilful default can be attributed largely to crop failure and political rivalries in Bagepalli, in other taluks it seems to be more due to lackadaisical approach and leadership quality. Why even after years of training, financial discipline is lax? This being the base for organisational strength and sustainability of CSUs, an in depth behavioural study of the attitude of the members with a focus on cancelled members and drop out sanghas may be made.

Stringent measures such as suspending health and education benefits and credit operations to the whole cluster and withholding the salary of office bearers have been introduced to bring about better financial discipline. Since these steps had affected the good performance in the cluster, tight reign was relaxed by restricting the penal measures only to the respective village sanghas. The administrative system at the Fund has not reached a strong level to motivate members towards timely repayment or impose effective sanctions on deviant behaviour.

Sustainability of Coolie Credit Fund

The sustainability of the Fund depends on self-management capacity, repayment discipline, availability of funds and the cost of running the programme. Groups have developed a fair level of capacity to manage the fund. An internal control system with appropriate checks and balances has been introduced into the functioning of CSUs, MM and Clusters to ensure sound credit management, though adherence to the system needs to be tightened with better monitoring and supervision. CSU members being lender and borrower at the same time are not able to exercise objectivity and professionalism in their dealings. The drought prone nature of the area and the high proportion of drop out sangha with large overdue by cancelled members pose a risk of erosion of the capital base. Slow rotation and delayed repayment deprive the sangha of accretion to sangha fund and make the loan cheaper than 10%. The low interest rate as compared to other sources leads to exclusivity attracting new members to join the group solely for material benefits. Diversion of funds would be more in these villages. Therefore, linking Sangha Tax to DLDP work, loan availed etc. is being contemplated by BCS/ADATS.

The overdue ratio of about 49% would further constrain the rotation of funds and make the fund managers even more cautious. If increased development needs make their claims on

CCF, there will be managers even more cautious. If increased development needs make their claims on CCF, there will be less funds available for crop loan. The practice of utilising CCF for DLDP payments has caused similar problem of fund shortage in some CSUs. The situation may also limit the expansion of membership. This would once again emphasise the need for linking with banks, which of course should be preceded by better repayment discipline. ADATS/BCS is quite alive to the situation.

On the one hand, coverage of the poor whose utilisation of credit does not yield high returns to justify an interest rate that would cover the transaction cost and financial costs like erosion arising out of bad debts and inflation. On the other, scarce resources, dependency culture and other compulsions necessitate facing such issues. A simple break-even exercise has been attempted below to search for any scope to achieve cost improvement without compromising operational efficiency in credit administration. The data for ADATS/BCS is taken from Receipts and Payments Statement of ADATS –1999.

Table: 5 Credit operation: Break-even Analysis (Rs.lakhs)

| Expense items | Bpl | Cbpur | Ctm | Sid | Total |
|---------------------------------|-------|-------|-----|------|-------|
| i. Staff | 5.7 | 3.4 | 4.4 | 4.0 | 17.5 |
| ii. Office Exp. | 7.2 | 2.1 | 1.5 | 1.0 | 11.8 |
| iii. Veh. Maintenance | 3.3 | 1.5 | 2.2 | 1.4 | 8.4 |
| iv. Total | 16.2 | 7.0 | 8.1 | 6.4 | 37.7 |
| v. 60% of total exp. | 9.7 | 4.2 | 4.9 | 3.8 | 22.6 |
| vi. Total loan – table 4 | 163 | 61 | 58 | 29 | 311 |
| Percentage to Total Loan | | | | | |
| Tranction Cost (v / vi) | 6 | 7 | 8 | 13 | 7 |
| Yield on Advances/CCF Ded. | 3.3 | 8.3 | 8.3 | 3 | 5.2 |
| Break-even Surplus/Deficit | (2.7) | 1.3 | 0.3 | (10) | (1.8) |
| CCF Ded. As % to Good Loan | 8 | 8 | 13 | 6 | 10 |

Deficit is given in brackets.

- Only three major expense items are used for calculating the cost.
- As the expenses are incurred for running various programmes and CCF is a major activity, 60% of the expenses is taken into account for the analysis.
- General contribution, which also includes DLDP deduction, is taken only as CCF deduction sake of simplicity.

Transaction cost is quite high for Siddalaghatta, for which high staff expenses of 14% to total loan have been incurred by ADATS. Actual recovery of CCF deduction calculated on total loan including good loans and over due does not work out to 10% for any of the taluks due to the non-performing loans as defined by overdue over 1 year at 21% and lax credit administration. General contribution as a percentage of only good loans work out to an accepted level only for Chintamani.

If the CCF utilisation is improved along with improved repayment discipline, cost spread will be better. As the NGO's clients do not have the capacity to meet the cost, break even in credit operations can be achieved only if the NGO diversifies into some income generating activity, which will not run counter to their philosophy. It requires great ingenuity to achieve a balance between various compulsions like serving the marginalised with an efficient project administration at low cost. But within the limitations, tightening the recovery of 10% deduction on CCF can make some improvements. In view of making the fund operations financially viable, a progressive rate of interest on credit limits of Rs.10000 and above is strongly recommended. It is essential to bring it at par with more realistic rate of interest at least for the bet-

ter section. If they can avail loans from Producers' Co-operatives (VSSN) at rates which are only 1% to 2% below that of commercial banks, it should not be difficult to accept market rate in CCF.

Limitation of Credit in Poverty Alleviation

Credit has played a useful role in transferring resources to the poor, improving their bargaining position against exploitative practices and sustaining member interest. There is limitation of credit as a tool in bringing about a visible increase in income in the absence of skills and opportunities. In the case of very poor, substantial investment to build human capital and skill training should precede credit operations. If a credit scheme is already in operation, some asset building on subsidy basis has to be provided to make credit input effective. A minimum level of income has to be facilitated for the growth process to become self-enforcing. Further, the role of the intermediary has not quite shifted to a credit plus mode. More financial support has to be accessed for providing qualitative skill at least to the younger generation in member families. However, multiplier effect would be generated only if macro economic growth proceeds at a brisk pace.

LAND BASED PROGRAMME

Besides being a land generation process, DLDP has been a source of summer employment and strengthening collectivity. In the early years, higher wages in general and equal wages for women were paid to give a push to market wages. However, paying equal wages for women within the project did not create any impact in the labor market. This programme has enabled coolie members to come together as unified force showing greater commitment even though wage rate in extension taluks is more than the rate of Rs.15, which is being paid under DLDP. The take home pay is even lesser after the 20% deduction as member contribution. Fallow and wastelands were brought under cultivation thus increasing the total cultivable land. Land development coupled with provision of credit resulted in an increase in productivity gains particularly for those who had higher landholdings and irrigation facilities. Common land and unauthorised patches of land had been cleared during the process and got registered. Though gender disaggregated data are not available, attempts had been made to register the lands in the name of women in some villages. Though cultivating common land is good for the members, it could also affect availability of common grazing land for others. The NGO staff have shown a high degree of commitment in DLDP and imparted the same to the beneficiaries under DLDP. The quality of soil conservation work is quite impressive. Horticulture is growing in popularity. It is a heavy input and subsidy programme in terms of financial cost per member but the cost of the programme has to be located against not only its income generation potential but also on its long term impact on ecology and environment. In some villages, non-sangha farmers in the neighboring fields have shown interest in horticulture. Silt hauling is yet another favorite activity. Sanghas in a formation cluster in Chintamani where DLDP work is yet to commence have been so enthused by the potential benefit of silt hauling on yield that they were exploring ways of meeting the tractor expenses partly on their own to take advantage of a de-silting work in a neighboring area.

