

### 2.11 Organization of a separate Association of Wage Labourers

Under the participatory approach, works are supposed to be implemented by members themselves without involving contractors. Field studies have shown that even though formal contractors are not involved, contractorship is still operating, whenever the programme is implemented by nodal persons associated with UG, WC or SHG. Under this set-up, the nodal person pays to labourers (and other service / input providers) as per local rates but claims from the project as per Standard Schedule of Rates (SSR). The margin amount becomes the profit of the nodal person. Because of this, very often the nodal person ends up paying the required contribution for the proposed work with the result that even the contributory concept is nullified and the stake of real users is not developed particularly in the community-oriented works.

Empowerment of wage labourers is one of the important solutions for the above problem (GVK). Due to this, labourers would be able to demand wages as per SSR (rather than as per market rate). This empowerment may take place if a separate association of wage labourers is organized at the village level and it is made mandatory for the WC to work with the above association for implementation of works, and also to ensure that due wages are paid (as per SSR) to each labourer.

### 3. Policy Considerations Related to Organization of the Community

#### 3.1 Separation of Community Organization Phase from Main Implementation Phase

The participatory approach in the watershed programme could be facilitated properly if the community has been organized in sustainable groups and management bodies. This aspect requires at least two years of the initial period of the project. During this period, specialization in social aspect is crucial in the Watershed Development Team (WDT) as compared to the main implementation phase where technical specialization would be more important.

Very often, development departments and participating families become impatient if the community organization phase is moving at a slow pace. The project management agencies tend to skip some of the steps required for sustainable organization of groups / management bodies. In view of this, it may be appropriate if the community organization phase is separated from the main implementation phase so that each phase of the project could be facilitated at its own speed with the help of respective subject matter specialists.

#### 3.2 Credit and Thrift Based Groups may be used as a Foundation for Organization of other Groups and Management Bodies

As discussed earlier, The SHG (when organized through credit and thrift activity) has been found to be sustainable. However, other groups and management bodies (namely User Group, Watershed Association, Watershed Committee) showed a tendency to become sustainable only when their members originally belonged to SHG (MYRADA, DPIP-Chittoor, OUTREACH). Hence, sufficient numbers of SHGs (of all types of families and members) need to be organized so that it would be easier to form other groups / management bodies by treating SHGs as a social foundation.

### 3.3 Adoption of Group-Centered Approach in Place of Committee-Centered Approach

Under the conventional top-down approach, the watershed programme was largely WDT-centered. A major leap was however taken in favour of participatory approach, when the programme was made committee-centered, by releasing the developmental fund to the account of WC. However, it is now being realized that, while there has been considerable improvement in peoples' participation due to adoption of the above mechanism, it has a significant limitation, in terms of overall management of project activities at village level. It has resulted into a heavy centralization of project resources / activities around WC. In the absence of adequate participatory processes, social auditing could not be facilitated to the desired level. It is therefore proposed to further decentralize the programme by adopting a group-centered approach in place of the committee-centered approach (Kochar 2000). The proposed approach shall be sustainable if a sufficient number of SHGs (of all type of families) is organized before starting the planning process. Under the above approach, the WC shall only receive the fund but the concerned SHGs will implement the programme. For this purpose, the WC shall transfer the funds to respective SHGs against approved action plans with regard to different components, (namely: development of natural resource, development of livelihoods, etc). This approach may decentralize the whole process, resulting in enhanced transparency and downward accountability in a natural manner (MYRADA, OUTREACH).

#### 3.4 Preferential Treatment to those Families that are Members of SHGs

It has been well recognized that organization of community members into SHGs leads to their empowerment and active participation in the programme. It would therefore be appropriate to encourage the participation of those families, which have already become members in a SHG. The remaining families may however participate in the programme later on (whenever they get organized into new SHGs). In case, they also want to participate at this stage, they should be willing to route their proposals through any of the existing SHGs (OUTREACH in Chittoor district).

