

MYRADA

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WORKING WITH TWO GOVERNMENTS IN MULTI & BILATERAL PROJECTS - WHY INVOLVE MYRADA ?

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NGOs like MYRADA, are only one expression of the variety of civic groups that characterise a democracy. These civic groups in India have emerged largely through the Gandhian, religious and radical movements as well as in response to peoples needs for fellowship, for community or group integration, for protection and promotion of common interests and culture. Many have emerged through local initiatives to manage civic services which Government departments or municipalities were unable to cope with, such initiatives have increased significantly during the past five years. Some are membership groups, others are not. Some of these groups include service to the poor as their sole objective while others consider it an additional and at times a marginal one, whether it be to the weaker sections of their own community or to the poor at large. MYRADA is one of these civic groups; its mission is to support the poor in rural areas irrespective of caste or creed. This is generally clear and is the popular image of MYRADA. What is not so clear, however, is that the strategy MYRADA adopts in its mission to support the poor does not focus on the delivery of goods and services but on the efforts of the poor to build their own civic institutions, which can take the lead in the process of sustainable self-reliance. While it is true that a large part of MYRADA's resources are devoted to delivering services (and the general opinion, even among Senior Government officials, is that it delivers these services more effectively than the Government) the real comparative advantages MYRADA has acquired after several years of trials and incremental learning are :

- 1) its capacity to identify homogenous, affinity groups of the poor and to support their growth into sustainable self-help groups through the acquisition of skills and self reliance; these groups not only manage physical capital like credit, watershed resources forestry and drinking water but also build up mutual trust and self-confidence and a network of new relationships within and between groups; all these factors provide a base for them to undertake new roles and non traditional initiatives; this network of relations, mutual trust and support can be described loosely as Social Capital which serves as a guarantee for investment in the groups.

- 2) its ability to initiate and institutionalise linkages between these groups and official systems like Banks and Government Departments supporting various development and anti-poverty programmes; this requires at one end initiatives not only to change official policy and to make Government systems more responsive to local diversity and changing situations, to handover power to peoples institutions and at the other end build up responsible and appropriate peoples groups to take over and sustain them.

The structure of these groups and the patterns of networking that they select depends on the resource they manage like credit or natural resources, and on the structure of society in which they operate. For linkages with the official systems to be institutionalised, requires a change in official policy supported by adequate resources and commitment to operationalise and sustain policy change. MYRADA has increasing evidence that it is these groups with their linkages and networks that provide the basis for:

- 1) the sustainable impact of benefits that accrued through the projects investment;
- 2) the poor to acquire and sustain access to and control of resources.

Briefly put, therefore, MYRADA's comparative advantage lies in its ability to focus on achieving the objectives of sustainability and equity.

While it is recognised that the poor need backward and forward linkages to progress, their need for sideways linkages through group support in order to break out of the relationships of dependence and to create adequate space to use the backward and forward linkages provided, to their advantage, is not adequately accepted or incorporated in development strategy. For, backward and forward linkages like the provision of facilities for inputs and marketing, are of little use, if, traditional social and economic relationships continue to increase the dependence of the poor on those who have access to and control of resources as well as on the social structure which tends to perpetuate and legitimise inequity.

After years of working directly with individuals and extending both grants and loans to them as well as opportunities to acquire new skills, MYRADA learnt that very few of the poor were able to take off and become self reliant; the majority continued to depend on MYRADA and in many cases the degree of dependence increased. The repayment rate of loans was poor inspite of consistent efforts which were time consuming and distorted relationships between people and the organisation. MYRADA learnt that the poor require an institutional base on which to build their efforts towards self reliance. MYRADA in the mid 80's adopted a strategy which led to the emergence of Self Help Groups (SHGs). After working for some months in the SHGs, members were asked why they had not broken out of the circle that had kept them dependent; their common response was: "How could we do it alone?". The strategic choice they have to make,

therefore, is between hitching on individually to an intermediary NGO like MYRADA which has resulted in the NGO delivering services and usually increasing the dependence of people on intermediaries, or in identifying others in their village, whom they can trust and with whom they can work, and to build on their combined efforts which an NGO can then support. It is these groups - now called self help groups - which provide the poor, in programmes supported by MYRADA's intervention, with the institutional framework required to harness and sustain their efforts towards self reliance and with the opportunity and motivation to acquire management skills as their group takes on several new roles and responsibilities. This experience helps them to gain confidence and to establish new relationships in society which together with their group, protect their space for manoeuvre and their interests; as a result they are able to establish and maintain a degree of independence from those relationships in society - social, cultural and economic - which have perpetuated their dependence. This situation does not come about only by identifying affinity groups - though this is the first and critical step - but by providing opportunities for groups training and for group members to acquire necessary skills and confidence at each stage of their progress.