The success of land based programme will be determined by the groundwater table and monsoon rains. Long term potential for the group to increase the area under cultivation in future seems marginal. Diminishing marginal returns will set in earlier in these areas as water which is a critical factor is dangerously low and the cost of sinking bore wells would make cultivation uneconomic besides such ventures being a gamble. Water conservation measures will acquire greater meaning in a broader context of watershed area approach even if it means improving the lands of the big farmers and partly diverting the benefits to them. This will also

generate spill off effects from their improved productivity and investments. Even big farmers are motivated to invest more in lands only if there is an overall approach to land generation. There would be a conflict between distributional benefits and sustainable land use practices in watershed approach and this makes the NGO entertain watershed area approach with a skepticism.

The activist role has not created much impact on the existing lease structure, which requires sharecropper to bear all expenses and pay half of the yield to the owner. Even to persuade the landlord to revise it, coolies should be seen as having the back up of or access to a technically competent organisation with whose support agricultural productivity can be enhanced. Technical support and guidance to improve the existing seed selection, crop selection, inter-cropping practices and crop rotation are yet to be intensified to accompany the land improvement measures. These steps may make sharecropping terms more favorable to the members and leasing would provide an avenue for land less.

Learning on sustainable agriculture among the members seem to be slow. Seema jali planting on the bunds that would have provided the biomass necessary for soil nutrition besides providing fuelwood had been neglected. However, vermicompost has been taken up with greater enthusiasm in some quarters due to the monetary returns. Members should be enabled to perceive the interlink between biomass creation, organic matter content, soil nutrition, water holding capacity and existence of plant species in order to gain better understanding and long term view of land use.

INCOME GENERATION POTENTIAL

The local labor absorption being low, migration continues to far off places mostly for construction work. Male members from sangha families go to Kerala on trade and return to the village during harvest. Migrants also cause overdue problems. The extent of migration seems higher in Bagepalli. At individual level, very few of the coolie members have inclination to become entrepreneurs. Majority people from the Very Poor category prefer to secure a regular and better paying wage employment. Petty enterprises in which they engage themselves are subsistent activities with low margin. Mass produced goods flooding the markets at lower price and adverse socio cultural factors like negative perceptions of the public about the quality of locally produced goods leave little scope for NGO products to get a foothold in the market. Thus, poor skill base and the limitations of the market do not encourage them to venture into new enterprises. While they fully realise that the present farm related activities generate only limited income, they prefer to take up only such types of additional source of income earning opportunities that would not replace their existing sources and also fit in with the available labor including the child labor in the family. At regional level, poor infra structure facilities in terms of power, water, transport and communication and low level of skilled labor do not attract private industry, as it is difficult to establish sustainable activities in the region. The third dimension is the weak growth impulses at macro economic level and low budgetary allocation.

Therefore, available options include:

- Providing a subsidised asset to the very poor in the short term and supplement a skill base that would enable them to secure better wages or promote a viable micro enterprise catering to local needs,
- Promoting group enterprises by the members with direct ownership or group enterprises in which they are more of wage earners and direct ownership rests with BCS or an external promoter that would tap city or larger markets in the long run.

Based on the history of failure of member managed enterprises which in practice is controlled only by a few and the flow of benefits more often cornered by them and also due to poor

member accountability, BCS/external promoter owned and managed enterprises are preferable. Skill being a critical input, ADATS has facilitated skill training in the past in garment making and tailoring and many of these trainees have found gainful placement. Five women were trained in masonry and they were involved in the construction of smokeless chulas and water tanks for horticulture programme. They are stated to be earning good wages of Rs.60 per day. A few more women are being apprenticed by them. But the cost of providing up-graded skill capable of producing market friendly goods for 6 month become too prohibitive to continue with it.

A novel group enterprise without involving any direct link to production aspect has been tried in Bagepalli. A total of 101 individual sangha members had been helped to invest in a flat costing Rs.25 lakhs and this is expected to generate a profit of Rs.10 lakhs over a period of 3 to 5 years. Each member borrowed about Rs.25000 from CCF for investment. It is a new initiative at grassroots level in improving their income level. Such initiatives are being planned at other taluks. The coverage is stated to include landless. The information system and progress reports should include disaggregated data for gender and landless or very poor under these heads. However, a differential rate of interest (CCF deduction) should replace the uniform deduction of 10% for such high credit limits for individual loans.

Though external economy does not provide an incentive to extend income generating ventures to non-farm sector, there is some potential within the existing conditions that could be fully tapped.

- In Chickballapur, stone crushing is one of the main activities. Women earn Rs.20 per basket of jelly or crushed pieces as construction material and men receive up to Rs.60 for breaking the boulders and big stones. People go to work in a pair of female and male members in two shifts between 6 a.m. and again between 3 p.m. and 6 p.m. While men break the big boulders, women collect the small pieces and crush them. If a woman does not have male companion, she has to beg around for small pieces. Anyway, societal norms are not quite supportive of a woman teaming up with a man who is not part of the family. So young women do not take up the work unless a male relative is working in the quarry. Further due to the heavy physical work, they are not able to go to work daily even though work is available. Both women and men stated that if they can take the land on lease from the Kolar district authorities at Rs 5000 per acre and get blasting materials like explosives and a crushing machine, their productivity per day will improve besides reducing physical burden. They can supply the material directly to construction sites, doing away with middlemen.

Food processing ventures of the produce cultivated by the sangha members like tomato, potato, onion, sunflower would result in increased storage life, particularly in bumper years, better marketability and value addition. The processing activities could be initially confined to sun drying, picking and packing in small sachets to suit the scale of local demand. Other areas like leasing mango and tamarind trees on a large scale, biscuit making (targeted to local market), 2 or 3 brick making units in each taluk, which could provide summer employment, vermi compost units, raising nursery plants and sweater knitting etc. may be fully explored. For long term, BCS managed enterprises could be promoted for organic produce to cater to niche markets with a market outlet in Bangalore for these products. This outlet could be used for promoting other NGOs' products and organising exhibitions, which could provide additional source of income to BCS. Bangalore has expanding horizons and an NGO like ADATS with high initiative and innovativeness could achieve a lot in such a market. Visits to NGOs who have promoted successful IGPs can generate some possibilities. Opportunities of employment and enterprises can be explored in the proposed international airport near Devanahalli. This process of realising the untapped potential will exert a great pressure on credit

fund and better off members within the group may have to graduate to deal with the banking system.

GENDER

At organisational level, several instruments have been created to empower women and these include Mahila Meeting, executive control over allocation of Petty Fund for Women (VSD) and funds for health and children's education, veto power, reservation of one representative's position, creation of the position of Women's Committee member equivalent to cluster secretary, representation of elected women members on the Board of Trustees, election of women taluk secretaries and creation of Women's Credit Fund etc. Undoubtedly these measures have improved women's visibility and mobility. Initial days were marked by opposition and hostility from male members against women attending Mahila Meetings. Women have come a long way from those days. Today, women members attend a number of meetings in a month and make several out of town visits to taluk headquarters, bank and government office in the capacity of a sangha member or office bearer in spite of economic and domestic restrictions on their available time. They have achieved a sense of togetherness, courage and confidence. Women have also come to occupy positions of power and status outside the sangha like the secretary of dairy co-operative and Panchayat member. Some women came to be trained in non-traditional areas like masonry and have realised higher incomes. In Chintamani, while the CSU failed to act against a wilful defaulter, Mahila Meeting members took away the asset and recovered the money by auctioning it. In some cases, veto power in the hands of Mahila Meeting made the CSU more alert in their functioning.

