MYRADA

No.2, Service Road

Domlur Layout

BANGALORE 560 071. INDIA.

Telephone	:	25352028, 25353166, 25354457
Fax	:	++91-80-25350982
E-mail	:	myrada@bsnl.com
Website	:	http://www.myrada.org

Rural Management Systems Series

Paper – 68

The Myrada Experience of "Building Poor Peoples Institutions"

A brief history of how these civil society institutions emerged and became independent

Aloysius P. Fernandez (July 26, 2015)

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The brief mission statement that guided Myrada during the past 26 years is: "Building poor people's institutions". It did not emerge from a workshop but from experience and reflection; it took about 5 years (1983 to1988) to crystallise. For the purpose of this paper civil society includes all the institutions listed below on pgs. 2 & 3; the major feature of these civil society institutions, which they share in common, is that they emerged as part of the strategy to change existing power relationships which excluded certain sectors; they <u>are primarily products of change but they also continue to influence change and can therefore be called "agents of change"</u>. There are also several civil society institutions which play a major role in delivering services which are desperately required, like support to the challenged, senior citizens, providing health care - including nutrition, providing skills training and education etc.; these are important but do not fall within the scope of this paper if they do not focus on changing power relations which exclude certain groups or do not work to change existing policy to make it easy for these groups to access services and resources to support livelihoods, quality training and education.

1. **Background**: One of the major sources of the mission was Myrada's <u>experience</u> in the field between 1982 and 1985 that it was <u>largely oppressive power relations in society and in the home that kept people poor and generated unequal gender relations. Myrada realised that it is not enough to teach people to fish, when they cannot reach the river</u> due to hurdles created by caste, class, tradition and gender. These hurdles resulted in increasing dependency for credit to support livelihoods and emergencies, and when credit could not be repaid it resulted in loss of land, decreasing access to resources for livelihoods and an inability to accumulate capital. Myrada decided to focus on providing support for the poor to access capital easily and to use it according to their priorities. What also contributed to this mission formulation- especially the <u>selection of "people's institutions" as the backbone of Myrada's strategy to promote livelihoods of the poor in a sustainable manner - was Myrada's experience between 1985 and 1987 with the Self Help Affinity Groups.</u>

These Self Help Affinity Groups emerged when the large Cooperative societies Myrada had started working with broke down, as the poorer members resented the domination of a few leaders of the Co-operatives. The President and Secretary of the Cooperatives borrowed at low rates of interest from the Cooperative and on lent to individual members at high rates. They also "bonded" them by compelling them to work on their lands immediately after the first rains. Myrada picked up this resentment of the poor and tried to harness it into a constructive strategy to change this situation. The Self Help Affinity group emerged as the most appropriate institution to implement this strategy to change the oppressive power relations which resulted in extracting capital from the poor, increasing control over livelihoods and resources and in gender discrimination.(Other institutions emerged later like Federations and Community managed Resource Centres in response to emerging situations which required larger institutions to initiate and sustain change). **The Self Help Affinity groups therefore were born out of a power struggle; they were not primarily credit institutions**. In fact even their entry into financial matters did not start with credit provision but with creating the habit of regular savings which were on lent to members. The management of credit, Myrada realised, was empowering not just the provision of credit. The first groups were therefore called "Credit Management Groups" with the stress on "management". When NABARD provided Myrada with Rs 1 million in 1986-87 (to train these groups and match their group savings) the name was changed to Self Help groups. When Myrada realised in 2000 that the government was aggressively promoting SHGs to be part of government's delivery systems and undermining their "self-help" character by providing subsidies, Myrada changed the name of those groups which preserved the original features of self-help and self-management to Self Help Affinity Groups or SAGs.

Myrada is a field based NGO. Myrada calls itself an **Actionist NGO** (distinct from Activist and Service Delivery NGOs) involved in building poor people's institutions through which they are able to take the lead in lobbying effectively and in a sustainable manner for their rights, entitlements and for space to sustain and grow their livelihoods.. Activists do not as a rule build large institutions; they play a major role in attracting media which in turn spreads their message and draws the attention of leaders. Activists target a 100% change in society – their position (often implied) is: "either our way or no way". **Actionists, however, strike a compromise between change and stability; at least 70% of their programs are geared to change while 30% of their efforts focus on training the people's institutions which emerge as agents of change so that they institutionalise adequate and appropriate systems and procedures without which they are not sustainable**. Service delivery institutions have to make a major effort to trigger change especially in the health and skills training sectors. In the health sector Myrada achieved this by building Soukhya Groups of sex workers and their Federations which continued to function even when the project and Myrada's intervention stopped. Myrada continues to promote new institutions which have the objective of changing power relations like Second level Institutions (Producer Companies) which aggregate, add value and market agricultural products of small producers who otherwise cannot find a market. However in recent times Myrada is moving more towards providing quality services in the health sector and in skills training which are both part of national program and urgently required.