#### 3.5 Convergence of activities of Developmental Departments around Federation of SHGs

Convergence of developmental schemes has been a major concern since many years. Earlier, attempts were made to converge around a nodal department, identified to implement those programmes which are inter-departmental in nature; namely: watershed development programme; poverty alleviation programme, etc. Such efforts have been only partially successful. Later, the concept of PIA was introduced in which the nodal department could hire subject matter specialists from different disciplines on contractual basis for the project period. This approach has however made some progress towards integration of different disciplines. Field experience has also shown that further improvement in convergence would be possible if it takes place around a farmer organization (Chamala-1999, VIP) rather than around a nodal department. In the present context, this is being achieved through federation of SHGs, at village level or mandal level (APRLP, DPIP, WESE). Hence there is a need to institutionalize the above approach in such a way that the above federation shall approach different departments rather than a nodal department approaching the other departments.

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### References

ORGANIZATIONS / PERSONS WHOSE CONTRIBUTION IS MENTIONED IN THE ARTICLE

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A JOURNEY THROUGH WATERSHEDS is Published by The Director General, National Institute of Agricultural Extension Management (MANAGE) Rajendranagar, Hyderabad-500 030, India.  
Tel: +91 (0) 40 4016702 - 706, Fax: +91 (0) 40 4015388  
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### Acknowledgements

Most of the material in this publication has emerged from the ongoing experience of the above organizations. The authors would like to gratefully acknowledge the above aspect.

The other important source of learning has been the Manchal watershed project where MANAGE has worked as a PIA. Majority of the issues associated with unsustainability of the social structure were understood during the course of this project, which has prompted the authors to search for solutions in other projects/ organizations indicated below.

We are also sincerely thankful to Ms. Madhuri Newale for providing critical comments and suggestions for improving the article.

We are aware that many more organizations are currently involved in exploring the above theme of self-reliance in community organization. We request them to share their experiences so that these could also be acknowledged.

### MANAGE series on A JOURNEY THROUGH WATERSHEDS

Demand driven and participatory approaches are gradually getting institutionalized through large scale adoption of common guidelines issued by the Ministry of Rural Development (MORD) and Ministry of Agriculture (MOA). Implementation of innovative projects funded by many other international and voluntary organizations are also leading to this new paradigm. Due to increased involvement of diverse organizations, the scope and objectives are expanding, encompassing many new dimensions under the watershed programme. Besides development of natural resource and generation of employment opportunities, the programme is also expected to deal with development of livelihoods, diversification of farming system, equity for poor, empowerment of women, organization of community into a self-reliant institutional set up at the grass root level, etc. A lot of new learning is now emerging at the grass root level on operational modalities for addressing each of the above aspects. It is therefore proposed to consolidate the available working experience and share it widely with actual practitioners through the proposed series. The readers are requested to convey their response and also contribute their own ideas and experiences. In the near future, it also proposed to initiate a forum for discussing new ideas through e-mail.

### ORGANIZATION OF THE COMMUNITY INTO A SELF RELIANT INSTITUTIONAL SET-UP – ISSUES AND OPPORTUNITIES

K. Uma Rani, N.K. Sanghi, B. Renuka Rani, Sai Maheswari and Waheeda Munawer



*In the ongoing watershed programme, only Self Help Groups (SHGs) have been found to be sustainable. Even among SHGs, only those that have been organized on the basis of social affinity and through credit and thrift activity, are able to sustain, whereas others that have been organized on the basis of similarity in livelihood (but without credit and thrift activity) are not sustainable. The existing User Groups (UGs), which have been organized for development of natural resources, are not able to meet regularly after the implementation of the proposed works. This has been happening inspite of the fact that there is a need to address important issues regarding proper utilization of natural resources as well as repair and maintenance of structures constructed under the project.*

*The Watershed Association (WA) is found to be virtually non-functional after completion of the project period. It has not been able to play the desired role of a decision-making body even during the project period. Frequency of WA meetings and participation of members has been low.*