MYRADA's mission statement focuses on building sustainable institutions (civic groups) of the poor which are appropriate to the task or resource to be managed, on supporting their efforts to network and on changing official policy which militates against institutions of the poor increasing ownership of investments that they and others have made in their progress. MYRADA believes that it has the experience and a comparative advantage (relative to Government) in achieving this objective of building sustainable groups and linkages among these groups as well as with the official systems which are required to support the sustainability of benefits resulting from project investment; it also believes that it has comparative advantage to motivate these groups to adopt mechanisms and regulations to ensure that resources are distributed equitably and will remain in the control of the poor. MYRADA's policy is to decrease the level of its intervention in the groups life and functioning, and to withdraw as the groups find other sources or create new institutions which can take over those roles which MYRADA has performed. The civic groups which MYRADA has supported the poor to establish are the SHGs managing credit, the micro watershed management groups and the wasteland and forestry management groups, together numbering over 3500.

In order to support the formation of such sustainable SHGs, MYRADA incorporates and promotes **six** basic features in its development strategy :

- i. it recognises that the basis of these groups is an affinity that exists even before MYRADA intervenes; its experience and expertise lies in recognising these group affinities and building on them. To bring together people to form a "group" on the basis of indicators of eligibility established by outsiders (age limits, previous default in repayment) or by the pressure arising from the way funds were raised (the member must have a child below five years who can be sponsored) or the

programme formulated (representation required from various social and age groups), does not build on the basis of affinity and is not a sound basis for group sustainability. MYRADA's experience is that groups formed on the basis of these externally imposed criteria require a great deal of time and effort just to keep together and tend to collapse once the NGO withdraws. MYRADA however intervenes to make the group members aware that homogeneity in terms of economic factors is also a necessary feature for the group to function effectively. MYRADA's experience indicates that these affinity groups which are based on mutual trust, support and interests and which are generally small (10-20 members) homogenous and voluntary are able to generate self help and confidence and are the appropriate institutions for managing credit. However, when natural resources like those in a micro watershed are to be managed these groups (there are usually several in one micro watershed) have elected representatives to form a watershed management committee. A similar pattern of management is emerging in the villages where the process of forming Joint Forestry Management Committees (JFMC) has been fostered over a period of time and not imposed in a hurry by pressures to achieve targets. These affinity groups are also forming Apex groups and giving them specific functions to perform allowing MYRADA to scale down its intervention.

- ii. it fosters effective participation of all leading to capacity building, attitudinal change and increasing ownership in the project of all intervenors as well as of each member in the group. MYRADA learnt that in programmes where Government staff are involved, failure to involve them at every stage of the participatory process leads to officials feeling marginalised and opting out of ownership of the project. This seriously erodes the potential for learning and for change in Government policies and systems which are required to give adequate weight to peoples knowledge and their efforts to build supporting institutions and linkages, which play an important part in ensuring sustainability of project investment and impact.

As far as participation of members in a group's decisions was concerned, it soon became evident that membership in an affinity group does not ensure effective participation of all; some members have less confidence and skills than the others; MYRADA therefore conducts a series of group trainings and also focuses on the weaker members to bring them to par. Rotating the positions of President and Secretary (or group representatives as some groups prefer to call them) helps everyone to gain in confidence and reduces the chances of a few taking control. The group members learn to identify their needs, to prioritise them, to evolve a strategy to meet these needs; these are skills which they require when they intervene in programmes outside the group. MYRADA plays a role in helping them to acquire these skills and encourages people to use its staff and the technical resources that it can mobilise as a sounding board while they evolve a

management strategy. The experience in the group and their success in mobilising and managing credit as well as the exposure that MYRADA arranges for the members helps them to acquire the confidence to take the initiative to implement the strategy they have adopted and to call on outside services when required. For effective ownership to play a role in sustainability, control of the intervention has to pass gradually during the process, to the peoples institutions; this increases the potential for sustainable impact after the project withdraws. Once effective participation becomes a feature of the self-help group meetings, the poor gain confidence to intervene to planning, budgeting and implementing programmes like micro-watershed management (other) together with groups and classes that affect the whole village or several villages.