Peoples Institutions which emerged in Myrada's programs: The several types of institutions supported by Myrada are given briefly below. They can be placed into three categories.

- **Category 1**: **Participative Institutions of the poor at the base** :

The members of all these groups self-select themselves (on the basis of trust) and manage their affairs (including the group common fund consisting of savings, credit from Banks, fines, grants etc.) They promote livelihood strategies and activities as well as empowerment, which was defined as "discipline to attend meetings weekly (as agreed by the members) confidence to speak, to take decisions, to take risk and to lobby for change and against any form of oppression". Some of them focus on promoting market linkages, on influencing Gram Panchayats to improve the management of water bodies, drinking water supply and education; they take the lead in creating awareness about the need for sanitary latrines, they mobilise loans and government funds; they apply sanctions for dysfunctional behaviour; some of them have recently been pro-active in promoting action against domestic violence, early marriage and female foeticide.

Self Help Affinity groups (men and women, but majority are women) emerged during 1984-86. Not registered; function as groups of autonomous persons. **	7056
Soukhya Groups (Sex Workers) not registered emerged in 2005	669
Watershed Area groups (men and women, but majority are men) emerged 1988-95..(both registered and non-registered)	608
Organic Farmers Association (Reg.) (men and women)- 2009	3
Rosemary Oil Farmers Assoc. (Reg.) (men and women)-2006	3
MASS (Assoc of Devadasis) (Reg) (women only) 2000	1
MEADOW (a Company engaged in contract work with Titan and Tanisq) (women employees only) emerged in 1997	1
Farmers Producer Organisations (large groups); emerged-2010 (Reg).	8
Joint Liability Producer Groups (10-25) emerged-2013 (Not reg in initial stages but function informally)	57

** All data as on March 2014. Myrada had promoted over 15,000 SHGs in its project areas, but over the past 10 years handed them over to other institutions it promoted in the project areas.

Organisational links of Category 1 institutions with Myrada: Myrada Staff are not members of the Governing Boards and do not have any position in these groups except in MASS and initially for a few years in MEADOW in response to a request from the members.

- **Category 2. Middle level representative Peoples Institutions.**

Federations of SAGs (cover 10-20 SAGs): are not registered, they have no office or full time staff, they meet monthly to help the SAGs to sort out any problems and/or to collect data related to loans, repayments, etc. **emerged in** 1997.	455
Community Managed Resource Centres (CMRCs): are registered societies; each comprises 100-120 SAGs and Soukhya groups. (Men and women, but majority are women); have offices, staff and part time service providers; emerged in 2000-2002 when the SHGs,Federations and Myrada realised that the Federations were too small to become viable .SAGs (not Myrada) decided the roles and functions of the CMRCs.	73
Soukhya **Ookutas** -Federations of Soukhya sex worker groups at town/ taluk level- (not registered, no office and no full time staff)[i]; emerged2006; They were not called SAGs because this would have forced them to fit into an existing system. Their priority was health and later training for alternate livelihoods and credit.	44
Soukhya Samudhaya Samasthe (SSS)- Registered societies at District level of sex workers in Soukhya groups; have an office and staff ; emerged in 2007	5

Organisational links of Category 2 Institutions with Myrada: Myrada project staff hold two positions (out of 11) on the Board of Management of each CMRC and one (out of 21) in each Ookuta. The others are elected from the SAGs and Soukyha groups' respectively.Myrada staff do not hold any position in the Federations or on the SSS Boards.

- **Category 3**. Institutions promoted by Myrada and managed by people who are not the poor but which are totally dedicated to support the poor by providing financial services, Training in institutional building and livelihood skills and in providing technical support. .

Sanghamithra (Section 25 finance Company- not-for profit) lends only to SAGs; started in 1996	1
Training Centres (CIDORs) trains men and women –opened by Myrada between 1990 and 2000 (Bidar later) ; from 2005 they were registered as independent societies and became financially independent by 2006-7	10
Non Formal Technical Training Centres trains boys and girls – started in Thally TN in1996	1
Myrada Krishi Vigyan Kendra (supported by ICAR); trains men and women – approved by ICAR 1998	1
MYKAPs (NGO) hived off from Myrada in 2007; – it took over Myrada's projects in Mysore dist. Myrada staff resigned from Myrada and joined MYKAPs.	1

Organisational Links of Category 3 institutions with Myrada: All the above institutions have a senior member of Myrada's management based at Head office as Chairperson and two to four senior staff on the Governing Boards. The Directors of all these institutions (except Sanghamithra) are/were staff of Myrada who are deputed or who have resigned after working with Myrada for over 25 years and been appointed on a new contract.

Inter Organisational Links: While the organisational links with Myrada have been mentioned above, the institutions in these 3 categories also support one another both organisationally and financially and share innovations and technical knowledge especially farmers innovations. As far as finance is concerned, all the institutions are committed to raise resources required to support staff and establishment; those which have not reached this stage are being supported by others in the group like Myrada, MYKAPs and Sanghamithra.