*In the majority of cases, the Watershed Committee (WC) has also become non-functional after the completion of the project period, as it is left with no specific self-sustaining agenda for its continuation. Its sense of ownership of the programme during the project period has also been just average (as reflected in lack of downward accountability to the community, limited participation of office bearers in the meetings and inability to collect genuine contribution from actual users).*

### 1. Issues Related to Organization of the Community

#### 1.1 Self Help Groups

- Very little attention has so far been paid towards organization of men SHGs, particularly of those who own land and water resources
- The concept of SHGs in the present form does not seem to be adequate for harnessing the full potential of livelihoods/ commodities
- The approach and methodology for organization of SHG under the watershed programme has been inadequate
- No specific efforts were made to involve old SHGs even if they were properly functioning
- Norms for internal management of SHGs have not been evolved properly

#### 1.2 User Groups

- Lack of clarity about the conceptual aspect of UGs
- Inadequate attention paid towards organization of UGs in the initial stages
- Lack of adoption of situation specific modality for organization of UGs
- Lack of due consideration towards allocation of usufruct to resource-poor families over biomass in the common land

#### 1.3 Watershed Association

- Difficulty in facilitation of the decision-making process in the association meetings
- Low level of participation of members in meetings where more than one habitation is involved under one watershed
- Lack of sustainable social foundation for members of the WA
- Low emphasis on capacity building of members and office bearers of the WA

#### 1.4 Watershed Committee

- Heavy centralization of resources and activities around the WC
- Low emphasis on social auditing of activities carried out by the WC
- Undue hurry in constitution of the WC
- Lack of self-sustaining agenda for post project sustainability of the WC
- Lack of attention towards internal management of the WC office

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## 2. Suggestions Regarding Operational Modalities for Addressing the above Issues

### 2.1 Need to Involve Men as well as Women Members and also all Types of Families in SHGs

So far, the main thrust has been on organization of women SHGs, especially of those who belong to resource-poor-households. In the beginning, the response from men and from resource-rich households was not encouraging. At present however, there is enough motivation among both men and women, and also among landowners and landless to organize themselves into SHGs (DPIP, KAWAD, PARWADA, GVT, OUTREACH, CIED and many others). In view of the fact that sustainability of the watershed development programme would be higher, if it is managed through a sustainable social structure, it may therefore be appropriate to focus on organization of SHGs comprised of members of both genders and from all types of families.

### 2.2 Adoption of an Appropriate Approach and Methodology for Organization of Self-Help Groups

In the ongoing watershed programme, a matching revolving fund (RF) is offered as an incentive to organize the community into SHGs. In response to this, a significant number of family members are coming forward to form groups. By and large, members of such groups have similar means of livelihood or commodities (but not socio-economic status). In these groups, members save regularly to build a common fund, but they prefer not to circulate their savings to other members, as they are not sure of recovery from borrowers on account of differences in their socio-economic status. Eventually such groups disintegrated soon after receiving the RF (which is usually distributed equally among all members). The above amount is neither used for purchase of new technological inputs, nor does it help in building solidarity among members of the group.

Field experience has consistently brought out that proper organization of SHGs requires investment on the following four crucial aspects (i) exposure visit to successful SHGs for motivation; (ii) capacity building and follow-up support in monthly meetings of groups for atleast one year; (iii) supply of proper registers/pass books; and (iv) facilitation of self-regulatory norms for inculcation of discipline among the members.

### 2.3 Proper Management of Credit System in Self Help Groups

During the community organization phase, SHGs pass through the following three distinct stages with regard to management of credit.

**Stage-I** During this stage, common fund-1 (CF-1) develops in the group through regular savings by all members. This stage may last for a few months. As the amount of money in CF-1 increases, the level of confidence among members also increases.