But all this does not mean that there has been a fundamental change in women's lives. The kind of empowerment enabled at organisational level has not been translated to their personal lives. Even Mahila Meetings, which were created as a forum to discuss problems that are peculiar and particular to women, happen to discuss only CCF related issues most of the time. Sanction powers of health and education benefits also seem to reinforce women's traditional roles. Women membership, which is only about 25%, does not give them equal representation in management thus condemning them to where they are. At apex level, there is no representation of woman among the four permanent trustees. In the sample villages, very few women informed on the cost of inputs and total income derived from their lands etc. in migrants' families, women who stayed behind to look after all the responsibilities till harvest time when the menfolk return, were also ignorant about cost and return of agricultural operations on their lands and total earnings of the family. Thus women continue to be precluded from knowledge of agricultural operations and details of family income. Naturally, the status of access and control over resources at home could not be any better in such cases. In the female headed households also, the women sangha member who had leased out her marginal holdings did not know about the quantity of input or about the number of days of labour required for her land etc. At the level of very poor, main source of income is from wage labour and if men are given to drinking, they spend away Rs.100 to Rs.300, which is a sizeable part of monthly income on alcohol and this adds to the burden of women. Some cases of education benefits being partly given to the husband were heard. Even though Mahila Meeting members control the allocation of VSD and education benefits at sangha level and route the funds through women, women may not be able to exercise full control over it at household level. The veto power has come to be exercised less and less not only on account of improved quality of decision making in CSUs but also due to pressure from male office bearers and fear of male members at home. It was stated that sometimes women come to the office and request the staff members not to approve sanction of credit to the male member in the family. Another women in a village despaired that whenever her man brings a dairy animal to the house, her burden increases. But heartening cases of men milking the dairy animal, and either

husband or wife pouring milk in the milk cooperative society (selling the milk through the co-operative) and collecting of payments depending on the convenience were also narrated. In some cases, sanghas have facilitated transfer of some property to the daughter or widowed wife from the male members. But such isolated cases should be extended to a larger clientele. Though greater realisation of the value of education for the children is quite evident and further reinforced by education benefits received from the sangha, some weight is not accorded to educating girl children. In a couple of sample villages, some families discontinued the middle level schooling of their daughters as they were needed at home for silkworm rearing and for additional help in the field and home. Supplementary coaching for junior level though taken up with enthusiasm and commitment in villages like Somnathpura, this service, in general, suffers from lack of space except in cluster centers, which have the secondary level find the distance from the villages to the Bagepalli centre a deterrent in attending the coaching classes. Thus, practical difficulties have led only to partial success. One of the benefits highly valued by women and men is the basic medicine support. But the medical aid support for major illness may not be a sustainable activity in terms of high financial input. But, given the poor and indifferent quality of health services in rural and semi urban areas and little prospects of improvement in this sector, it would remain an invaluable service.

Vokkaka Sanchi Duddu is the petty fund of Rs.5000 given to each sangha in a phased manner exclusively for use by women to tide over their short-term needs. Repayment time was not to be more than two months. The fund is managed by VHW and the female representative and all sanctions are made in Mahila Meetings. No records are expected to be maintained in the Minutes Book to protect the secrecy of its end use. The origin of the fund's beginning makes a touching episode. A woman came to the project director in a great distress pleading to be given a petty sum to tide over some urgency. She had gone to the local landlord before coming to the project director to borrow the money who was ready to give it, but only in exchange for sexual favor. This episode led to the creation of the fund so that women coolie members can be saved from such humiliation in future. But the tragic part is that the fund, which came into existence as a response to exploitation, has been replaced by a different kind of exploitation. Firstly, full subsidisation of the fund and total absence of accountability have made it dysfunctional. As high as 50% of the fund has disappeared from circulation in several Mahila Meetings. Money is said to be lent even for 1 year and if deeply probed it turns out to be a bad loan. The very design and structure of the fund do not have sustainability element built into it. An exaggerated secrecy seems to be enforced upon the fund when such a degree of secrecy does not seem justified with the fund being used only occasionally for needs particular to women like abortion. Large part of the fund has been used for buying ration and sickness in the family. Office bearers – VHW and women representatives – with the Mahila Meeting exploit this clause to mismanage. The interference of male office bearers like VLW and also the cluster secretary if he is from the same village is a matter of concern. In a cluster centre, we heard that the balance amount of VSD was in the hands of the cluster secretary. Either VHW succumbs to pressure from male office bearer or she herself becomes a power centre.

With the exception of Women's Fund, which address only women headed households, there is no fund to meet the credit needs of women in their individual capacity as economic entities. In Mahila Meetings, women have been expressing the need for a separate credit fund. Attempt should be made to link women to Rashtriya Mahila Kosh (National Credit Fund).

The current measures aimed at promoting the participation of women have only touched upon the periphery. Issues that would bring about basic changes in women's lives have to be introduced initially for discussions in the Mahila Meetings. To handle this, Mahila Trainers themselves have to be trained appropriately. Strategies could also include forming half of new

sanghas as women sanghas or increasing women membership to 50 % and improve their direct involvement in economic activities beyond the subsistent activities. It is established fact that enhancing women's economic status has a far-reaching impact on the family poverty and brings about a greater improvement in their social status within the family.

FUND MANAGEMENT IN CSUS

Table: 6 Sources of Funds – 1999 (Rs.Lakhs)

| Sources | Bpl | Cbpur | Ctm | Sid | Total |
|----------------------|--------------|--------------|--------------|-------------|--------------|
| Sangha Tax & Hundi | 10.41 | 5.86 | 5.57 | 4.40 | 26.24 |
| General Contribution | 5.43 | 5.15 | 4.81 | 0.92 | 16.31 |
| Bank Interest | 7.90 | 3.77 | 2.06 | 1.28 | 15.01 |
| Total | 23.74 | 14.78 | 12.44 | 6.60 | 57.56 |

As CCF and DLDP deductions are not recorded separately under current year receipts, General Contribution is assumed to include these deductions. About 46% of the sangha income is derived from tax and hundi collections. Sangha tax dramatically improved from Rs.5.5 lakhs in 1998 to Rs.26.24 lakhs in 1999. For a comparative performance of resource mobilisation efforts at taluk level, per member contribution has been used.

Table: 6(i) Per Member Contribution to Receipts (in Rs.)

| Per Member Receipts | Bpl | Cbpur | Ctm | Sid | Average |
|-----------------------------|------------|------------|------------|------------|------------|
| Sangha Tax | 347 | 195 | 79 | 193 | 171 |
| General Contribution | 182 | 171 | 68 | 41 | 106 |
| Bank Interest | 264 | 126 | 29 | 56 | 98 |
| Total Receipts | 793 | 492 | 176 | 290 | 375 |

Per member contribution is naturally the highest in Bagepalli as the age of the sanghas and volume of benefits over the years must have motivated them to support the sanghas. Chickballapur and Siddalaghata seem to have made reasonable efforts and Chintamani is the worst performer at Rs.79 per member. If sangha tax and hundi are taken as the equivalent of members savings, per month savings of a member work out to Rs.29 for Bagepalli, Rs.16 for the economically better off and better wage paid regions of Chickballapur and Siddalaghata and an abysmally low rate of Rs 7 for Chintamani. This only shows that intensive efforts have to be made in extensions and there is scope to generate more resources. General Contribution i.e., CCF and DLDP deduction is the lowest in Siddalaghata.