> Myrada is now a group of autonomous societies, companies and informal institutions sharing a common set of values, beliefs and systems.

3. MYRADA's Role in promoting these Institutions: These institutions did not emerge overnight; they were not set up by Myrada through a top down decision. They emerged from the people. But to say that Myrada did not play a role in their emergence and development is not correct. To begin with, a few senior staff of Myrada believed in transparency and decentralisation at Head Office supported by robust organisational and financial system; they were Actionists and believed that any effective strategy to promote sustainable development of the poor has to involve change. But these beliefs and practices had to be shared by a larger number of staff at H.O & in the field to have an impact on the ground. Unless a large number of Myrada staff –especially those in the field - shared these beliefs and practices which were critical to provide support, these peoples institutions would not have been identified as they emerged and they would not have been fostered and supported to grow as independent institutions. The prevailing practice was for NGOs to continue to claim ownership and to control these institutions.

3.1. Myrada started by giving priority to staff capacity building; this enabled it to broaden the base of beliefs which were shared by a few senior staff. An intensive training program called DPTP(Development Professionals training Program) was developed .DPTP was funded by a) the Ford Foundation between 1986-95, b) Swiss Development Co-operation 1995-2003 and c) NOVIB which gave Myrada an annual budget allowing Myrada to allocate it where required between 2001 and 2006. In the late 80s and 90s Myrada staff numbered about 800 full time staff (with PF, Gratuity etc.; there were also over 400 part time staff like teachers etc. who were paid on a daily /monthly basis), Other donors like Welthungerhilfe also contributed to staff training but in the projects which they supported.

To prove its intention to give priority to staff training, and to lead by example, Myrada management took a decision that any surplus funds in the late 80s would be spent on training staff and not on acquiring assets. For example the land next to Myrada's HO was available for Rs.5 lacs which amount by coincidence Myrada had. The choice was either to purchase this land (which today is worth Rs.10 crs) or to invest it in staff training. Myrada decided on the latter. A few Myrada staff were also sent abroad every year, mainly to Asian Countries, to give them an exposure to a different society which helped them analyse their own with greater objectivity, and to gain several new insights. This exposure also helped to build their confidence that they would survive without having

to control the people's institutions that had become stable and were functioning independently since they now had the capacity, confidence and time to respond to new challenges which required new supporting people's institutions. Some of Myrada's advisers warned that the staff after training may leave. Management decided to take this risk and it paid off. Most of the senior Program officers were the products of DPTP and have been with Myrada for over 25 years. Myrada management learnt during this process that *Staff commitment cannot be demanded, it has to be developed.* There are no set ways to achieve this, but creating an atmosphere of trust and mutual respect is a good starting point. Investing in the capacity building and growth of staff is also a demonstration of faith. A fair, transparent and clearly documented Personal Policy and an assurance of some degree of financial stability (Myrada did this through building Corpus Funds at Project level as will be explained later) are also critical to sustain staff commitment. This learning was passed on to all the peoples institutions and implemented.

3.2 Invest in capacity building of staff of all People's institutions and in developing their systems and quality of governance. Following the grants to train core staff from Ford Foundation, NOVIB and Swiss Development Co-operation, Myrada was able to continue training programs to build people's institutions with the support of grants from donors like NABARD, Welthungerhilfe, NOVIB and CIDA/HIDA (both Canadian), who understood the importance of investing in upgrading the peoples institutions which emerged in projects supported by them.

The role of CIDORs in capacity building: The Training Centres (10 in number) called Centres for Institutional Development and Organisational Reform (CIDORs - refer above) are independent societies located at project centres; senior staff are deputed from Myrada; they are responsible for supporting the SAGs, CMRCs, Soukhya groups etc.; they provide on-going institutional capacity building, help them to establish linkages with financial and technical providers and offer services for a fee when requested -like audit and evaluation. After 2006, these peoples institutions were supported from the proceeds of the Training Programs conducted by each Myrada project which had a CIDOR.The CIDORs also play an important role in upgrading the training skills of community resource persons (CRPs) who are mainly SAG members with long experience and who are called upon to provide training in several parts of the country where SAGs are emerging. The CIDORs also periodically upgrade the training content of the packages.

