

Changing power relations

Community Managed Resource Centers play an important role in satisfying concrete needs of the rural poor in Southern India. Directed towards financial self-reliance, they contribute to solving structural deficiencies in a sustainable manner.

The first Community Managed Resource Centers (CMRCs) in Southern India emerged in 2004/05 as a tool to strengthen the power of local self-help groups. CMRCs comprise representatives of the community based organisations (CBOs) – mainly Self Help Affinity Groups (SAGs) and watershed associations (see also Box on page 25). They provide a wide range of services to the rural poor: They organise legal aid services, health camps for women, children and old aged persons and veterinary services; they help people to write applications for pensions and other entitlements; they arrange for loans from Banks and other financial institutions; they mobilise funds and programmes from the Gram Panchayats (local governments at village or small town levels) for houses, toilets, bathrooms and drinking water systems; they link up with insurance agencies and provide daily information on prices for vegetables and fruits in different markets. Their offices have several facilities like fax, computer and Xerox which are hired out. They conduct training in computers, tailoring and in other marketable skills. Some conduct crèches and maintain libraries. For these services, they charge a small amount of money, since one of the principles of the CMRCs is financial self-reliance: Of the 103 CMRCs in Myrada (a NGO), over 35 raise enough money from the service they provide

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to pay the salaries of all their staff and for maintenance; it takes three or four years to break even; donors like Welt-hungerhilfe subsidise the deficit during this period.

■ The beginnings: making money available for the rural poor

The beginnings of the Self Help Affinity Groups date back to the early 1980s. My personal mission was to raise one million poor above the poverty line. I also opted to start by providing credit, since my experience indicated that the rural families borrowed money at very high interest rates from local moneylenders; this was the major cause of people losing land pledged against the loans which they could not repay; they were also unable to accumulate capital and finally they had to sell themselves as bonded labour. We in Myrada started by working with the Primary Agricultural Cooperative Societies (PACs), which were the institutions established by Government to provide credit to rural families, especially the poorer sectors.

In 2004 the first CMRCs were installed in Southern India. They offer a wide range of services to the rural poor. Top: Meeting of a Self Help Affinity Group. Bottom: A CMRC which runs a Community Radio.

But we soon discovered that the PACs were not really people-owned institutions; they were formally controlled by Government regulations and informally by politicians and the local power elite who used the PACs for their own interests.

■ From corruption to fair play

We discovered that the Chairman and Secretary of the PACs (who controlled power in the village) were taking loans from the PACs at the officially prescribed low interest rate (6%–8%) and lending on to the others members – especially small and marginal farmers – at rates ranging from 30 to 50 per-



Photo: MYRADA

cent. We decided to encourage them to protest. As a result, these members broke away in 1984 and approached Myrada in groups of ten to fifteen. They wanted to return the money they had borrowed – but not to the PACs. We finally suggested that they return the money to themselves. Each group decided to meet weekly and to repay the money in weekly instalments; they also continued to save small amounts of money and to build up a group common fund. We opened an account in the Bank in the name of the group and deposited the money collected. We called these groups Self Help Affinity Groups or SAGs.

■ Education and empowerment

The SAG members were mainly illiterate; they asked us to teach them to read numbers and to sign. We also encouraged them to meet weekly, to acquire the practice of making a meeting agenda and to encourage everyone to participate in meetings. We suggested that they change the Chairpersons at every meeting so that all had a chance of improving their confidence. We helped them to analyse the causes of their poverty and dependence and to plan their family livelihood strategies to secure food security in a sustainable manner. Welthungerhilfe supported Myrada in these initiatives.

The culture of self-help was instilled from the beginning. When one of the members needed money since her daughter was ill and another to send the children to school, we suggested they borrow from the amount they had saved. The discussion in the group whether to lend how much and at what interest rate created a dynamics which generated empowerment – by which we mean the skills and confidence to talk, to decide, to arrive at a consensus, to resolve conflict and the confidence to apply sanctions (like fines) for dysfunctional behaviour like coming late for meetings, not sending the children

Within the Self Help Affinity Groups the NGO Myrada focuses on women, knowing from experience that women give priority to the livelihood of the family.



Photo: MYRADA

(especially the girl child) to school, and wilful default of loan repayments.

We also found that as money increased in their hands, the men spent more on themselves – on better clothes, better liquor and branded cigarettes. So we decided to focus on women's groups, since we knew from experience that women give priority to the family. Men objected. Some came and dragged their wives out of the meeting. Others asked: Why do they need to meet? Who is going to do the work?