**Stage-II** During this stage, the group starts circulating the CF-1; with the result, the common fund-2 (CF-2) also

gets created which consists of interest earned through circulation of the common fund. As stage-II progresses, the members develop management skills, entrepreneurship skills, the habit of self-discipline, etc. During this stage, the group evolves a number of norms namely: eligibility criteria for loan, maximum amount to be given to a person, rate of interest, penalty for defaulters / latecomers, etc. Many of the innovative groups have also developed terminal settlement norms for those members who want to leave the group (due to their unwillingness to follow the above norms or due to any other reason). In such cases, the person will be entitled only for his/her own contribution to CF-1. The outgoing member does not have any right over the amount in CF-2 (although in some cases about six percent interest is paid to the outgoing members against their portion of the savings). The above norm has been developed to encourage members to stay together in the group. As the size of CF-2 increases, the motivation for members to stay in the group also increases (because of their increased stake in CF-2).

**Stage-III** During this stage, the group becomes eligible to take RF from an outside source. Field experience has shown that the sustainability of the RF is higher under the following two situations:

- Where group members have developed proper norms for terminal settlement of account (as given above) so that there is an inbuilt disincentive for people to leave the group.

- Where group members are willing to accept the RF in the ledger account of CF-2 (rather than CF-1), so that the RF remains an indivisible common fund that shall not be shared by persons who leave the group.

### 2.4 Proper facilitation of Internal Group Pressure in Self-Help Groups

One of the important factors that contribute towards the success of SHGs, is the intensity of internal group pressure generated by its own members toward timely recovery of loan. Some of the important aspects which facilitate high group pressure among the members have been discussed below.

- Similarity in Socio-economic Status of Members**

The members of the SHG will be able to exert sufficient pressure on the person who has taken a loan (out of the common fund), provided they are all of similar socio-economic status. If the borrower is higher in status, other members will find it difficult to generate group pressure on him/her. In such cases, the group may sooner or later disintegrate

- Circulation of the Revolving Fund to a few Members at a time**

The extent of group pressure on the borrowers will be higher if the RF has been given to only a few members at a time. The normal tendency of the SHG to distribute the revolving fund equally among all members seems outwardly very fair, but may eliminate the group pressure completely, as no one will be keen to pressurize the other for repayment. This may lead to disintegration of the group or at the very

least, the very purpose of providing RF to the group would be defeated

- Paired Group Concept** to be followed at the time of releasing the Revolving Fund to SHGs

In some projects, it is expected that the RF should be circulated from one SHG to another SHG. The intensity of group pressure can be enhanced if a paired group concept is followed, in which the RF is given to one group with the other group on a waiting list (after taking formal signature on the proceedings when releasing RF to the first group). This will help to generate pressure on the first group (by the second group) for timely recovery of loan (Guidelines of watershed programme funded by Ministry of Agriculture, Government of India).

- Rotation of Leadership among the Members**

Sustainability of SHG depends heavily on similarity in socio-economic status, which may soon be altered as the leadership ability is enhanced among some members due to management experience in SHG. Hence it may be appropriate if leadership responsibility is rotated, preferably on a six-monthly basis, so that as many members as possible may get the opportunity to increase their management skills.

### 2.5 Rotation of the Revolving Fund between different SHGs

Under the ongoing watershed programme, a certain percentage of the funds is used as a RF for development of livelihoods / commodities. This is given to eligible SHGs for circulation among different members. At the field level, there is no clarity whether the above amount should be rotated only among members within a particular SHG or it should be recovered from the above SHG for circulation to other SHGs.

Field experience has shown that the efficiency of the above amount could be substantially increased if it is rotated not only among different members within the group but also from one group to another group. Needless to say, the above amount should be released to a mature SHG against an approved micro-plan and then recovered by the WC for circulation to other SHGs. In this manner, the RF would be a useful incentive for new SHGs to become mature, or for an unorganized community to organize itself into new SHGs – in order to avail the above incentive. The rate of interest on the revolving loan, however - must be kept significantly lower than the existing rate of interest in banks, so that even those livelihoods could also be adopted which are economical at lower rate of return.