As part of the training in institutional capacity building, importance was given to institutionalise Systems and procedures related to finance and staff management of SAGs, CMRCs, Soukhya groups, other societies etc which are important for the health and sustainability of peoples institutions and cannot be passed over, no matter how difficult to institutionalise they may be. This is where the role of **Actionists** come into play. Activists do not have the time to institutionalise systems and procedures. Actionists take the time because they realise that they are not only agents of change(70%) but also agents of stability (30%).Unless peoples organisations institutionalise the need to install and maintain appropriate systems and procedures , they will not have the basic requirements to be sustainable. In that sense, there is no difference between MYRADA and the People's institutions groups - what is good for one is also good for the other; what one can do, the other can also do; if one is regarded as a professionally managed institution, the other can also be. If the NGO does not have good systems especially related to finance management and accounts as well as staff management, how can it introduce them in the institutions it promotes.? Myrada has brought out an "Operations Manual" which provides hands on guide to staff of people's institutions and Training Manual with 24 Modules for Institutional Capacity Building of institutions.

3.3 Myrada realised that a decentralised model of management was the most appropriate to respond to the emerging institutions in the field in a timely manner and thereafter to promote them. Therefore Myrada promoted a decentralised model of management first in Myrada and then in the peoples institutions: There is a great diversity in the field in caste and power equations, traditional occupations and day to day opportunities and risks; these differ from project to project – Gulbarga in North Karnataka for example is different from Kadiri in Anantapur and these in turn from Talawadi in Tamil Nadu. Therefore Myrada HO did not decide to impose standardised or uniform strategies except to promote appropriate peoples institutions and provide them with the skills and resources to set their agenda and manage their affairs. Hence genuine decentralisation to the Project officers and their teams was required if the organisation was to be relevant. The Programme officers at H.O and the Project officers were given increasing responsibilities together with management systems to ensure that they were accountable and managed the project's affairs in a transparent way; building leadership was a key responsibility. Head Office staff and outside consultants provided regular support to Project Teams. Project team meetings, involvement and feedback from representatives of peoples institutions were institutionalised, transparent financial and reporting systems were put in place supported by external financial, program and performance audits and internal procedures for program monitoring and follow up action. When Myrada decided to downsize in 2004-05 before a new Executive Director came on board, the Projects which had institutionalised these management practices were given the option of hiving off as independent institutions. Some did not and decided to remain as part of Myrada. One major project that covered Mysore District took the challenge and was registered as Myrada Kaveri Pradeshika Samsthe (MYKAPS). Myrada Board of Management agreed to lend the name Myrada to MYKAPs. Today MYKAPS is flourishing. One Project (Madakasira) which had not institutionalised these practices was closed down.

Myrada staff then asked: **"Why not extend this decentralisation to people's institutions and equip them to be <u>financially</u> and <u>organisationally</u> independent?** This went against the normal practice of NGOs and Govt. to possess people's institutions set up by them. So often I have heard from an NGO/Govt "These are our SHGs". There is reluctance to let them go. In a way the NGO is also dependent on the people's institutions to claim numbers and size. **Myrada believes that the poor and marginalised have a right to build their own institutions, which must be respected and not mainstreamed by the official system or co-opted by NGOs/Govt.** Striving to "mainstream' the poor (either into an NGO or into Government systems) can also be dis-empowering, if they have to fit into the mainstream on the latter's terms and conditions. This is why Myrada lobbies with the official system to recognise these alternate/complimentary institutions and to accept them as they are. As example is the role Myrada played in the formation and growth of the SAG movement. Myrada lobbied between 1990 and 1992 with RBI/NABARD (before the SHG Bank Linkage Program was launched in 1992), to respect the SHGs as complimentary institutions and not to "mainstream" them. The policy changes required to support this position were put in place by RBI and NABARD in 1991-92. It had three pillars; a)extend a lump sum loan to the SAG and allow the members to decide on individual loans, regarding size, purpose and repayment schedule – this was accepted by the banks since it lowered their transaction costs when compared to the individual loan model; b) allow Banks to lend to unregistered groups – this was critical since feedback to Myrada from SAGs showed that they did not want to be registered as registration would make them vulnerable to harassment by petty Government officials; however they assured that they would run their institutions as registered bodies are expected to do; this was assessed by Banks before they extended loans under the SHG-Bank Linkage program and c) no need for physical collateral. As a result, the independence of SAGs was preserved and since no subsidy for the asset was incorporated in the SHG-Bank linkage program the spirit of self-help was not undermined.

The NGO must be willing to "let go". So often I hear from Government: "These SHGs are Government SHGs"or from NGOs - "These SHGs are ours". Are we serious about empowering people? In fact well-functioning people's institutions are sustainable because they function independently. Unfortunately the stick (power) is never handed over (as some PRA promoters seem to think); it has to be taken away by people's institutions. The tendency for Govt. to mainstream all people's institutions into their official systems must be avoided. Sometimes NGOs take pride when the people's institutions they promote are mainstreamed by government into official strategy. The SAG is one such example. Unfortunately since 2000 when SAGs were "mainstreamed" developments have shown that this mainstreaming into two major Govt. sponsored programs have been the "kiss of death". The independent, self-help institutions called SAGs have all become Government

