

MYRADA

Rural Management Systems Series
Paper - 1

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AN EXPERIMENT IN APPROPRIATE SOCIOLOGY

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The present mission of MYRADA is to foster a process of ongoing change in favour of the rural poor in a way in which this process can be sustained by them. MYRADA can therefore be described as a '**Rural Self Help Support Group**' which assists the rural poor in building local self help institutions with appropriate management systems and technical skills which they can control, improve upon, and use to further their interests. Today, MYRADA has helped to develop over 500 such groups, both formal and informal. This is the first phase in our plan during which a great deal of effort has gone into non-formal education, development of groups and their ability to manage functional and income generating programmes leading to savings, management of credit, other inputs and marketing, and interlinking among self help groups with similar aims and functions.

Almost all these groups are managing funds; advancing loans to members for income generation or consumption purposes, recovering these loans with interest rates ranging from 18% to 36% and investing surplus group funds into creating group assets to which all have access. A cursory look at this year's figures indicates that over 2.5 million rupees were loaned to farmers for various types of activities through these groups. Yet they are different from banks and private money lending institutions. Because the major function common to most groups is credit management, we call these self help groups the **THIRD CREDIT SECTOR**.

By 1987 we foresee the number of these groups increasing, as several groups initiatives are surfacing from below. We are now making a serious effort to analyse the management patterns that have developed in these groups, to study their common features, and to develop a programme of training and support that will help to consolidate their strengths and diminish their weaknesses.

MYRADA has a long history. It was started in 1969 as a result of voluntary effort to rehabilitate Tibetan Refugees in India. The skills then required were largely technical - like construction, engineering, agricultural and veterinary sciences and

ground water exploitation. Community organisation was provided by the Tibetans themselves; they were refugees with a common culture and a well-organised religious and social system. This programme came to an end in 1978 with over 20,000 Tibetans successfully resettled. Meanwhile, a few programmes for the Indian population mainly around the Tibetan camps were started, but it was not until 1982 that this really grew into a major programme area. Today MYRADA works in over 1,000 villages in 11 integrated programmes and on 12,000 acres of wasteland in 7 locations assigned mainly for the resettlement of landless people, released bonded labourers and also of repatriates from Sri Lanka. The latter are also integrated programmes but with new settlers, often in remote and environmentally hostile areas. The process of change that MYRADA has gone through has opened new dimensions in the management of voluntary organisations that are, however, not within the scope of this article to describe.

As a self help support group, MYRADA is today concentrating on developing awareness, management skills and consolidating the power of self help groups to influence decisions. Alongside it has developed an infrastructure of technical services to support the income generating programmes of these groups. These technical services have evolved in such a way that some can be taken over by individual groups, some by clusters and others as they become "viable" by Apex organisations which either already exist, like milk unions, or have to be developed from below. We describe these technical services as '**appropriate technology**'.

Grouped under appropriate technology MYRADA has assisted in developing mini watersheds, biogas programmes and fuel efficient and smokeless stoves, hand-brick making machines, appropriate construction technologies and village layouts (during 1986-87 alone about 1,000 houses were constructed). Cheap drip and pot irrigation systems have made scarce water resources go a long way; a windmill to irrigate a community fodder plot is under test. New agricultural cropping systems for dryland areas have been developed, one of which is popularly known as '**saturation cropping**' where as many as seven varieties of crops fill up every available space and balance each other both in terms of insurance and soil care. Where no surplus milk was available, scrub cattle have been upgraded (no cross breeds introduced from outside) along with the promotion of community and backyard fodder plots, provision of MYRADA MINERALS and training of farmers to cope with upgraded animals (a new technology).

Sericulture technology has been introduced in new areas supported by grainages which produce disease free layings in rural areas; small scale industries have been established and plans are being made for a low technology feed mix plant using

locally available skills and materials. No technology, however, 'appropriate' was introduced unless the people understood it and in many cases modified it to make it more truly appropriate, which experience gave them the confidence to manage it. This then, is the starting point of what can be described as **"Appropriate Sociology"** : the emergence of management systems from within and among self help groups that let them take fuller advantage of the resources now available, improve upon them and add to them -- all this without violently upsetting the social relationships.