■ The importance of "affinity"

What we learnt was that for a group to be stable, the members of the group must have the freedom to self-select themselves – unlike in most Government programmes where

groups are formed on the basis of external criteria. We discovered that the members of self-selected groups are linked by relations of mutual trust and support. They had always helped each other in many ways – sharing the care of children and sick people, short term loans etc. This we called "affinity", which was later known as "Social capital" – and it was like a diamond in the mud. We happened to kick it and can only take credit for stopping and picking it up and polishing it; this polishing was the training we provided through training modules which we gave the entire group since they were taking on new functions which the traditional social capital could not cope with. Other institutions of the poor also emerged in our programmes like watershed management institutions which covered all marginal/small farmers each cultivating 1 to 5 acres in a micro watershed. Nevertheless,

Community Managed Resource Centers – principles and organisation

A Community Managed Resource Center (CMRC) is managed by a Board called the Management Committee. Each CMRC is governed by a set of rules and conventions formulated by the community based organisations (CBOs). One CMRC covers around 120 CBOs. In order to become a CMRC member, a CBO has to reach a certain standard of performance and maturity, which is assessed by the CMRC Board. The indicators of success relate to organisational and financial transparency, ability to self-assess themselves, the degree to which their vision and mission has been institutionalised and the ability to build linkages and to learn. This assessment is repeated annually.

Each CBO pays a monthly fee to retain membership; each CMRC has a full-time staff member, called the CMRC Manager. The Manager performs an executive function and is supported by several Community Resource Persons selected by the CBOs.



Photo: MYRADA

Each member of an SAG has to take a least 18 training classes in institutional capacity building, gender relations etc.

the poor had to overcome hurdles like caste, class and powerful interests. In order to strengthen their own power to lobby and negotiate, they founded the Community Managed Resource Centers.

■ Changing power relations

The CMRCs, which are composed of SAGs and watershed groups made up largely of poorer families and the marginalised sectors, are being increasingly accepted by village institutions, which had kept them out before. For example, the CMRC members, especially women, are invited to participate in Gram Sabha and Gram Panchayat meetings; this never happened before. Since they have supported poor children in schools by providing fees, and sponsored prizes, the schools now invite them to be members of the school

monitoring committee and to major school functions. The CMRCs have taken the lead to campaign against child labour and promote total literacy and girl child education. CMRCs have lobbied for drinking water from Government, regular supply of electricity and even organised women's milk cooperatives, since the existing societies were in nearby villages which did not

support them. Government officials are now hosted by the CMRC rather than by the rich and powerful. Politicians court them since they control votes. Many CMRCs decided that if any member takes money for votes the entire SAG will be expelled. There are changes in gender relations since many CMRCs have taken up cases related to justice for the deserted women and against domestic violence. Finally, the CMRCs have supported about 400 members to stand for local elections (Gram Panchayat) between 2001 and 2006 of which over 50 percent have won. They campaign against several practices which socially marginalise the Dalits (or outcaste groups) in the village.

The main achievement of the CMRCs is that they have managed to change oppressive power relations in the village; the upper caste and the powerful can no longer take the poor for granted.

Improving food security and gender equity

A recent evaluation of the Self Help Affinity Groups (SAG) by an independent institution shows that SAGs of ten years' age have been able to achieve food security for each member. At the time of joining the groups, 56.7 percent of the families were able to have three meals a day. Now the share has reached 98.3 percent; within the same range of time, the percentage of husbands sharing household work increased from 20 percent to 76.7 percent.

Over this period, each member took 10 to 15 small loans (the total amount ranged from 150,000 Rupees to 250,000 Rupees) and was exposed to at least 18 training modules in institutional capacity building and gender relations, apart from training in skills related to book writing and accounts keeping.

Zusammenfassung

Community Managed Resource Centers (CMRC) bieten den ländlichen Armen im Süden Indiens eine Vielzahl von Dienstleistungen an: Von der Rechts- und Gesundheitsberatung über die Vermittlung von Krediten und Versicherungsleistungen bis hin zu Ausbildungsangeboten im Textil- und Computerbereich. Ziel der CMRCs ist es, sich nach einer Anlaufzeit von drei bis vier Jahren finanziell selbst zu tragen. Für die Nutzung der Dienstleistungen wird eine geringe Gebühr erhoben. Außerdem zahlt jede der rund 120 Selbsthilfegruppen, aus denen sich die CMRCs zusam-

mensetzen, einen monatlichen Beitrag. Die CMRCs sind ein anschauliches Beispiel dafür, wie es gelingen kann, durch eine organisatorische Innovation Kräfteverhältnisse in den Dörfern zu verändern und Strukturdefizite auf nachhaltige Weise auszugleichen.

Resumen

Los Centros de Recursos bajo Gestión Comunal (CMRC por sus siglas en inglés) ofrecen una diversidad de servicios a los pobres rurales en el sur de la India: desde el asesoramiento legal y en materia de salud hasta las ofertas de capacitación para la

industria textil y las actividades de informática, pasando por la intermediación de créditos y seguros. El objetivo de los CMRC es llegar a la independencia financiera después de un período inicial de tres a cuatro años. Los usuarios pagan una módica suma para acceder a los distintos servicios. Además, cada uno de los aproximadamente 120 grupos de autoayuda que componen los CMRC paga un aporte mensual. Los CMRC son un ejemplo ilustrativo de cómo es posible cambiar las relaciones de poder en las aldeas a través de la innovación organizativa y compensar así de modo sostenible las deficiencias estructurales.