3.4. Build on peoples strengths not on their needs. Myrada's experience between 1983 and 1986 resulted in this belief which influenced all its interventions. Myrada's experience indicated that to start on the basis of identifying and building on people's needs tends to re-enforce existing relations of dependency and in most cases to create new ones - mainly a dependency on the NGO intervener. Myrada discovered from its analysis of the SAGs that people's strengths are based on the **relations of mutual trust and support or affinity/social capital**, which is still strong especially in rural areas. This affinity exists before Myrada enters. It is a strength. "It is like a diamond in the sand, which we happened to kick. We can only take credit for stopping to pick it up and polish it through training in institutional capacity building (ICB)" (Author). Other strengths lie in the **willingness of the poor not only to save (which they had been doing whenever they were able to but to save regularly** (weekly/monthly) and even sacrificially by giving up a little non-essential items   like reducing smoking or chewing pan. Once they realise that their savings are safe and can be quickly accessed they are willing to save regularly. Another strength is **willingness   to invest time and energy to build institutions** through which they are able to access credit and mobilise resources and later influence decisions and management in the Gram panchayat and beyond. Yet another strength, which many interveners (especially Government), fail to take into account is that poor families (however poor) already have not one but often several livelihood activities. Interveners need to build on these as a first step- before pushing new activities or assuming that they had none. Myrada's analysis of the loan portfolio of SAG members over several years shows that they borrow first to reduce the need for private high cost borrowings for traditional activities, then in expanding some of them, later to aggregate other traditional products which could be marketed together, and only after a few years in new activities.

 People's strengths (which existed before any NGO intervention) emerge and are identified through adopting participatory process in training, planning and implementing a program. **The methodology Myrada adopted to generate these participatory processes was called Participatory Rural Appraisal.** Myrada invested in training its staff in Participatory Rural Appraisal; the first training was held in Talwadi project in 1988.

PRA exercises require at least a day of preparation in the field with the people, a day (or two- depending on the no.of exercises) for the exercise and half a day after the exercise to analyse the experience together. Many trainers found this too long and PRAs were held in a hurried manner, often in half a day and in some cases in the garden of the Training Centre. Hence the name Rapid Rural Appraisal (RRA). Myrada found RRA totally inappropriate as the results were only a list of "people's needs"; their strengths emerged during the well planned PRAs in the field since people not only identified problems but also came up with solutions in the field and at the end of the PRA. Thereafter Myrada kept to PRA and added Appreciative Inquiry which helped to focus on the strengths and to balance the trend of PRA promoters to hurry through with the exercise.

SAGs as change agents: As the SAGs grew in number and self-confidence, Myrada discovered that these institutions of the poor, when provided with adequate institution capacity building can overcome the hurdles created by caste, class, bureaucracy and tradition by neutralising oppressive power relations and opening new doors and opportunities to access resources. The basic needs approach without a direct focus on promoting institutional empowerment of the poor is inadequate for sustained growth of the poor family; it does not factor power and market forces into the equation which the poor and small and marginal farmer cannot counter individually. Our experience showed that the livelihoods of the poor cannot be promoted by Government, market forces and the private sector only since they tend to support the local power structure. These SAGs also played a lead role when politicians launched a major drive to harass Myrada in the mid-nineties. They attacked the head office, harassed the Executive Director and his family thru abusive and threatening phone calls and anonymous letters, and launched government audits to harass Myrada –which ironically gave a clear chit to Myrada! The SAGs finally took matters into their own hands and told these politicians to "leave Myrada alone". On the contrary the so-called Joint Liability groups formed by NBFC-MFIs in Andhra Pradesh did not lift a finger in support of the NBFC-MFIs when the AP Government clamped down on the latter.

The belief that Myrada's strategies need to be built on peoples strengths helped Myrada to broaden the approach promoted by several donors and International Institutions which gave prominence to the "Basic Needs approach" and the "Problem Tree analysis" which highlighted people's problems and needs. While Myrada did continue to use these tools, it added others , namely "Participatory Rural Appraisal" and "Appreciative Inquiry" which identified peoples strengths and built on them through Institutional Capacity Building modules (to cope with new responsibilities).These modules were developed and tested over several years and finally published around 2000 .Refer to "The Myrada Manual for Capacity Building of Self-Help Affinity Groups" and " The Positive Path – Using Appreciative Inquiry in Rural Indian Communities".

