

7. DEVELOPING ASSETS FOR INDIGENOUS COMMUNITIES THROUGH SAVINGS AND MICRO-CREDIT

A FEW EARLY COMMENTS FROM KURU'S EXPERIENCES

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Introduction

The San (also commonly known as Basarwa or Bushmen) are one of the oldest indigenous populations in the world, with a history dating back over 20,000 years. They lived in small family bands as hunters and gatherers in the harsh environment of the Kalahari Desert. Traditionally decision-making was by consensus and the society was egalitarian.

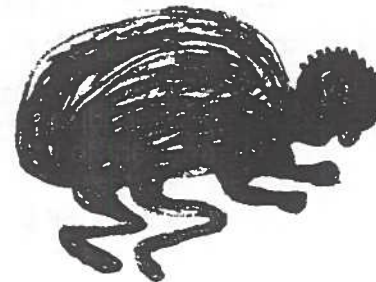
Oppression, discrimination and dispossession have marked the San people's history. During the last two centuries, pressure on land from farmers of other ethnic groups, mining companies and conservationists all but cut off the Bushmen from their traditional lands. Visitors have turned into occupants. Although the majority of San remained on their ancestral land, they lost all rights to land and other natural resources as new occupants were more successful in obtaining legally recognised ownership, a concept unknown in San culture.

Today the San live in small groups scattered over different countries in Southern Africa, totalling about 100,000 people. They can be found as 'squatters' near the cities, as labourers on the cattleposts of the farms of big landowners or in government designated settlements. During the past 15 years, the Botswana government has created a number

of settlements in the Kalahari Desert and provided a school and medical services to these communities. But life in these settlements is difficult for the Bushmen. As a result, many San have become increasingly dependent upon private and government sponsored aid programmes.

Generally, those living in the rural areas have been forced into a sedentary lifestyle with all the excruciating social ills that result for a semi-nomadic hunter society that is not prepared for this change. Loss of a sense of identity and self-respect has resulted for many and has given rise to a number of problems, most notably alcoholism.

The San-communities stand amongst the most marginalized and impoverished groups in Botswana society. The lack of group organisation, lack of educational services in their own languages and the lack of knowledge about their rights leaves them in an extremely vulnerable situation.



The work of Kuru Development Trust

History

For over ten years, the Kuru Development Trust has grown into a sustained indigenous development organisation in the Ghanzi District of Botswana, committed to the development of the San in the Kalahari Desert. *Kuru* is a Naro word meaning "to do/create". The primary objective of Kuru Development Trust is:

"To assist marginalized communities in Botswana with the establishment and development of self-sustainable Community Self-Help Organisations, which will increase the capacity of these communities to gain control over their social and economic lives and which will be able to define, direct and implement the community's own development."

As a people's organisation, Kuru draws its leadership from the communities it serves and the Trust Board consists of San representatives, while the staff of approximately 70, also consists of a majority of native-language speakers. Kuru has developed a wide range of activities in agriculture, income-generation, training, pre-school activities, art and culture. Kuru's philosophy is to put responsibility for development with the communities themselves and to develop capacity and development capital at the community level.

"The positively significant thing about the conference was that we San had the freedom to express our problems. We should make sure we make a follow-up of what we have been talking about, to make sure we take the steps as we have said."

(James Morris, Botswana)

Programme Details

Over the past years, Kuru's Programme has grown to entail the following areas and projects:

- Support for income-generating activities of indigenous communities through intermediate wholesale and marketing services;
- An expanded human resource development programme for in-service training, language and literacy, distance learning and scholarships;
- A cultural programme to counter marginalization, support self-respect and promote indigenous arts and craft production;
- Outreach activities to member organisations and communities. As a point of first entry in the local groups, the Extension Department will seek and fund an essential income-generating project that makes production possible, as identified by the community. Part of the outreach work with each community, indeed a requirement for participation, is the facilitation of the development of rural capital through a savings and credit programme.

Why a Micro-savings and Credit Programme?

Almost all the San people have lost access to the resources required to maintain their traditional culture of hunting and gathering. Access to land is restricted, game licences are difficult to get, game populations have declined and veld food resources are often depleted because cattle, the dominant industry, competes with this. Traditional subsistence strategies can at best only provide a limited part of food requirements. This, in combination with the increased exposure to the dominant culture and the market

economy, has ushered the San people into a cash-based economy.

Traditionally, most San lived in small bands in relatively large territories. These bands had a fluid membership. In the traditional hunting and gathering lifestyle, the San would live off the veld and did not accumulate wealth beyond what they could carry. Wealth was literally a burden. All food was normally shared with the band members and visitors. Naturally there were shortages at times when the rains had been poor in an area. Subsistence strategies depended on extended gift-giving networks for all non-consumable items. Families developed upon extensive network of relationships through giving as a primary risk reduction strategy. Almost all non-consumable items within the family were either received from this gift-giving network or destined for it. When local food shortages occurred, a band unit might break up and members would join other bands with whom they had developed such relationships.

The way people dealt with uncertainties was through sharing and investing in social relationships, rather than through accumulation or storage. In this they differ from many other societies with an agricultural tradition. Saving, accumulation and planning for times of shortage therefore does not come naturally to most San. Sharing and equality is the norm. These traditional strategies worked well at a time when local food deficits generally occurred in a context of general sufficiency, when the influence of other cultures was limited and when the economy was not monetary, but they are much less successful today. Money has brought disparities in income and is mainly restricted to wage-earning males. The influence of other cultures has brought conflicting norms and practises. Conflicts and jealousy among many have resulted. The sharing ethos is still very much the norm, but is also much more open to abuse in a cash-based economy.