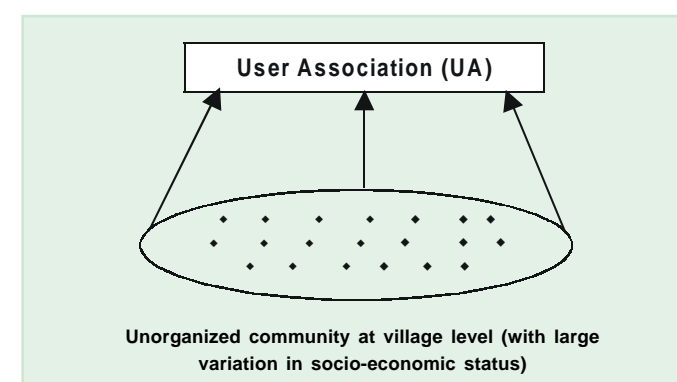
### 2.6 Adoption of a Situation-Specific Approach for Organization of User Group

User group is the weakest link in the existing social structure under watershed programme. There are however three options for organization of sustainable user groups that may be considered as per the socio-economic situation of members.

**Option I** A large Users Association (UA) may be formed at the village level by involving all concerned members (associated with the particular natural resource) out of the unorganized community. The above association may be managed through an executive body as being currently done in case of water users association, in Andhra Pradesh (Figure-1). Such a users association is likely to sustain in situations where leadership is of good quality.

#### OPTION - I

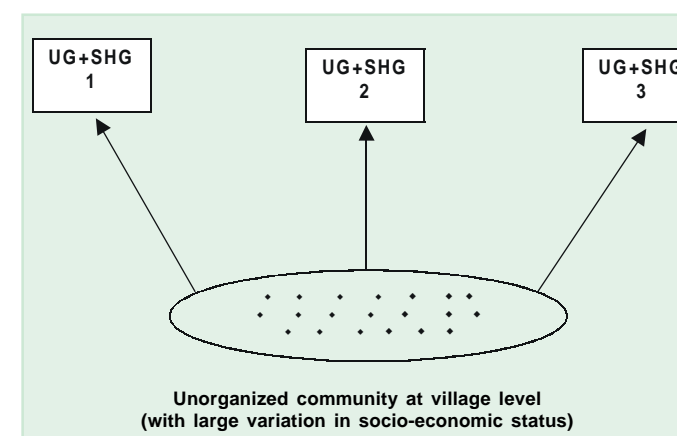
Figure-1: Office bearers with good leadership qualities



**Option II** Initially a number of small User Groups (UG) may be formed, out of the unorganized community. Afterwards, each group may be encouraged to carry out its own credit and thrift activity on the pattern of SHGs (Figure-2). These user groups may sustain if members within the group are homogenous in socioeconomic status.

#### OPTION - II

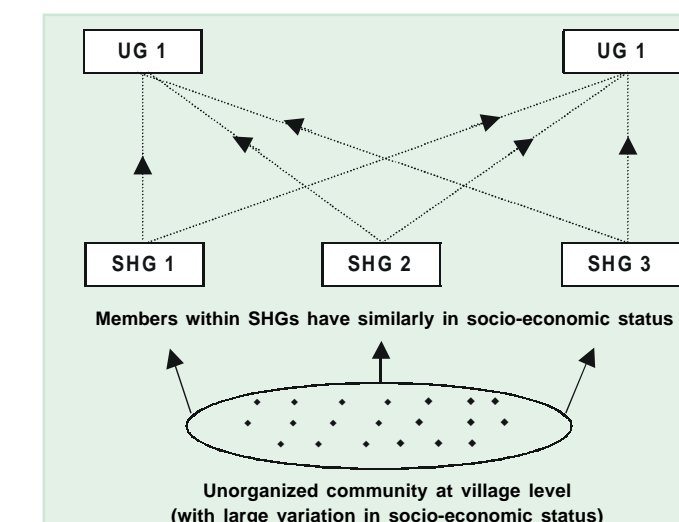
Figure-2: Members within the group are homogenous in socio-economic status



**Option III** As a first step, community members may be organized as SHG (through credit and thrift activity). Afterwards User Groups may be formed by drawing concerned members out of the above SHGs. (MYRADA, DPIP-Chittoor)(Figure-3). These user groups may sustain even if members are heterogeneous in the socio-economic status. It may happen because the members in UG come from SHGs with good background experience about group functioning and its management.