The type of groups that MYRADA has worked with, fostered and helped to develop are many; infact a single project may have as many as 50 to 60 groups of differing sizes, composition, resources, activities and management systems. Our biggest group is a Cooperative society with a membership of 500; the smallest, a credit management group with a membership of 10. Ranged in between are milk societies, mahila mandals, farm service centres, informal banking groups, functional groups of bee-keepers, potters, cotton and wool weavers, flower growers and knitters, leaf plate, beedi makers, small farmers, irrigation societies, sericulture service centres, silk reeler's groups, youth clubs, school betterment committees and a women's multipurpose cooperative which restricts membership to target group women only. Some groups were built up around issues, activities, or ideas that members were already familiar with, others around new ideas and activities. Almost every case, however, threw up situations calling for a group sharpening of faculties to come up with yet another way of coping with new developments. There are hundreds of examples but a recent one from a village in Tamilnadu which had a well-organised village association by the time the Panchayat elections came around is currently popular. The association held several meetings where most members expressed that there was no point in voting for anyone since the village had gained nothing from successful candidates in the past. Nevertheless, the pressure was on them to vote. They finally came up with a novel idea; they would auction their votes; the candidate who made the maximum contribution to the association fund would be elected. The highest bid was Rs.5,000/- the bidder `won' the election while the association was able to complete the construction of its community hall and never mind if they did not see their elected representative again.

A further study and analysis of these self-help groups is required to ascertain whether and what models can be developed for similar functional groups but our work with several hundred groups has helped us identify certain common features that distinguish the successful groups from the not-so-successful ones. To be successful the groups need to be :

1. **Homogeneous** : All members should be from one economic stratum - in our case, those below the poverty line. If, in addition, they are also from the same occupational group, it becomes a further contributing factor to successful functioning.
2. **Small** : Preferably not more than 20 families though this could vary slightly from programme to programme.
3. **Multipurpose** : involved in an integrated set of activities in order to be self-sustaining.
4. **Voluntary** : developed from below and evolving their own rules and regulations for membership and for all activities.
5. **Informal and fully participatory** : decisions are made by all members and not through representatives. Principles of functioning - including the management of dissent - must be arrived at through consensus. The groups are 'informal' in the sense that they are not required to be registered and possess legal status.
6. **Non-political** : party politics do not have a role in these groups.

It may be seen that these groups differ from traditional cooperatives (upto now considered the most representative and participatory of all people's groups) on every single count. Supposedly voluntary, cooperative societies are formed through an administrative decision from above. Formal rules and regulations constrain members to look to the Government for new initiatives. Open membership prevents homogeneity, largeness requires higher skills and administration by a body of representatives, and riddled with party politics, cooperatives are openly acknowledged as stepping stones to power.

The poor also relate more easily to these self help groups than to Banks; the traditional culture of credit management prevalent in these groups differ from the 'loan' culture that has been introduced. At a recent gathering of IRDP beneficiaries a woman with two cows was asked whether she had been given a "sala" (Kannada for loan) by a visiting dignitary - she said 'no'. Surprised, the dignitary pulled up an official who asked the woman whether she had received a 'loan' and she replied that she had. The traditional 'sala' was a loan to be returned; the new 'loan' evidently has a different meaning as far as the rural poor are concerned.

Self help groups are not new - they were the traditional basis of our society. Unfortunately instead of building up the strength of these groups, we designed systems to manage rural functions which were imposed on rural society. Together with these systems we introduced subsidies with the best of intentions no doubt. Yet self help has been the dominant thrust of Government policy. As a result India today can produce an impressive array of goods and services - not very sophisticated but adequate. While fostering self help for the top half we have undermined rural self help institutions and culture that supported the poor.

To describe the functions of these various self help groups is beyond the scope of this article, but since it is evident that one of their important functions is credit management, a brief description of their activities involved in this area will be relevant.

- 1> The groups foster thrift and promote savings - it is noticed that with incomes rising through economic programmes, the consumption patterns of men tends to rise rapidly - from beedis to cigarettes. The role of women's groups in fostering thrift and savings is important.
- 2> They contribute to the group a part of their savings earned through group action. A group recently did not have to pay the customary 'price' to acquire their land records which as individuals they would have paid; a portion of these savings was contributed to the group. This strengthens the value of group action.
- 3> They mobilise capital through (a) savings (b) from interest at rates decided by the group - around 18% to 36% which is far below the money lenders' rates (120%) but above the Banks; yet recoveries are good. (c) from Banks and cooperatives.
- 4> They interlink with other groups with similar functions; there is already discussion about forming apex bodies in which these groups would have a controlling share.