A sedentary lifestyle has further increased this problem. Social mechanisms to deal with conflict and leadership issues are not part of the traditional culture. Loyalties are often restricted to bands within settlements rather than with the settlement as a whole. Extensive migration between settlements, cattle-posts and shanty-towns exists. People still 'follow' the existing resources such as drought relief, jobs and relatives with incomes in the same manner as they used to follow the game and the rains. Another factor that militates against the development of sustainable household economic strategies is the almost complete lack of economic resources in the traditional areas of the San, because of the lack of access to land, lack of game and veld foods. The Botswana government has responded with a programme of labour intensive works and so-called 'drought-relief'. The kind of drought that the people experience though is perpetual and is caused by a compounded set of factors of which the most important have been briefly described.

Negotiations to increase access to land and other resources will naturally have to continue. At the same time Kuru believes that it is unrealistic to expect the political environment to change much in the near future as far as sustainable access to land and other natural resources is concerned. And even if significant rights to land were to become a possibility, there have been irreversible cultural changes. Very few San would want to go back completely to a traditional way of life and who is to blame them? Many young people are losing the traditional skills and almost all San will want access to modern amenities, such as health and education, pipe-borne water, cattle, guns and staple food. They want these in addition to land for hunting and gathering.

Because of such realities Kuru sees it as its obligation to assist the communities in the development of their own strategies that deal with the current painful transition

process. This involves a process of community mobilisation, educational programmes, activities that support the traditional culture and that will generate income in a sustainable manner.

Income-generating activities should also be combined with strategies that will enable the San to utilise their cash income in a manner that will build community assets and enhance long-term economic security.

Through the variety of economic projects that Kuru supports, such as craft production, art, tanning and leather work, dry-land farming, small-stock raising and tourism, many San receive some income, some of them significant. Our development practice has taught us that these increased incomes often do not translate into improved health, food security and living conditions. Increased cash incomes bring increased opportunities but introduce or highlight other problems. Marginalization has led to accelerated cultural transition, to low self-esteem and substance abuse. Traditional self-management and anticipatory skills are less appropriate in the current cash-based economy and the settlement-based living environment. Social stratification has increased in what is traditionally an egalitarian culture.

The sharing ethos is still very much the norm, leading to family pressures and responsibilities and the inability for most to develop liquid assets. People now 'bank', much of their resources in cattle, but lack of land for grazing and adverse climatic conditions make opportunities for developing small stock holdings very limited. Low rainfall, which occurs frequently, often leads to significant loss of cattle. Also, one head of cattle is often too big a 'currency' unit for many individuals to solve relatively small needs. Surplus cash from sales may lead to additional spending on other consumptive family needs. In this way solving small

financial needs may contribute to a cycle of further impoverishment.

The savings and micro-credit programme of Kuru is an attempt to respond to these circumstances by:

- Supporting the community in building liquid community assets;
- Teaching participants about living in a cash-based economy.



Rein Dekker and others in workshop session (1)

Notes on the Design of the Micro-savings and Credit Programme

Attempts have been made to structure the programme in such a way as to make it simple, easy to manage and transparent. At the same time it tries to deal with the concept of private ownership within a band-type structure.

Some of the key design elements are as follows:

- Savings and lending circles are built around common income-generating activities. Due to many people having diversified income-strategies, they will choose with which savings circle they want to hold membership. If they want, they can later move to another group. Group sizes have to remain practicable but are not fixed and remain somewhat fluid.
- Every group agrees how great a percentage of their generated income they will save. Kuru suggests a minimum of 5%. This is collected and recorded in each person's individual savings booklets during monthly visits.
- Savings are deposited in a fixed-deposit account and attract a high interest (1% per month). During the first two years of membership, no withdrawals are allowed in an attempt to develop a savings culture and protect members from persistent family pressure.
- Individuals can apply to the group for loans. An individual's savings will be used as collateral. In the initial period, no loans greater than the accumulated savings will be issued. Both productive and consumptive reasons for loans are acceptable. Loans mature after a 6 month period and attract 2% interest per month on principal. Normally repayments are in six equal instalments except for some

agricultural projects. Kuru would like the participants to consider their savings as an asset with an increasing value.

- The group has to approve the repayment plan of each loan applicant before disbursement. Repayments are monthly. When a member defaults, interest on savings stops and loan activities for the rest of the group are blocked until the deficit is paid in or the default period has extended to three months. After three months, the loan default will be recovered from the savings account and the freeze will be lifted.

At the moment, the savings component is in place and functioning. No significant experience with loans is available yet. Our early impressions are that for the majority of participants, saving money is a new and unknown concept. Paying or receiving interest is even more unfamiliar. Local money-lenders are non-existing in San communities. A bank-book is so unfamiliar that some participants have even used the pages of their savings booklets to smoke cigarettes!

Many people agree to save in principle, but object in practice, as the need of the moment always seems greater than the uncertain future rewards of a savings account and because living by the daily yield of the veld is deeply part of their tradition. At the same time there seems to be great eagerness. We, ourselves, have the impression that this form of savings may provide a way for many individuals to protect personal assets from an ever-needy family. At the same time the savings are included in community assets. The use of these is discussed in the newly formed 'production bands' and participants can pool common resources for group projects. In this way a certain form of sharing can still be maintained.

It is still very early to say if Kuru is on the right track with the micro-credit and savings programme, which we consider to

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be one of the three key principles of our extension work, next to community mobilisation and training. We would love to hear from and get in touch with others who have experience with such programmes for indigenous peoples, especially those with a hunting and gathering tradition and

other so-called 'immediate-return societies'. Please inform us if there are useful examples for us to visit or study, or specific literature that deals with the dilemma's of introducing money and commodities to part-former and part-present hunters and gatherers.