3.5 Care was taken not to impose a "one size fits all" model of peoples institutions. .Many Govt. programs suffer from this. For example they insist that the SAGs must also manage food grains under the Public Distribution System when the SAGs are not in a position to do this. **Myrada realised that the peoples institution must be appropriate to the resource to be managed or the objective to be achieved**. For example, the Milk societies at village level set up under the White Revolution were appropriate to collect milk. The large milk producer (5 lts and above) made the milk route viable and allows the small producer to add his mite (at time even 1 ltr) without any problem of conflict of interest. In this case the small man is able to sit on the back of the big man! But in a co-operative society where management of credit and other resources is the main objective, the existing power structure is reflected in the Cooperative society –the President and Secretary are from the rich families and they use the Cooperative to increase their control over the small and marginal farmer. The big man sits on the back of the small man. Therefore a Cooperative is not the appropriate institution to extend loans/credit to the poorer sectors or to empower them. This is where the SAGs came into the picture; the members are economically homogeneous and linked by relations of trust and mutual support or affinity (they self-select their members), In fact the SAGs are the real co-operatives. Hence the needs for various types of institutions like self-help affinity groups, watershed associations, informal marketing groups or private limited companies to manage different resources and to achieve different objectives.. Institutions give members the experience of participating in governance. What starts small can grow in influence with the right facilitation to promote institutional growth.

3.6 Money and the space and skills required to manage it is an important determinant of power and a necessary means to promote likvelihoods and sustainability. At some point, all development effort must also aim at the creation of wealth in the hands of people and their institutions over which they, and only they, have ownership and control. Individuals as well as institutions must have their own capital base. This also gives the stakeholders (Staff and people) a sense of stability and security- the 30% feature of Activist institutions.

Myrada's HO took the lead by building up a corpus Fund in the mid-80s. The Ford Foundation, CIDA/HIDA, Weltungerhilfe made initial contributions amounting to about Rs 1.2 crs. The purpose was to use the interest for support of HO staff. Myrada managed this Corpus well over the years ensuring that running costs were met from other sources so that the interest could be reinvested. Today the Corpus amounts to Rs.24 crs and is adequate to meet HO costs as well as to provide advances to projects when project funds are delayed because of the re-imbursement system. This delay is becoming a major problem since most of the recent projects with funds from Govt. or from the Private Sector adopt the reimbursement system. Delays in reimbursement are common especially in Govt. programs which cause a major stress to Myrada's cash flow resulting in increasing advances from the interest of Corpus Fund in order to keep the Projects alive and running. Private sector and Govt. need to change this practice of reimbursement. This degree of self-sufficiency also gave Myrada the freedom to decide on which projects to promote and in which areas .It did not accept any offer of funding unless it supported its over-all mission to build poor people's institutions.

Each project Training Centre (CIDOR) was encouraged to build its own Corpus Fund from the proceeds of the training programs. The interest is used to support running costs and staff salaries of the project. Today 9 Myrada Projects have a total corpus fund of Rs.14 crores. The interest helps to meet the costs of the Project office and core staff of the Project. Each Project manages its corpus fund. HO made it clear that it would not transfer these funds to the HO.

There are 73 Community Managed resource Centres (CMRCs) which are federations of 100-120 SAGs. They are independent societies and have their own Board, office and staff. They were encouraged to build up a corpus fund. After meeting costs of staff and office infrastructure. Today 73 CMRCs have a total corpus fund of Rs.3.18 crs.

Finally each SAG has a common fund which consists of regular savings, loans from Banks and NBFCs/MFIs, grants, fines; etc .The total common fund managed by 5414 SAGs (out of 7056 SAGs for which data was collected in time—April 31,2014) is Rs.134 crs.

> Interactions with all these people institutions indicates clearly that their corpus fund built up with their own efforts and managed by them has given them a sense of security/stability and increased their self-confidence to stand on their own feet and to influence society around them. The SAG common fund is used to provide loans for livelihoods, education, health and social activities.

4. What role can civil society institutions play in the future? Civil society includes all institutions of the categories listed above on pgs 2 and 3 as well as others which were not promoted by Myrada . Many of the civil society institutions which have the potential to play a major role in the future are urban based, where Myrada does not work .**Welthungerhilfe also focuses on agriculture which is largely in rural areas. If it intends to promote civil society institutions (CSIs), it needs to extend its coverage to urban and peri-urban areas** also, as these CSIs have the potential to trigger change and to demand the attention of politicians and bureaucrats which in turn will affect the rural areas as well. Myrada is also focusing on second level institutions (SLIs) in rural areas (like Producer Companies and Co-operatives) which aggregate, add value and market surplus of small farmers. These institutions are weak because no donor is investing in their institutional capacity building. **Welthungerhilfe needs to consider its possible involvement in these SLIs as they are also change agents which target the entrenched and exploitative market linkages currently in place.**