To assess the performance under other contribution, an estimate of CCF deduction @ 10% has been made below on the basis of good loans:

Table: 6(ii) CCF Deduction (in Rs.Lakhs)

| CCF contribution | Bpl | Cbpur | Ctm | Sid | Total |
|---------------------------|-------|-------|-------|-------|--------|
| Good Loan | 69.00 | 38.00 | 38.00 | 15.00 | 160.00 |
| Deduction @ 10% | 6.90 | 3.80 | 3.80 | 1.50 | 16.00 |
| Gen. Contribution* | 5.43 | 5.15 | 4.81 | 0.92 | 16.31 |

* From BCS Statement of Receipts

It is quite obvious that actual CCF deduction (assumed to be included in general contributions) is less than 10% in Siddalaghata and Bagepalli. The total under 'General Contribution' which must include 20% of DLDP deduction, is barely 8% of the good loan for Bagepalli and Chickballapur and 6% for Siddalaghata. It indicates that there is serious laxity particularly in

Siddalaghatta and also in Bagepalli in the fund management and if the system is administered properly, receipts will increase under this head.

Table: 7 Uses of Funds – 1999 (Rs.lakhs)

| Uses | Bpl | Cbpur | Ctm | Sid | Total |
|-----------------------|------------------|------------------|------------------|------------------|-------------------|
| Fixed Costs | (31) 3.85 | (21) 2.31 | (14) 3.42 | (16) 1.57 | (19) 11.15 |
| Variable Costs | 8.40 | 21.49 | 21.49 | 7.99 | 46.81 |
| Total | 12.25 | 11.24 | 24.91 | 9.56 | 57.96 |

- Figures in brackets indicate the percentage of fixed cost to total cost.

For the purpose of analysis, salaries, allowances and stipends, rent, utilities etc. are aggregated under fixed cost. Basic medicine, health aid, education, old age pension and legal fees which, to a large extent, depend on the volume of sangha fund mobilisation are included in variable cost. Though BCS central costs are not included in the uses of funds, fixed cost for Bagepalli stands high. For most of the independent sanghas in the sample, fixed cost works out between 25% and 40%. Hence there is a chance of fixed cost reaching a higher proportion. If this is not kept under control, it would cut into health and education benefits.

Table: 8 Sources and Uses – Per Member (in Rs.)

| | Bpl | Cbpur | Ctm | Sid | Total |
|---------------------------|------------|------------|--------------|--------------|------------|
| Per Member Receipt | 793 | 492 | 176 | 290 | 375 |
| Per Member Cost | 409 | 374 | 352 | 420 | 378 |
| Surplus/Deficit | 384 | 118 | (176) | (130) | (3) |

- Figures in brackets denote deficit.

Per member cost is high for Siddalaghatta at Rs.420. As the fixed cost in this taluk is lower, it could be due to greater health and education benefits. But this taluk should proportionately increase per member sangha tax and CCF deduction. While Bagepalli and Chickballapur have shown surplus, Chintamani and Siddalaghatta have high per member deficit of 50 % and 69% respectively. For Siddalaghatta, it is a combination of high cost and low resource mobilisation. BCS could use per member performance for evaluating each sangha.

Table: 8(i) Surplus/Deficit (Rs.lakhs)

| Sources – Uses | Bpl | Cbpur | Ctm | Sid | Total |
|------------------------|--------------|-------------|----------------|---------------|----------------|
| Surplus/Deficit | 11.39 | 3.54 | (12.47) | (2.96) | (0.40) |
| Central Staff Salary | | | | | 2.58 |
| BCS central Costs | | | | | 10.00 |
| Total BCS Cost | | | | | 12.58 |
| Surplus/Deficit | | | | | (12.98) |

- BCS Central Costs (separately recorded in 1998 statement but not in 1999) of Rs.10.00 lakhs for 1999 has been estimated on the basis of 1998 figure.

The deficit as shown in the difference between total sources and uses of funds is quite high in absolute terms in Chintamani at Rs.12.47 lakhs. At taluk level, Bagepalli and Chickballapur have covered the costs. At macro level, there is only a small deficit of Rs.0.40 lakhs. If the BCS cost of Rs.12.58 lakhs which is currently met by ADATS is added, total deficit would be at Rs.12.98 lakhs. If the existing system is tightened, large part of the deficit can be easily met.

COST EFFECTIVENESS

To assess the aggregate value of the benefits arising out of various activities in development is a difficult task. The direct quantifiable benefits, if data were made available, would include:

- Quantum of assistance received by members under CCF loan, DLDP payments, health basic medicines and medical aid), Children’s education and VSD and Women’s Fund, and
- Incremental income from CCF financed activities, DLDP, Skill training, education and health.

While statistics on the first category of beneficiaries can be accessed, these benefits would make up only a fragment of the total benefits. A large part of the impact felt through the second category would be long term and partly non-quantifiable. Even the objectives like empowerment, as set out by the NGO is not amenable to quantification. To the extent that poor have been reached out and access facilitated to resources at relatively lower cost by the NGO has to be viewed as cost effective way of reaching the poor. Cost of the same for the alternate implementing agency like government and cost for the poor (leakage and corruption) should be reckoned as cost savings.

In development process, it may not be meaningful to make assessments on cost effectiveness. The benefit of health and education programmes can not be measured by their short-term effects but can be justified in terms of its impact on human productivity. The application of capital inputs to human capital building may be of higher volume and for a prolonged period depending on the degree of social and economic backwardness of the area. What appears costly at one phase of development may be cost effective at a later stage. In the absence of NGO intervention, capacity building, health and education promoting human capital, access to financial resources and mechanism to leverage funds, community assets creation and environmental impact etc. would not have taken place. Viewed from this angle, benefits outweigh the costs. Further, cost effectiveness may not always guarantee effectiveness. There is a conflict between reaching out to the very poor and running a low cost programme. In a region of extensive and intensive poverty, government reaches out less which implies that NGO efforts are more costly and generating gains is more difficult and time frame longer. Income generation projects necessitate higher resources and greater outlay per member beneficiary as it requires attention to detail in planning stage and the same degree of detail orientation, close monitoring and ongoing technical and other extension support in implementation stage and therefore the recruitment of specialised staff. Low cost per member does not necessarily mean efficiency in these areas. If one wants to keep the costs down, issues of backwardness cannot be addressed effectively. The NGO has been able to maintain a small but committed team of staff.

In the following section, benefits and cost i.e., direct material benefits per normal member and the intermediation cost of the NGO per member have been generated only to draw a comparative position of the taluks. It should not be read as a cost benefit assessment of the various activities of the NGO as it has no meaning nor such an analysis can be supported without complete data for the various programmes from the initial period. Benefits relate to CCF, DLDP, Women’s Fund, health and children’s education and VSD. The figures have been drawn from the Receipts and Payments statements, Income and Expenditure statements of BCS and ADATS for the year ending March 1999.

Table: 9 Per Member Intermediation Cost (in Rs.)

| Per Member Cost | Bpl | Cbpur | Ctm | Sid | Total |
|-----------------------------------|-----|-------|-----|-----|-------|
| Social Intermediation Cost | 282 | 212 | 183 | 241 | 217 |
| Administrative Cost | 429 | 186 | 83 | 218 | 191 |
| Total Cost | 711 | 398 | 266 | 459 | 408 |

The social intermediation cost as expressed in monies spent on community organisation seems to be high in Bagepalli, which has high proportion of independent sanghas. It is difficult to arrive at a benchmark in absolute terms for intermediation cost as the intensity of organising is relative to the degree of backwardness and resistance. Yet, independent sanghas are expected to shoulder more of community organisation work as they mature and provide a leadership in the cluster area. Alternately, reason for the high cost could lie in the increase in the drop out/cancelled members between 1998 and 1999 and these sanghas/members are not available for spreading the cost. Chintamani has the lowest administrative cost, which has exerted a favourable influence on benefit per unit cost.