MYRADA has learnt that sharing information about the project and consulting with people is not adequate to give them a sense of ownership. If consultation does not lead to their tangible contribution in cash and/or in kind the basis of ownership is weak. In the World Bank Drinking Water and Sanitation Project with which MYRADA is involved in two Districts of Karnataka, the pressure to make their stake-holdership tangible through programme since they had adequate water; the reason for their inclusion on the list provided by the Government was political - the pressure to distribute gifts even though people may not need them. Their tangible contribution raised the level of peoples interest in the project and led them to demand a voice in the design and layout. There are several examples in MYRADA projects where people have taken over supervision of construction or implementation leaving the contractor out of the picture. Many of the watershed associations in PIDOW Gulbarga have drawn up budgets which are 20% to 30% less than the official budget and were still able to save money which they contributed towards building up their common fund. This in turn strengthened the basis of their ownership and provided a source of credit for their livelihood options even after the project ended. Participation in some projects like PIDOW Gulbarga has even extended to evaluations undertaken by a team of all the intervenors including representatives from the peoples watershed associations. Similar examples have emerged in other projects particularly in Holalkere, Huthur, Kamasamudram and Talavadi.

Participation, therefore of all members in the groups and of all intervenors, including Government and NGOs, in the process of identifying, planning, budgeting, implementing and evaluating a project, helps to build respect for one another, to develop the attitudes and skills required to interact with one another on equal terms, and the confidence required to accept new responsibilities to perform new roles and to build new institutions. It also helps to initiate changes in policy to support increasing ownership by peoples institutions and to operationalise people friendly policy which had remained dormant. This experience which intervenors gain by being involved throughout the process

from project identification to completion, increases their ownership and provides the basis for sustaining the benefits even after the project withdraws. As far as the poor are concerned, MYRADA learnt that for them to be able to become self-reliant (which in turn requires that the benefits of the project continue to and even increase after the project withdraws), they need to be organised as affinity groups and to network in order to participate effectively in the project cycle. This experience helps them to acquire the confidence and skills necessary to negotiate and to hold their own among other intervenors and interest groups. The facility of obtaining credit through these groups for their essential needs provides them with the degree of independence they need; linkages with other SHGs gives them a sense of protection and power; once this confidence is acquired training in technical support for micro enterprises is more easily absorbed and leads to their ability to select initiatives they can manage which may not be initially viable according to official norms. These factors in turn provide the basis for benefits to be sustainable because they are supported by their own institutions, choices, linkages and networks.

- iii. It promotes self help before any investment from outside is made. MYRADA learnt that people (no matter how poor) have to take a first step. This could be a decision to save and lend to members of the group, to manage a resource like a fallow plot, protect it and share the produce, or to undertake a common activity. It is not enough if this step is a symbolic one; it must continue over a period, to build up a habit of working together in new roles and to develop into a simple system of management. This group effort should not be perceived as a leverage to get larger benefits from outside. It should focus on building mutual trust among the members and determination to stand on their own feet. If they see the NGO/Government intervention as an opportunity to extract benefits, the process of sustained empowerment will not take off. To agitate for and to demand community infrastructure from Government is a sound strategy, but to use the strategy to demand individual benefits before building up peoples confidence to lead the demand and their ability to sustain it, tends to undermine the process of self-reliance, to perpetuate the existing culture of depending on Government to lead to a situation where people have to accept official programmes even though they may not be able to maintain the assets.

From an exhaustive analysis of the credit needs of the poor, MYRADA learnt that their dependence on moneylenders for consumption needs was a major factor that perpetuated their dependence. As long as the poor depend on others for their essentials, they have no bargaining power and are unable to participate in an effective manner as civic groups in public life; it makes them vulnerable to vested interests and political promises. This is the reason why MYRADA guided groups to undertake the responsibility of managing credit to meet their essential needs including consumption requirements. A small example will indicate how

relations of dependence distort participative processes. Several years ago a low cost drinking water system was planned by a village in Mysore District. The people discussed the design and distribution of water points; agreement was reached without much discussion. MYRADA staff noticed that the distribution plan favoured the richer sections, but went along with the peoples plan. Five years later the drinking water system was upgraded. This time the debate on design, distribution and management was loud and long. The poorer sectors had found a voice. The reason for the change was obvious to the intervenors. Three SHGs managing credit had emerged in the village during the interim; people had acquired a degree of self reliance, and with it, the independence required to express their opinion and to ensure that a far more equitable distribution system of water was adopted.