Growing aspirations in civil society: In order to gain insights into the role of civil society in the future, it may be useful to identify the growing trends in society especially with regard to aspirations. Cutting across castes, creeds and classes, the emerging aspirations – in India - relate to the demand : a) for **a higher standard of living** and for **high quality of education and marketable skills which are widely perceived to be the requirements that** ensure livelihoods in the formal but even more in the informal sector which is far larger and growing faster than the formal; b) for **a modern India** where female infanticide, women's' subjugation, child marriage, purdah, caste, discrimination, superstition have no place; c) **for a moderate India** where no religion, sect or ideology claims to have the only path to salvation, where no religion is given state patronage. Where the "axis of evil" does not exist and where "I am right and you too may be right" is the guiding norm rather than "I am right and you are wrong"; d) **for a well governed India** preferably through a decentralised model starting with the Gram Panchayat and Ward Sabhas; e) **for a corruption free India**. The assumption is that if these are in place, India will prosper and become a middle income country. **My position is that in order to put these in place, civil society institutions (urban, rural, institutions at the base and at the second level- at least) have to play a major role at least in the following sectors:**

a) In providing quality education and technical skills which have a market and which are essential to ensure a higher standard of living. The educational institutions and technical training centres managed by government are increasingly becoming irrelevant both in the urban areas as well in the rural areas. As far as education (primary, secondary and onwards) is concerned, the growth of private sector in education in urban and rural areas has been phenomenal especially in the Southern and Western States. The Government schools continue to be supported, but teachers do not attend classes and when they do, do not come on time. Besides they do not offer what people want, like computer training and English language. As a result of these weaknesses, in many States attendance at schools and the number joining government schools have decreased. Government bureaucracy is relying on providing e-education; politicians provide laptops and computers while software is distributed. This reliance on technology is good but far from enough. Unless governance in these institutions improves, technology will add little. I have seen schools where a teacher switches on the computer with an educational program and then disappears leaving the children to talk and play; the teacher does not return to discuss the content of the program. The challenge is to ensure good governance and discipline which the Govt cannot do and which technology cannot substitute. The government. has promoted School Betterment (Management) Committees which do not function. They need to be revived by the parents and local leaders. The role of parents in the governance of these schools needs to be enhanced if they are to ensure that the common good is promoted. The lead role in education is increasingly being taken over by Societies (Trusts) both in urban and rural areas. . In many states the number of private schools outnumbers government schools but here is the problem. These institutions are driven by profit, hence they exclude the poor; they do not give adequate attention to quality and all round education. . There is **a great need for civil society organisations comprising parents and local leaders to play a role in improving the governance and discipline in Govt. and private schools both in rural and urban areas.** Most of the private schools are registered as trusts which are expected to have a social objective and good governance; but sadly this is not the case.

As far as technical skills training is concerned. The Industrial training Institutes which were set up by Govt. many years ago are in poor shape. Machines are outdated, tutors seldom attend classes and students are not accommodated adequately. As a result those that pass through do not possess either the skills or the discipline required to be employed. The private sector's role in providing marketable skills (hard and soft skills) is just taking off. It still has a long way to go. Those who have partnered with NGOs and other civil society institutions have been able to take off to some extent. Very few Private companies have set up their in house training centres; the majority provide funds and at times trainers but require NGOs to offer infrastructure and recruit trainees who will stay through the course. Here again NGOs (civil society institutions) are playing a crucial role. Technical Institutes established by NGOs (in many cases religious based) have provided quality training in skills for several years. Given the major role the informal sector is playing in manufacturing (micro, small and medium) and the steady growth in the informal sector, the demand for youth with quality technical skills will continue to be high.

b) **There are several civil society institutions which have the potential to play a key role in building a well governed India where corruption is reduced, and a modern and moderate India**:

In the urban areas the **Ward Sabhas (Committees)** set up by the 74th Constitutional Amendment are required to included representatives from civil society institutions like RWAs (Residents Welfare Associations) Cultural and faith based organisations with a social objective, traders/shopkeepers associations, Rotary Clubs etc ; **this is what Mahatma Gandhiji referred to when he spoke about the need to "deepen democracy**". The RWAs are gathering strength and can play a major role in improving the governance of the Ward Sabha. The Corporator who is elected and presides over the Ward Committee is however reluctant to involve the RWAs and similar peoples institutions .Unless the Ward Committees and the RWS and other CSIs are allowed to play a role in planning, the priorities of local residents will not be given adequate attention. Unless these civil society groups are involved in monitoring the past activities, in implementing on-going projects and have a say in management of local investments and natural resources, corruption and inefficiencies in road laying, infrastructure, waste management, preservation of water bodies etc. will continue unabated.

However**,** investment is required to strengthen RWAs by providing them with a small office, one to two staff and experts to assist them in quality control of infrastructure and environmental management. Can private companies include these needs in their corporate social interventions? The interventions of CSIs need to be many, like attendance at all Ward meetings, ensuring that their agenda is tabled well in advance and considered. Theyalso need to use social media to identify problems and to spread the message, to organise public action like protest marches, flash mobs etc. Such public demonstrations attract the media and are perhaps most effective in eliciting a response from politicians and administrators.

In the rural areas, the Gram Panchayats are the major civil society institutions set up under the 73rd Constitutional Amendment. They are fully participative institutions as all inhabitants are members. The Kerala GPs have been reasonably successful. They are larger (30,000 and above) compared to GPs in other States, their members are literate and aware - thanks to enlightened rulers, social reformers, educational institutions promoted by various religions, and the left political parties and c) they have large budgets (Rs 5-10crs) which they are free to allocate. The members monitor implementation of works and maintenance. Can this example be replicated?