Tale: 10 Cost/Benefit Ratio (in Rs.)

| Per Member Benefit/Cost | Bpl | Cbpur | Ctm | Sid | Total |
|-------------------------|------|-------|------|------|-------|
| Per Member Benefit | 6546 | 3982* | 1876 | 2593 | 3298 |
| Per Member Cost | 711 | 398 | 266 | 459 | 408 |
| C-B Ratio | 1:9 | 1:10 | 1:7 | 1:6 | 1:8 |

* includes Women's Fund benefits

In Bagepalli, high cost overshadowed the highest per member benefit of Rs.6546. Siddalaghatta has the lowest cost-benefit ratio. Administrative cost is the second in this taluk perhaps due to larger proportion of external staff whose salary is higher. The impact of professional staff should and would be felt more in the long run. It is again reiterated that this ratio is drawn here mainly to see the regional differences and not to make any inference on the cost effectiveness.

Members psychologically relate what they have to contribute to what they have received. The nearest indicator available to measure this perception of members is the ratio of per member contribution of sangha tax, deduction from CCF and DLDP and bank interest (assumed to be past savings of members) to per member benefits, which stands at 12% for Bagepalli and Chickballapur, 11% for Siddalaghatta and 9% for Chintamani. If this is viewed as an index of stakeholding, then it should improve from the current average of 11% for BCS.

SUSTAINABILITY

The essential conditions for sustainability are organisational and financial viability and both are interdependent to an extent. The former depends on sound institution i.e., solidarity, internal discipline including financial discipline, broad based participation of grassroots in planning and implementation and self management capacity. The withdrawal of NGO is based on the existence and preparedness of such conditions. The financial aspect relates to the ability to cover the running costs and access to resources on ongoing basis for financing the programmes. Therefore, a host of factors like solidarity which depends on realisation of beneficiary expectations and organisational objectives, impact of the programmes on the economic status of the coolie families, decentralised decision making, ability to handle responsibilities, financial discipline and member accountability, realistic rate of interest, adequacy of financial resources in continuing the programmes, extent of internal resource mobilisation and the ability to relate to the changing world etc. play a part in ensuring sustainability. The time taken for achieving complete sustainability depends on the ability of the members to generate internal funds and access financial resources from mainstream institutions. The geo

climatic factors of the region, proportion of very poor among the beneficiary population and macro growth exert considerable influence on the process.

Development is what sustains the group solidarity after the intense phase of burning issues. Though income gains have accrued from various programmes, size of such varies from meagre to moderate depending on the poverty level, initial asset holding and climatic factor in the taluk. “Grow Rich in Three Years” may, at the out set, sound like a humbug to an outsider. But the slogan has enabled the sanghas to consider the available options seriously and work through an introspection session in the process. Improving the economic well being seems to be the central concern at member level and CCF seen as an important tool to be used in this direction.

Potential for Internal Resource Generation

At the independent sanghas and some of the consolidation units are well poised in terms of self-management capacity. Past planning has built up a comfortable base of resources in the form of sangha funds. This has enabled Sanghas to cover not only their basic costs like salaries, rent and maintenance but also to take care of basic medicines, Children’s education, old age pension, legal fees etc. The self financing has been facilitated by the levy of sangha tax @ 10% on the personal income of the members, 20% of DLDP payments, voluntary contribution of 10 percent of all benefits except health and education – rate of tax collection varies between 6% and 8%. When deficit was experienced in one or two independent sanghas, they had either borrowed from a surplus sangha and repaid it or had sought assistance from the NGO. The period between January and April imposes a strain on the cash flow in sanghas due to delayed tax receipts. Therefore, last year they followed a rigorous policy of canceling membership if taxes were not paid by February end. Necessary to balance between slow and intermittent receipts on the one hand and recurrent and regular expenses on the other has helped to sharpen their planning and budgeting skills. The new sanghas are also trained to follow the same pattern of meeting their expenses from their current revenues.

The total sangha funds have reached a level of Rs.2 crores. BCS expects to realise Rs.2 crores from the proposed sale of the 40 acres farm in Bagepalli. (However, a strong recommendation would be to retain it in view of the important role it would play in providing technical support.) and Rs.1 crore from future savings. The farm, if not sold, is expected to generate an annual income of Rs.25000. Investment plans to buy real estate properties and construct wedding halls for rent in Bagepalli by BCS are also geared to this end. It is yet to be finalised whether these ventures would be jointly undertaken with sanghas as shareholders (price of each share would be fixed between Rs.25000 to Rs.50000). Some sanghas also expressed their plans to invest in real estate properties on cluster basis. Prospects of business ventures in Bangalore are also being explored to generate income for the BCS. At present, guesthouse in Bangalore does not yield anything and there are no such prospects in future. It was stated that the Coolie members are basically using the place for shelter and stay at nights during their visits to hospitals in Bangalore and by sangha functionaries as a base to visit Government departments in Bangalore. Since a simpler outfit would serve the purpose, BCS/ADATS can consider selling the guesthouse and utilise the proceeds partly for a simpler shelter and partly for investment. The godown in Bagepalli campus is a small dumping corner with four walls and a roof and has no income potential. Out of the sale of the property in Chintamani, which was earlier used as residential quarters for the staff, they expect to realise Rs.14 lakhs against the original price of Rs.8 lakhs. Other assets include the training centre in Bagepalli where coaching classes are held for high school students belonging to beneficiary families and the community halls at the clusters in Bagepalli.

The present level of sangha funds is not adequate to finance the central BCS costs that include salaries of taluk and cluster secretaries of monthly taluk meetings. Independent sanghas are gearing themselves to meet the salaries of cluster secretaries from next year. The sanghas are well grounded in their orientation to meet the operating expenses and this is a highly positive strength and not a common trait at grassroots level in the NGO sector. The existing potential for the CSUs to generate high resources can be activated by timely repayment and faster rotation of CCF and actual realisation of receipts by applying a progressive rate of taxation on better off members.

However, future potential for higher internal resource mobilisation from the members has to be assessed against the political environment and the climatic factors in which the projects are implemented particularly in Bagepalli. Further, it may not be realistic to expect substantial tax proceeds in view of large proportion of very poor in the sangha and the limited scope of non-farm activities to generate higher taxable income. To stretch themselves beyond this point would be determined by macro economic factors. To enable the Coolies travel further, external support system in the form of pro poor policies and increased budgetary allocations for rural sector is essential.

Advantages of linking with local sources of funds like banks outweighs criticisms like NGOs being assigned a subcontractor's role, negative attitude of bank personnel, default climate etc., because external funding depends on the climate of grants while banking system is part of the socio economic infrastructure having greater permanency. Linkage with banks also is an index of the level of maturity of the members in terms of financial discipline and willingness to relate to the changing context in the external world and accept a realistic rate of interest. Initiatives of Bagepalli, which is a trendsetter in the project areas in achieving control over some of the credit co-operatives known as VSSN, are quite remarkable. The innovativeness, flexibility and ability of the NGO to relate to the external environment will play an important part in covering resource gap. Women's fund seems to be following the IRDP criteria of subsidising part of the asset for the people living below the poverty line. It was stated that in the second rotation, no subsidy would be introduced. Wherever subsidies seem justified, efforts should be made to link with IRDP schemes. Members should grow stronger in claiming their rights from the government and other structures created for such purposes.