#### OPTION - III

Figure-3: Members within the UG have heterogeneous socio-economic status



### 2.7 Organization of Livelihood Groups and Commodity Groups besides SHGs and User Groups

The existing SHGs have indeed served the main purpose of providing credit support to the members. While some improvement in income and productivity of livelihood / commodity has taken place due to the availability of credit, there is however, a general realization that credit alone shall not be able to realize the logical potential of livelihoods / commodities. In many of the SHGs, there is already a surplus common fund that is not being used for development of livelihood / commodity. Within the SHG set-up, it is difficult to provide technological input from external resource persons and also to facilitate collective marketing of produce, as the members associated with a particular livelihood / commodity are scattered in different SHGs. For meeting such requirements, it is essential to organize the community into separate livelihood groups / commodity groups through situation specific options indicated in case of user groups.

### 2.8 Balanced Empowerment of Watershed Association and Watershed Committee

Under the participatory approach, the major responsibility for planning and implementation of the watershed programme lies with the new institutional set up at the watershed level. Field experience has shown that under this institutional set up, balanced empowerment of WC and WA is crucial if concepts like democratic decentralization in decision making, transparency in transactions and social auditing of accounts, etc. are to be facilitated properly.

### 2.9 Options for Improving the Functioning of Watershed Association

Each WA is comprised of a large number of families (which may be even more than 300). The frequency of its meetings is low (usually once in a quarter or once in six months). Under the present institutional set-up at village level, it is expected that the WA shall act as a decision-making body and WC shall act as its executive body. Due to the large membership in the WA and its low frequency of meetings, it is not feasible to facilitate the decision making process

properly during the association meetings. As a result, transparency under the project becomes low and also downward accountability does not get facilitated.

There is however, some evidence which suggests that the situation can be improved if an advisory body (consisting of limited number of representatives from WA) is also created to carry out social auditing of the progress made by the WC in monthly meetings (RDT in Anantapur district and DPAP in Nalgonda district). Needless to say, the minutes of such review meetings should be presented at the regular quarterly or six monthly meetings of WA.

A significant number of watersheds include more than one habitations. In such cases, WA meetings are usually held at a common place in the larger habitation. Under this set up, participation of families from other habitations becomes difficult due to physical inconvenience. There is however some evidence to suggest that habitation-based sub-associations may help in improving the situation (GVK in Chittoor district). The sub-association meetings may be arranged in a decentralized manner in respective habitations. In such cases, frequency of sub-association meetings could easily be increased and the decision-making process could be facilitated properly due to reduction in size of membership in respective meetings.

### 2.10 Options for Improving the Functioning of the Watershed Committee

Field studies have consistently shown that only those watershed committees are self-reliant / sustainable in which office bearers come from mature SHGs (MYRADA, OUTREACH). Such management bodies are sustainable not only at village level but also at mandal / block level.

There are however genuine difficulties in adoption of the above approach on a large scale. It requires a lead-time of atleast two years to organize sufficient number of SHGs before constitution of the WC under the programme. The following additional options may however be considered in situations where sufficient lead-time is not available for organization of the community.

- Constitution of the WC after 9-12 months in such a way that only 3 members are nominated from the unorganized community (which includes representatives from upper, middle and lower part of the watershed), and the remaining members are nominated from SHGs (even if they are less in number). Afterwards, additional members may be nominated from new SHGs annually on a rotational basis (KAWAD).

- Constitution of the WC in such a way that at least the chairperson and secretary are chosen out of representatives from SHGs. The rest of the office bearers may include representatives from other SHGs as well as the unorganized community (KWDP). Rotation of office bearers on annual / biannual basis is however essential.

- Constitution of the WC in the ongoing manner (within 2-3 months of the sanction of project) with representatives from organized group as well as unorganized community, but afterwards constitution of an additional management body (village organization) which shall have representatives from only mature SHGs. The revolving fund meant for development of livelihoods, commodities, etc. may be routed through the above management body, which may be treated as a sub-committee of the watershed (APRLP).