Self Help Affinity Groups have the potential to deepen democracy in the rural area. But these groups should function according to the original concept – this excludes all groups formed by major Government Programs which have been co-opted and reduced to providing credit and to deliver other services and whose self-help character is undermined . The well-functioning SHGs have played and can continue to pay a major role in social transformation related to gender, poverty, caste, superstition. They can also influence governance in the Gram Panchayats in areas where they are of a significant number. NGOs and local institutions like NABARD (since foreign donors have withdrawn and Government programs like NRLM do not promote self-help) need to provide much more support to NGOs to build these self-help affinity groups. The Private sector has still not reached the stage where it understands the

importance of building peoples institutions. Many are apprehensive as they equate them with Trade Unions. They use traditional methods /tools for assessing impact which they insist should be quantifiable; these tools are not appropriate when the objective is to promote self-help and change in power relations.

5. Hurdles to the emergence and strengthening/sustainability of building peoples institutions:

These hurdles are embedded in four important sectors that control/govern society   i) political class ii) media, iii) private sector donors (CSR) and iv) Government bureaucracy

Political Class: Politicians consider civil society a threat to them especially to their self-granted "licence" to syphon off funds, allocate resources, contracts and privileges. Hence they do not support the Gram Panchayats; they do not implement the Ward Committees in cities because the Corporators do not want them to oversee his/her dealings. As for the institutions of the poor like the SHGs, politicians recognise their "vote potential" so they provide them with grants and subsidies hoping to   neutralise their "nuisance potential" and to buy votes (Co-option) which undermines their self-help character; the irony is that the well-functioning SAGs have not fallen for this bait.

Civil Society Institutions as agents of change will create tensions in the local area since they challenge vested interests. There is no change without tension. In fact I used to say that if there is no problem in the Myrada projects, then we are not fulfilling our mission. The stick (power) is never handed over peacefully; it has to be taken away (with apologies to our PRA promoters). In most cases, change that the CSI promote are gradual and do not lead to open conflict.   However there are cases where politicians have used these tensions to attack the CSIs and the NGO (Myrada is this case) promoting them Many cases were filed against Myrada in the mid-90s. Personally I have the privilege of having two false charges against me which politicians tried to exploit but could not succeed thanks to honest Police Officers .I had to face attacks in the press, over the telephone, threats to the family etc. etc. Promoting CSIs is not an evening cup of tea. Some NGOs who cannot face tension adopt the digital path by opening a portal where people post their experience in paying a bribe. The impact of such interventions is minimal on curbing corruption **Civil society needs to be visible on the street!! Only then will it be effective.**

Media: The Media focuses on Activists and on service delivery institutions, but hardly ever on Institution builders. For example: I have tremendous respect for Malala Yusufzai. I read her book "I am Malala" and it shook me up considerably. But while reading the book, I found that the person who fought for at least 25 years to build institutions (in this case schools) and to protect them and make them sustainable was her father. Yet I am told he did not attract a single mention in the media. Had it not been for Malala's experience, he would have gone unnoticed. To my mind he deserved to be a co-recipient of the Nobel Prize.

Government Bureaucracy: Building institutions of the poor is yet to be recognised as a critical part of the strategy to eradicate poverty since the role played by "power relations" in keeping people poor and vulnerable has hardly been factored into development strategy formulated by

Government and implemented through Government funded schemes. (The importance of the market especially the informal market network is also not factored in –but this is another story).The bureaucracy further undermines CSI by co-opting them to implement its delivery program. They are considered to be the "low cost last mile". The National Rural Livelihood Mission (NRLM) a classical example. In its policy and strategy papers it claimed to promote Self Help groups. In reality it co-opted self-help groups to implement its program and in the process undermined their self-reliance by providing every type of subsidy. NRLM also introduced standardisation and thereby undermined the Self Help group's ability to respond to local needs by diversifying the size, purpose and repayment periods of loans and adapting it to each members situation.

Private donors prefer direct provision of services to genuine empowerment though they may use the word frequently. People's institutions are considered the last link in the delivery chain.

As agents of change, the staff especially the senior management of Civil Society institutions need to establish their credibility in society. This credibility can be established by adopting certain practices .But the practices which generate this credibility differ from country to country. In India for example, the senior management has to give up some monetary benefit when compared to other positions in India as well as adapt its external image to suit its surroundings. In the developed countries this may not be required though many staff of CS groups do so, but it is in relation to salaries abroad while many operate in India. At a meeting of NGOs in Vinobha Bhave's ashram in the early 80s, it was decided that the monthly salary or take home cash amount of heads of civil society institutions should not be more than 3-times that of their drivers; though they should be provided with facilities for the family.