To sum up, sangha members seem to be reasonably satisfied with the role sangha has played in their lives. They would continue to support the sangha building and look upon it as a vehicle to realise economic betterment. Leadership in the sangha, political profile, occurrence of drought and ability and willingness to meet repayment obligations could become critical factors to organisational stability. In the area of financial sustainability, sangha units have mobilised substantial resources despite the fact that there was no savings culture in the organisation (apart from the organisational savings) and over 50% of the beneficiaries belong to the category of very poor. This is indeed a rare achievement. However, an important indicator of improved economic conditions and capital accumulation is the level of savings at individual level. It also indicates the level of efforts and ability of the members to raise resources if an appropriate stimulus is provided. Except a few stray cases where some had put in some savings in chit funds in order to take a loan, no one reported to have savings account in the post office or a bank or any other informal agency, They are systematic and apparently sound investment plans to generate adequate income to support all the three tiers of the Coolie Sangha units and education and health services. But initiatives to protect the real value of credit fund and facilitate sustained flow of programmes support fund from sources other than foreign donors have not been evident. Since the NGO has taken up a wider range of programmes necessitated by the complexity and intensity of poverty requiring a large volume of funds, it would

be in their long term interest to link up with other sources within the country to finance part of these programmes.

REPLICABILITY

Coolie Sangha model introduced initially in Bagepalli has been replicated successfully in extension areas. It is replicable in the sense that it has been taken up as the responsibility of clusters and independent sanghas which makes it cost effective and self replicatory. The mature sanghas have caused a strong demonstration effect within the locality resulting in requests from neighbouring villages for starting new sanghas. Interested villagers are encouraged to attend the sangha and cluster meetings of the mature sanghas as a learning experience. Nallappanahalli offered Rs.2000 from its surplus as a revolving fund to a new sangha in its cluster so that they can get familiar with credit discipline. The leaders at CSU and cluster level having capacity, perform the role of a trainer in the initial stage for the new sanghas. Independent sanghas have supported replication wherever there was scope for starting a viable group in terms of potential cohesiveness, political party base in the village and its implications, nearness to the existing cluster, which would make it convenient for attending area wise. However, within the village, substantial cancellation in the sample sanghas points to a degree of indiscriminate admission of members in the initial stages. The basic strategy seems to be to strengthen the capacity of the cluster and independent units and make them instrumental in replicating coolie sangha model! This would develop a greater sense of accountability on both sides.

The Coolie Sangha model contains elaborate system and procedures to safeguard the rights of the marginalised and promote decentralised decision making and participative management at sangha, cluster and taluk levels. As a model, this is well conceived to a degree of excellence.

However, effective replication is contingent upon two factors. First is the commitment to translate the excellent model into a practical experience in terms of member development, broad-based leadership and above all internal discipline. Secondly, an internal resource generation mechanism should be facilitated from the beginning. In extension areas, new sanghas are being steered along self financing their expenses out of their sang tax collection. The members of new sanghas seem to have come together mainly for availing of loan assistance and other benefits. Credit fund has been given to them in formation stage so that they will not feel left behind in the cluster meetings which is a mixture of independent/consolidation units and formation / formalisation units. But it may be wiser to keep the external inputs of material kind to the minimum in the initial period while the social and organisational values are laid. This would minimise the dependency culture. Facilitating stakeholder contribution from the initial stages has not been a strong point in the BCS set up. Erosion of Petty Fund for Women (VSD) in a number of sample sanghas is a striking example of low stakeholding and poor accountability. Even in the city units promoted by BCS in Chickballpur, own savings or thrift had not found a place in the petty loan fund given to the women members. At least in new sanghas, savings for a minimum period of 6 months could precede any material assistance. The value and role of savings in establishing a regulatory which is essential for a sound financial discipline, if not as a means of improving stakeholding, has to be recognised. As half of the members belong to the very poor category, threshold level of internal resource generation is likely to be low. Cross subsidisation is one of the few options available to improve internal resources. Savings programme and linkage with banks would go to strengthen the sustainability of activities.

ORGANISATIONAL EFFECTIVENESS OF NGO

The charismatic and dynamic leadership seems to have given a powerful momentum to the projects. The application of sound management and implementation skills to the projects has resulted in ensuring timeliness at various phases of the projects. The multifaceted activities of the NGO are being implemented with a fair degree of clarity and orderliness. The competence, commitment and empathy of the staff have played a critical role in successful intervention. The combined membership of over 15000 families emerges as a formidable force making the local power groups sit up and take notice. As an organisation, ADATS does not seem to have an agenda apart from enabling coolie members to take their rightful place in the society. Cadre development, commitment level of staff and the clarity and dedication of the leadership have enabled them to move closer to the declared objectives through the full potential of the workforce at various levels has not been realised.

Excellent structures which have been created to facilitate conscious and responsible participation need to be enriched with more content and member development be given equal priority with cadre development. Feedback process within the organisation, which seems to be inhibited by a certain degree of unidirectional decision making, has to be strengthened. Otherwise this would cause a situation in which people would furnish only such information which will find acceptance. Though there is an ongoing self-analysis and transparency that is quite unique to the organisation and there is percolation of such a transparency to other levels, the uniqueness would lose its value unless the findings of analysis are acted upon effectively. Systematic monitoring and supervision of job performance at various levels is conspicuous by its absence. While the role and the responsibilities of the field staff are clearly formulated, learning mechanism has been missed out by not activating a meaningful monitoring and follow up exercise. Autonomy in work acquires significance only if it coexists with a control system for job accountability. The commitment of the field staff should be reinforced by a proportionate and appropriate practical guidance from the NGO in addition to the conceptual inputs. One without the other would produce more of rhetoric and less of work output. A certain degree of complacency at the senior and top level is indicated.

The field staff are the full time paid staff of ADATS who have made NGO work as their chosen career. There are two groups of staff – one group of staff (internal) are from the project areas and had been CSU members in the past. They have been rewarded for their commitment and dedication in the past by being absorbed as part of ADATS staff. 11 out of 19 taluk secretaries were absorbed as field worker. The other group of staff (external) consists of recruits from outside with professional background. While area field workers supervise an average of 40 villages and are responsible for the whole area, extension staff have functional responsibility. In Chintamani and Chickballapur, proportion of internal staff is higher.

Bagepalli has only a skeletal field staff and they are internal. Some of the senior internal field staff do not seem to be very open to ideas and criticisms and they wear blinkers. Though the defensiveness that springs from their investment of emotional and other resources in the organisation is fully understandable, hardcore resistance to a learning mechanism may turn out to be an inhibitor to the organisational growth process in the long run.

In recent years, there has been more gender-related training and workshops for the staff. Yet, many male staff felt the need for gender training. External staff have received more training from outside. Some field staff expressed that they are losing the sensitivity and creativity to grassroots situation. A job enrichment programme should follow an analysis of job performance by external expert(s) who combine a background of behavioural science and Telugu literacy.