- iv. It does not rush into offering opportunities for micro enterprises. The pressure exerted from some intervenors to move quickly-- even during the first year of the group's life -- into off-farm micro enterprises which require an investment of over Rs.10,000/- by a group member does not take into account that the poor do not have the capacity to absorb such large investments early in the process. Besides, the linkages and the infrastructure required are also not adequate or in place so early in the project. Large loans to individual members in the early stages also undermines group cohesion. MYRADA's experience indicates that where such large loans were advanced it was usually to members who were not really poor but had managed to join the group. The practice of formulating 'viable' projects also tends towards large loans. What is "viable" to outsiders need not be and is often not manageable by the poor. They usually start with investment in an activity which in itself may not be viable but which they can manage without withdrawing from other activities and without any decline in their daily income. Large project investments demand their full time involvement without providing a reliable daily return. They are therefore unwilling to give up the livelihood activities on which they relied on all along. Their strategy is to gradually build up this investment to reach a level at which it is viable in itself, manageable and capable of providing their daily needs.

A study of the pattern of loans given by groups indicates that after a period where the number of consumption loans is high - often 60% to 80%, the number of loans for trading and services begins to rise. People are more confident to enter these fields where turnover is rapid, even daily (which they prefer) and where they feel comfortable and in control. It is only after 2-3 years that some members opt to take large loans for off-farm micro enterprises. Intervenors therefore need to invest in infrastructure which supports services and trading before investing in infrastructure for off-farm micro enterprises. It is also noticed that people move easily into non-traditional areas in trading and service industries than in the field of off-farm micro enterprises.

- v. it maintains a constant concern for equity with regard to the poor, women, children, tribals and for development that is environmentally sustainable which can be considered as equity with a reference to future generations. The effectiveness of MYRADA's delivery system to reach the poor is recognised even by Government. But MYRADA has learnt that working directly with individuals has several and sometimes severe limitations. The impact of investment is often not what was planned, as part of the resources are used for consumption; the impact has seldom been sustainable since the investment required a level of support and management higher than they were capable of. Those among the poor who managed to take off on their own were usually those who had the skills, confidence and network required and needed only finance. Loans were not repaid to MYRADA, hence credit operations were not sustainable; defaulters failed to attend training sessions and stopped relating to project staff. The objective of achieving equity in a sustainable manner cannot be achieved by establishing an effective delivery system to reach the poor, it includes a strategy to build their capacity, to support the growth of their institutions and to establish the necessary linkages and networks to provide the basis of empowerment and sustained access to resources.

If the structure of the institutions required to manage the resource in question incorporates adequate checks and balances to ensure equal access to a control of resources by the poor, it is easier for the objective of equity to be achieved and sustained in spite of the constant pressure from society driven by market forces to marginalise it. This is the reason why the credit groups which are homogeneous, small and based on affinity relationships of the poor and hence exclude the well-to-do, do, have a greater potential to achieve and maintain the objective of equity within the group than larger groups which are not homogeneous in terms of economic power and status. There are several examples of initiatives to form groups, especially in forestry and watershed management programmes which have resulted in the formation of large groups which are not economically or socially homogeneous. Such groups have to cope with larger farmers who need to be brought into the management of the resource without compromising the rights of the . MYRADA has been able to introduce a strategy whereby the landless and the poor in the watershed form their own SHGs managing credit and natural resources over which they have control (often barren fields of families who have migrated and with whom they enter into an agreement to develop the field and share the produce); these groups send representatives to a watershed committee. The larger farmers who are not given access to the projects resources are also invited to send representatives to this committee. MYRADA, however, has had to intervene to ensure that the landless form their own groups or are included in groups of marginal farmers where they are only a few; it has had to intervene so that they have access to natural resources like fuel

and fodder, and to credit to start businesses or other livelihood options. For the above reasons, MYRADA has found that it is more difficult to achieve and sustain the objective of equity in natural resource management programmes than it is in programmes where the self help groups managing credit form the building blocks of development strategy.