There has been greater autonomy and flexible working conditions coupled with furnished residential accommodation and subsidised canteen (only for those staying without an imme-

diate family) for the staff. For the first time in ADATS, a woman staff who was a Mahila Trainer has been promoted on the basis of her capacity to the position of area field worker which involves handling greater responsibilities and difficult situations and independent decision making. Within the existing framework, a career path has also been outlined to move up. These factors have resulted in low staff turnover. Though motivation has been provided and commitment is fairly good, a supervision system with appropriate practical guidance has to be strengthened. There have been incidents of malpractice by staff members who have been terminated from the services and they seem to be playing a disruptive role. The cheque system restricting cash handling and making the members accountable for any loss arising out of handing over their repayments or giving personal loans to office bearers or staff members is aimed at minimising corruptive practices besides improving personal responsibility of the members. Very few NGOs follow such an extensive cheque transaction system.

The situation meeting on Mondays in Bagepalli that is attended by all the project staff except accounts and administrative staff, could extend its scope to cover monitoring and follow up of job performance of field staff. The interaction between the participants in the meeting should reflect greater openness, dynamism, mutual discussions and exchange of ideas. BCS taluk meeting in Bagepalli seemed too unwisely to have meaningful interaction. Only towards the end of the first day, the crowd consisting of representatives, VLW/TC and VHW from all the normal sanghas, cluster secretaries, Women's Committee Members, seemed to be sitting down. If this is a strategy to prove its numerical strength in the taluk, it can be done once in three months and a smaller gathering for the monthly meeting can be considered to make participation effective and meaningful. The Executive Committee meeting in Bagepalli was a contrast to the EC meeting in Chintamani. The proceedings of the former seemed stilled and without a sharp focus and much less participative. The involvement of the members in Bagepalli Executive Committee was so different from the spirit of participation witnessed even in the villages of Bagepalli. It was stated that introduction of Sangha Tax was preceded by involved and fierce discussions in the sanghas. At one level, members are seen to generate lively interaction and at another level, they seem to be inhibited. The EC members in Bagepalli perhaps did not want to say some thing that may not be appreciated or approved by the BCS functionaries who were steering the meeting. BCS functionaries and staff in the Situation meetings seemed to be following a similar participation style with reference to the ADATS leadership. The functionaries or BCS do not seem to have developed much independence in discussing policy related issues and directions flowing from ADATS seemed to be following a similar participation style with reference to the ADATS leadership. The functionaries of BCS do not seem to have developed much independence in discussing policy related issues and directions flowing from ADATS seem to be governing the functioning of BCS. Since the linkage between ADATS and BCS derives from their history, it would take time for cutting the umbilical cord. There seems to be a strong intent to achieve the two-organisation policy on both sides but this would be realised only if there is a dynamic leadership for the BCS. There is a need for project leadership to continue with the personal touch and organic link even with old project areas particularly in view of the drop out situation. A second line leadership with a broad sense of purpose, vision and ability for independent thinking has not developed. A strong leadership without providing a meaningful second line or alternate leadership has the risk of veiling fundamental management and decision making problems.

There is clear cut policy on withdrawal in ADATS. Sanghas achieve independence after completing 9 years. From 10th year, field staff are withdrawn and sangha expenses are met from the sangha fund. This imparts autonomy and sustainability to its operations. After the withdrawal, independent sanghas seem to have become more accountable and responsible in managing their affairs especially in credit and sangha fund management. At the same time,

decision making is stated to have become quicker as they do not have to wait for the field staff to be present to pass the resolution relating to financial matters. However, they do not feel that they have been delinked from ADATS. But in Bagepalli, there is a feeling of neglect in some villages particularly those that dropped out in consolidation and independent stages. Lack of maturity and conflict have marked these sanghas. While it is sound practice to follow the intent of withdrawal, is the age of the sangha a legitimate criterion for withdrawal while it still shows symptoms of instability or laxity in discipline? Would the ability of the sangha to meet the expenses guarantee sustainability? Or is the withdrawal strategy a donor driven compulsion so that NGO's role is assessed as effective? Additional indicators that have a bearing on organisational stability also should be used besides financial self sufficiency and age of the sangha for withdrawal. There is a need for continued guidance and extension support even after withdrawal. A redefinition of the role of the NGO has to play after withdrawal may be clearly spelt out so that past gains are not frittered away.

SWOT ANALYSIS

A SWOT analysis, which is not exhaustive, has been attempted below to enable the stakeholders to further strengthen the positive aspects and to address areas of concern.

| STRENGTH | WEAKNESS |
|--|---|
| <ul style="list-style-type: none"> ♣ Strong sense of belonging in CSUs ♣ Collectivity and social conscience ♣ Effective Minority ♣ Cadre Development ♣ Excellent Systems and Procedures ♣ Systematic Asset Building for Poor ♣ Creation of Community Assets ♣ Quality and Commitment in DLDP ♣ Membership/control in credit Coop ♣ Membership/control in milk Coop ♣ Self financing and self management ♣ Replication – cost effective | <ul style="list-style-type: none"> ♣ Low village coverage ♣ Poor rotation of representatives ♣ Mismanagement by office bearers ♣ Irregular meetings ♣ Low Membership participation ♣ Low repayment discipline ♣ Incidence of drop out/cancellation ♣ Political rivalries ♣ Mahila Meeting – poor content ♣ Low stakeholding in VSD ♣ No individual savings culture ♣ Field Workers–supervision/ monitoring low ♣ Low backward and forward linkage ♣ No linkage with banks |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> ♣ Bangalore –Good Resource Centre ♣ Market Access to Bangalore ♣ NABARD interest in linking with CSUs ♣ IGP Potential – proposed airport in Devanahalli | <ul style="list-style-type: none"> ♣ Drought occurrence ♣ Criticality of Water / Black Taluks ♣ Political party identity ♣ Low macro economic growth ♣ Low budget allocation for rural |

RECOMMENDATIONS

- Regularity of meetings at CSU, Mahila Meeting and Cluster level should be improved and targeted to reach a minimum of 80%.
- The rotation of representatives every year should be strictly enforced and the same member may not be re elected more than once. Alternately, tenure may be increased to two years with re-election option to be exercised only after 4 years. To retain balance

mix of fresh and experienced representatives, election of one or two representatives can be alternated as in the case of elected trustees of BCS Trust.

- While the better off within the sangha lend a financial strength to the CSUs, their literacy level combined with holding office could become a threat to democratic process within the sangha. Low participation and knowledge of members could exacerbate the situation. Member development should receive important and continuous focus. ALP classes should be made effective in this context.
- A positive and committed policy to rehabilitate drop out sanghas should replace the indifferent and negligent attitude.
- BCS should evolve performance indicators and evaluate the CSUs on the basis every 6 months and take appropriate remedial measures. This would be a sure way of monitoring the performance of the CSUs closely.
- A focussed drive to increase women membership in the existing sanghas by transfer of membership from irregular male members and facilitate at least 50% membership for women in the new sanghas should be made. Exclusive women sanghas may be considered and this would give a greater thrust to women managed enterprises within the family, address their credit needs effectively and provide an impetus to acquire greater savings will receive a momentum as many women expressed a desire to put aside some money and seemed to be waiting for an external stimulus. Linkage with Rashtriya Mahila Kosh (National Credit For Women) to meet women's credit needs may be established.
- As the literacy level of SC communities are the lowest even at national level, salary of the TC in SC colonies may be partly subsidised so that meetings can be held regularly and minutes recorded.
- Representation of women members and Chintamani taluk that has the highest membership may be facilitated in the permanent trusteeship of BCS Trust.
- The behaviour governing repayment is somewhat intriguing. On the one hand, sangha seems to have become a way of life in old CSUs with members displaying a keen sense of belonging and support. On the other, credit indiscipline and financial misbehaviour seem to destabilise the sangha functioning. A study of the situation by behavioural expert is strongly recommended which may bring to light some fundamental issues of attitudinal transformation.
- ADATS/BCS should access cattle insurance for their members instead of leaving these aspects to the beneficiaries because insurance companies are not known to be client friendly towards small man. Though veterinary service is a weak link in any livestock programme even at national level, ADATS should attempt to access whatever is possible. Similarly, extension support needs to be provided in the area of improved seed supply and storage facility for the agricultural produce. These are the felt needs neglected at present. These would be essential services for the clients as the lion's share of credit is availed for crop and cattle. A liaison officer may be provided to access these linkages.
- A certain degree of welfarism which may be justified to some extent by the level of poverty in Bagepalli where the NGO work organised, governs the operation of all the programmes, particularly credit fund and VSD. Low stakeholding and subsidised interest (10% deduction) for loan limits above RS.10000 may not be in the interest of long term sustainability. The 10% deduction may not fully cover transaction cost and fall in real value and capital loss arising out of inflation and bad debts. While the vulnerability of the Very Poor is recognised, a strong suggestion is made to change progressive rate

of deduction for higher loan limits. This would cross subsidise the lower deduction from the Very Poor. Sangha tax also should be levied along these lines.

- Though scope for income generation activities are limited, existing potential can be identified and tapped. Activities like stone cutting, slab making, mango and tamarind crop leasing and processing can be explored.
- For withdrawal, other indicators besides the age of the sangha and financial self-reliance should be evolved. The role of the NGO after withdrawal also should be redefined.
- Gender training by external resource persons for both women and men staff may be intensified. Though women staff had been deputed to some of these programmes, they have not been contributing to the Mahila Meetings in a meaningful way.
- There should be an effective monitoring and supervisory system for assessing the job performance of field staff.
- A design of job enrichment programme for the field and extension staff may follow an analysis of job performance by external resource person(s) who would combine a background of behavioural science and Telugu literacy.
- It is suggested to retain the farm house which would be of great utility in adopting dry-land farming techniques and also enhancing the capability for technical ad extension support of ADATS/BCS.
- As the guest house in Bangalore has no income generation potential and is being used only as overnight shelter, this might be sold and replaced by a simpler outfit.
- The impressive level of record keeping and on line information system may be supplemented by base line and time series data, quarterly information to assess seasonal variations in the predominantly agricultural community, disaggregated information on benefits to women and the very poor and land-less.

ANNEXURE

Field Visits Schedule of Chandra Kesavan

| | | |
|---------|--|-----------------------------|
| 5.4.99 | Arrival in Bagepalli – Situation meeting – CSU in Sakulavarapalli | |
| 6.4.99 | Kothurpalli | Independent |
| | Team Discussion | |
| 7.4.99 | Team Discussion | |
| 8.4.99 | Team Discussion | |
| 9.4.99 | Siddalaghatta | |
| | Nallapalli | Formation |
| 10.4.99 | Poodsaganadoddi | Formation |
| | C.Tekahalli | Independent |
| 11.4.99 | Chaudireddihalli | Independent |
| | Poolakuntapalli | Formation |
| | Cashigari | Drop out |
| 12.4.99 | Mallashettipalli | Consolidation |
| | Karipalli | Consolidation |
| 13.4.99 | Kadiranayakanahalli | Consolidation |
| | Chikkadasenahalli | Consolidation |
| 14.4.99 | Bagepalli | |
| | Collecting Secondary data and discussion with staff | |
| 15.4.99 | Team discussion | |
| 16.4.99 | G.Cherulopalli | Independent |
| | Jeekavantlapalli | Independent-Cluster Meeting |
| | Bommagarapalli | Independent |
| 17.4.99 | Abbravarapalli | Formation |
| | Beeranganavanlapalli | Independent |
| | Nallasanapalli | Independent |
| 18.4.99 | Jalipigaripalli | Independent |
| | Somnathpura | Independent |
| | Devarajapalli | Formation |
| 19.4.99 | Situation Meeting | |
| | Chickballapur | |
| | Haleperesandra | Independent |
| | Nallappanahalli | Independent |
| 20.4.99 | Kuduvathi | Consolidation |
| | Gentiganahalli | Consolidation |
| | Nasakuntehosur | Consolidation |
| 21.4.99 | Bommahalli | Independent |
| | Reddihalli | Dropout |
| | Kavarnahalli | Formalisation |
| | Kurlahalli | Formation |
| 22.4.99 | Vadrapalya | Formalisation |
| | Chintamani | |
| | Korlaparthi | Independent |
| | Gollahalli | Dropped Out |
| 23.4.99 | K.Devaganahalli | Independent |
| | Nandanahosahalli | Independent |

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| | Raghupalli | Formation |
| 24.4.99 | Mylapura | Consolidation |
| | Vadrahalli | Formalisation |
| | Nimmakayalahalli | Formation |
| | Bodigundlapalli | Consolidation |
| 25.4.99 | Gudalarapalli | Formalisation |
| | Venkatarayanakota | Formalisation |
| | Yasagalahalli | Formalisation |
| 26.4.99 | Bagepalli | |
| | Situation Meeting | |
| | Secondary data collection and discussion with staff | |
| 27.4.99 | Sakulavarapalli | Independent |
| | Vadigiri | Consolidation |
| | Bandolapalli | Consolidation |
| 28.4.99 | Palyakere HC | Independent |
| | Egave Netkuntalapalli | Formalisation |
| | Bathalavaripalli | Independent |
| 29.4.99 | Devaramakkalapalli | Independent |
| | Ontrapalli | Consolidation |
| | Musiliganapalli | Dropped Out |
| | Rascheruvu HC | Independent |
| 30.4.99 | Secondary data collection and discussion with staff | |
| 1.5.99 | Bagepalli taluk meeting | |
| 2.5.99 | Bagepalli taluk meeting | |
| | Mahila Meeting : Chinnaganapalli | |
| 3.5.99 | Kolar District Gramina Bank at Pillur | |
| | CSU Meeting: Lakkasandra | |
| 4.5.99 | Bangalore | |
| | Meeting with resource persons – Ms Shubha Chacko & Dr.Nath | |
| 5.5.99 | Dr.Vanaja Ramprasad & Rev.Murikken | |
| 6.5.99 | Chintamani | |
| | Gramina Bank Kolar District at Buradagunda | |
| | Cluster Meeting : Yerukota | |
| | Mahila Meeting: Mohammedpura | |
| 7.5.99 | Staff Meeting | |
| | Siddalaghatta | |
| | Cluster Meeting : Chowdareddipalli | |
| | Chintamani | |
| | CSU Meeting : Gagalarahalli | |
| 8.5.99 | Siddalaghatta | |
| | Kolar District Grameena Bank: Bashettihalli | |
| | Bagepalli | |
| | Executive Committee meeting | |
| | Siddalaghatta | |
| | CSU meeting: Doddatekuhalli | |
| 9.5.99 | Staff Meeting | |
| | Chintamani | |
| | Executive Committee Meeting | |
| | Siddalaghatta | |
| | Mahila Meeting : Rawalapura | |
| 10.5.99 | Chickballapur | |

- Kolar District Gramina Bank – Mandikallu
Town units of Women by BCS
- 11.5.99 Cluster Meeting: Reddigollahalli & Uppuguttahalli
Mahila Meeting: Shettigere
- 12.5.99 Staff Meeting
Bagepalli
CSU Meeting Byraganahalli
- 13.5.99 Secondary Data collection and discussion at BCS
- 14.5.99 Debriefing and departure from Bagepalli