- vi. it projects a clear message that MYRADA will withdraw gradually as it hands over responsibilities to the SHGs , builds linkages with institutions required for continuing provision of goods, credit and services, and supports networks and apex societies among SHGs who opt for such support; the SHGs decide what responsibilities to give the Apex societies and maintain control over their functions. MYRADA realised that this message of withdrawal has to be given from the very beginning; further it had to be incorporated into MYRADA's intervention strategy which as a result gradually shifted from delivering services to individual poor families which as mentioned earlier tended to increase their dependence on MYRADA, towards promoting self help, institutional development, capacity building, linkages and networks. The strategy of withdrawal also influenced decisions regarding the technologies that were introduced during the project period. Technologies that could not be sustained by the skills absorbed by people or by the resources they were able to mobilise were avoided even though arguments for their technical soundness could not be faulted.

The strategy of forming Apex Societies is pursued with care. The SHGs have to decide whether they want to have such societies and what their roles will be. Attempts to rush into forming such societies by intermediary NGOs have resulted in these Apex Societies exercising control over the SHGs and in politicisation. MYRADA's experience indicates that SHGs prefer to form societies covering 8 to 10 SHGs which perform roles similar to Farmers Service Societies. In several projects Apex Societies covering a larger number of SHGs have been formed, but each SHG has representatives in the Apex Society; it is also noticed that the SHGs are reluctant to give Apex Societies covering a large number of groups, any funds or power to exercise control over funds. It is for these reasons that MYRADA does not fix a date before which the SHGs have to affiliate, but lets the process evolve. The SHGs must feel the need for Apex Societies to perform roles which they find difficult to do individually, or which MYRADA was performing before it begins to scale down its intervention.

- vii. it ensures that the groups have developed a habit of savings and investment, and the ability to mobilise capital. Though the Banks have changed their policy to allow direct lending to groups on the basis of their performance, there are several areas where there are no Banks at a convenient distance; MYRADA has had to set

up a non-financial Banking Institution, '*Sanghamithra*', to advance loans directly to the groups.

Though MYRADA has acquired an advantage in comparison with the Government in achieving the objectives of sustainability and equity in programmes focused on the poor, it did not acquire this advantage easily or by the mere fact of being an NGO. Besides all projects do not possess this advantage equally. There were organisational features that MYRADA had to incorporate and constraints both within the organisation and without that it had to remove before it could acquire this advantage; maintaining it requires equal concern and investment in time and resources. Internally, MYRADA had to be constantly alive to the demands and directions established by its Mission and to attain a degree of self reliance to allow it the freedom to select the time, place and nature of its intervention. MYRADA learnt from its mistakes; for when it gave in to pressure to intervene in order to survive or in a manner beyond its resources it quickly lost its comparative advantage.

Though there is a strong empathy towards the poor and equity among the staff, sustainability is another matter; it is perceived by some of the staff as a threat to their own positions, power and jobs; a strategy to develop peoples institutions develop and gain in skills and confidence. For the staff to work whole-heartedly towards this objective they must continue to have a high degree of commitment which is difficult to ensure after a few years of service, and be assured that MYRADA has the leadership, vision and resources required to respond to new challenges and to needs in new areas; it also demands that they equip themselves with new skills since these challenges and needs may differ from the ones to which they were accustomed to, and that the organisation provides them with opportunities to do so. MYRADA has made efforts to respond to these needs. It has invested over Rs.5 million in staff training and capacity building over the last 10 years and provided opportunities for exposure to institutions and experiences both in India and abroad.

Unfortunately, MYRADA's involvement in development programmes is sought for reasons which are related to its effectiveness within the delivery mode of intervention and does not take into account its major comparative advantages in development strategy related to institution building, linkages and networks. The reasons Government officials give when approaching MYRADA to intervene are - a committed staff willing to stay in remote areas and to be with the people at times convenient to them, the organisations ability to respond quickly to problems and needs and to be flexible. MYRADA's record of delivering services to the poor is also mentioned by a few senior officials who are committed to change and to the eradication of poverty. There were also several other reasons, mostly driven by the needs of Government or donors. In the Western Ghats Forestry Programme for example, MYRADA was first approached to channel Government funds to local NGOs and to coordinate their programme, a role

that MYRADA refused to accept, and fortunately, had the freedom and space to redefine; but more about this later.

The Government, in general still views MYRADA and other civic groups as service delivery agents, or as turnkey operators, a role that MYRADA had to adopt in the Biogas programme. Besides, since the Government has no systems in place to work with NGOs, it characterises them as contractors; this further clouds the relationship. In the Drinking Water and Sanitation project, for example, MYRADA was asked by the Government to provide a Bank guarantee even though the role envisioned for NGOs did not involve purchase of material or construction.

